NO JS-6

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

DEGUI CHEN, PH.D., an individual, Plaintiff, v. MICHAEL E. JUNG, PH.D., an individual; et al., Defendants.	CASE NO. CV 18-2015-R ORDER DENYING DEFENDANTS' MOTION FOR SUMMARY JUDGMENT

Before the Court is Defendants' Motion for Summary Judgment (Dkt. No. 65), filed on January 22, 2019. Having been thoroughly briefed by the parties, this Court took the matter under submission on [date].

The following facts are undisputed. In the summer of 2004, two labs at the University of California, Los Angeles ("UCLA") led by Defendants, Drs. Michael Jung and Charles Sawyers ("Defendants") developed chemical compounds aimed at treating prostate cancer. The chemical compounds at issue are referred to as "A51" and "A52" (collectively, the "A-series compounds'). Plaintiff, Dr. Degui Chen ("Plaintiff") worked at Defendant Sawyers' lab until September 2005.

The Regents of the University of California (the "Regents") filed several patent applications relating to the A51 and A52 compounds. The U.S. Patent and Trademark Office ("USPTO") issued a patent based on Application '881 on May 21, 2013, U.S. Patent No.

8,445,507 (the "'507 Patent"). The Regents obtained two continuation patents, U.S. Patent Nos. 8,802,689 (the "'689 Patent") and 9,388,159 (the "'159 Patent"), based on the '507 Patent. Together, these three patents (collectively, the "A-series patents") cover the A-series compounds, pharmaceutical compositions of them, and methods of administering them. Defendants and three others—Dr. Samedy Ouk, Mr. Christopher Tran, and Mr. John Wongvipat—are the named inventors on all three A-series patents. The Regents' patent rights under these patent applications and patents were licensed to Aragon Pharmaceuticals, Inc., which was later acquired by Johnson & Johnson. A52 was ultimately developed into a prostate cancer drug called Erleada.

Plaintiff now brings this claim for correction of inventorship of all the A-series patents, asserting that he was a significant contributor to the conception of A51 and A52. Plaintiff was heavily involved in a project to develop and test a series of compounds for the treatment of prostate cancer, called the RD-series. Plaintiff contends that he and Dr. Ouk met for lunch on the UCLA campus in October 2004 to discuss which RD-series compound would suffice as a starting point for a new hypothetical compound, which later became A51, and that they jointly came to the conclusion to utilize RD37 as the starting point. Plaintiff claims that on October 13, 2004, Dr. Ouk emailed Plaintiff to purchase a critical ingredient for the synthesis of A51 and that Ouk successfully synthesized A51 on January 23, 2005. Plaintiff contends that he then performed a series of non-public and complex bioassays, which Plaintiff himself had developed, to test the biological activity and utility of A51. The assays allegedly conducted by Plaintiff conclusively established that A51 had therapeutic biological activity and thus could be developed into a drug for prostate cancer.

Summary judgment is appropriate where there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a); *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986). Rule 56 "mandates the entry of summary judgment, after adequate time for discovery and upon motion, against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial." *Celotex*, 477 U.S. at 322. To meet its burden of proof on a motion for summary judgment, "the moving party must either produce evidence negating an

essential element of the nonmoving party's claim or defense or show that the nonmoving party does not have enough evidence of an essential element to carry its ultimate burden of persuasion at trial." *Nissan Fire & Marine Ins. v. Fritz Cos.*, 210 F.3d 1099, 1102 (9th Cir. 2000). Once the moving party meets its initial burden of showing there is no genuine issue of material fact, the opposing party has the burden of producing competent evidence and cannot rely on mere allegations or denials in the pleadings. *Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 585-86 (1986). "Where the record taken as a whole could not lead a rational trier of fact to find for the non-moving party, there is no genuine issue for trial." *Id*. at 587.

Here, genuine issues of material fact exist which prevent the entry of summary judgment for Defendants. In particular, the parties dispute (1) whether the RD-series and A-series were distinct projects, (2) whether Plaintiff conceived of the idea for A51 in collaboration with Dr. Ouk at the October 2004 lunch meeting, and (3) whether the bioassays allegedly developed and utilized by Plaintiff to test the biologic activity and utility of A51 were a sufficient contribution to conception to qualify Plaintiff as an inventor on the A-series patents.

Defendants contend that Plaintiff's involvement in the RD-series does not confer inventorship for the A-series and that the Complaint does not allege a claim to inventorship based on Plaintiff's involvement with the RD-series, apart from his purported discussion with Dr. Ouk to use the compound RD37 as a starting point for A51. The Court finds that this allegation is sufficient to put Defendants on notice of Plaintiff's theory that the RD-series and A-series are a single project and that his work on the RD-series is a factor supporting his claim for inventorship on the A-series patents. Plaintiff has put forth evidence that he and Dr. Ouk identified RD37 as the starting point for A51 and that his work on another RD-series compound, RD162, was essential to the synthesis of A52.

Next, Defendants assert that, even if Plaintiff's work on the RD-series provided a foundation for the A-series, that alone is insufficient to confer inventorship because Plaintiff did not conceive of the addition of a nitrogen molecule to the left-hand ring, which is a defining characteristic of A51 and A52. Plaintiff disputes this and claims that he did in fact conceive of the idea at an October 2004 lunch meeting with Dr. Ouk. Plaintiff's claim is supported by multiple

documents. For example, a letter to UCLA from counsel purportedly representing both Plaintiff and Dr. Ouk in November 2013 states that "Dr. Ouk and Dr. Chen have both confirmed that they two together conceived the structure of A51 in early October of 2004 on the lunch table at the bombshelter at UCLA and surmised that, like the compounds of the RD series…the compound A51 may be used to treat prostate cancer." Ruggio Dec., Dkt. No. 95, Ex. 7. Plaintiff's claim is further supported by an email dated October 13, 2004 purportedly from Dr. Ouk to Plaintiff requesting that Plaintiff order the chemical 3-(trifluoromethyl) pyridine, which was required for the synthesis of A51. Ruggio Dec., Dkt. No. 95, Ex. 10.

Finally, Defendants contend that the evidence does not confirm that Plaintiff was actually involved in testing A51 and that, even if he did conduct the bioassays, they were publicly known and routine and, therefore, insufficient to confer inventorship. However, Dr. Ouk's purported "confession letter" dated November 5, 2005 provides support for Plaintiff's contention that he tested A51 after it was synthesized by Dr. Ouk. Ruggio Dec., Dkt. No. 95, Ex. 5. Moreover, Plaintiff contends that he was responsible for developing the three bioassays used to test A51, that development of these bioassays took six months, and that they were non-public, novel tests. The development process allegedly "included the engineering of specific cell lines, development of the correct growth conditions for the cell cultures used, setting of assay parameters, and the selection of a proper concentration range to test candidate compounds for activity, all of which involved expert skill." Furthermore, Plaintiff contends that his development of these three bioassays and his testing of A51 were essential to the A-series going forward and were not merely "confirmatory." Dr. Ouk's confession letter states that Dr. Ouk "collaborated intimately" with Plaintiff on the A-series and that "[o]ur work yielded two patent applications…." Ruggio Dec., Dkt. No. 95, Ex. 5. Defendants have not provided evidence sufficient to rebut Plaintiff's claims that the assays were non-public and non-routine, or that Plaintiff's alleged development and utilization of the bioassays were so essential to the A-series project as to confer inventorship.

In sum, Defendants have not met their burden of negating an essential element of Plaintiff's claim or showing that Plaintiff lacks sufficient evidence of an essential element to carry his ultimate burden of persuasion at trial. Accordingly, summary judgment must be denied.

IT IS HEREBY ORDERED that Defendants' Motion for Summary Judgment is DENIED. (Dkt. No. 65).

Dated: March 11, 2019.

MANUEL L. REAL
UNITED STATES DISTRICT JUDGE