

RULING ON OWNERSHIP OF LEMELSON PATENTS

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A trial judge in a Nevada state court has ruled that U. S. Metals Corporation waited too long to bring a lawsuit against Jerome Lemelson's Foundation claiming that the ideas for many of his patents were invented while he was an employee of that company in the 1950s. In its complaint, U. S. Metals Corporation had alleged that various manufacturing technologies which were encompassed by some of Lemelson's lucrative and controversial patents were devised while he was employed by the company, even though it did not attach a signed employment agreement bestowing ownership of such inventions to the company. *U. S. Metal Refining Co. v. Lemelson*, No. CV99-02216.

When he was alive, Lemelson accumulated a plethora of patents dealing with "machine vision," "auto-ID," and more. Lemelson amassed an impressive string of victories in patent enforcement lawsuits against some of the largest corporations in the world during his life, and the Lemelson Foundation has continued this legacy of litigation to enforce many of the same patents and more. His Foundation, in turn, has converted those court victories into settlements, extracting handsome royalties from those using technology that is allegedly covered by Lemelson's patents.

In questioning Lemelson's ownership of those patents, U. S. Metals' lawsuit created some confusion in the Foundation's licensing "shakedown" program, and many companies seem to have deferred decisions on licensing with Lemelson until its ownership of these patents became more clearly defined. The dismissal of U. S. Metals' lawsuit on July 5 will be appealed, but Lemelson's attorneys may not be content with their victory in the lower court. In addition to claiming that the Lemelson Foundation will prevail at the appellate level, its attorneys claim that the Foundation has

lost as much as \$100 million in potential royalties and that it may look to the parties allegedly precipitating these delays for damages.

Other patent infringement lawsuits involving end users are proceeding through discovery in various federal and state courts around the country, and a lawsuit which was initiated by manufacturers against the foundation for declaratory judgment seeking an adjudication that Lemelson's patents are invalid due to "prior art" is also still pending.

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