

IN THE CIRCUIT COURT FOR MONTGOMERY COUNTY, MARYLAND

LEWIS J. RUBIN,

Plaintiff,

v.

UNITED THERAPEUTICS CORPORATION, *et al.*,

Defendants.

Case No. 431672-V

Hon. Gary E. Bair
Track 4 Judge

AFFIDAVIT OF LEWIS J. RUBIN

1. I, Dr. Lewis J. Rubin, plaintiff in the above-identified action, am over eighteen years of age and competent to testify. I am fully familiar with and have personal knowledge of the facts set forth in the Complaint and in this Affidavit.

2. I respectfully submit this Affidavit in opposition to Defendants United Therapeutics Corporation (“UTC) and Lung Biotechnology PBC’s Motion for Award of Costs and Expenses.

3. Defendants assert that my assertion of claims in this action is “a brazen attempt to extort UTC” for compensation for patent rights that I “knowingly assigned” to UTC. This assertion is untrue and disregards claims that I assert in the Complaint for reformation of the assignments based on mutual mistake to recognize that I have an undivided interest in the patents rights in dispute.

4. Defendants mischaracterize my association with UTC and Dr. Martine Rothblatt (“Dr. Rothblatt”), the company’s founder and CEO. I have more than a 20-year friendship and business relationship with Dr. Rothblatt. Beginning in 1995, I worked with Dr. Rothblatt at PPH Cure Foundation, a non-profit foundation to promote research in PAH. After the founding of UTC

in 1996, Dr. Rothblatt asked me to work with the company as a consultant. During my 20-year tenure with UTC, I entered into a number of consulting agreements with UTC and played a central role in developing UTC's line drugs of drugs for treating pulmonary arterial hypertension ("PAH").

5. By the early Fall of 2003, I conceptualized the invention which is the subject of the patent rights at issue in this case – the treatment of PAH by administration of treprostinil by a metered dose inhaler or pulsed nebulizer. An aspect of the invention, which I believe is critical is the delivery of the medication in a single event consisting of fewer than 18 breaths.

6. Thereafter, in mid-September 2003, I met Dr. Rothblatt for lunch while she was in the San Diego area visiting family. At that time, I was a Professor at the University of California, San Diego School of Medicine and resided in San Diego. At the luncheon, I disclosed my new invention to Dr. Rothblatt. We agreed to enter into a consulting agreement to pursue clinical trials relating to the invention.

7. In late September, I signed a Services Agreement ("2003 Services Agreement") with Lung Rx (now defendant Lung-Bio, a UTC subsidiary) which provided for the conduct of clinical trials with a view to obtaining FDA approval for my invention. (Compl., Ex. 4). This program was designated the TRIUMPH program (TRepostinil Inhalation Use for the Management of Pulmonary Arterial Hypertension). It was my firm understanding that I had at least a co-ownership interest in any patents resulting from the TRIUMPH program because I conceptualized the invention on my own and not as a consultant for UTC. When I met with Dr. Rothblatt, I had fully conceptualized the invention and it required only routine experimentation through clinical trials to permit FDA review.

8. When I executed the 2003 Services Agreement it was my understanding that I was required to assign to UTC patentable inventions that I conceived while working as a consultant for

UTC. However, as I stated above, it was my firm view that I conceptualized and brought the invention to Dr. Rothblatt prior to entering into the 2003 Services Agreement.

9. The Court determined that the Ownership provision in the 2003 Services Agreement requires me to assign my invention to UTC because it was conceived “in whole or part” under the 2003 Services Agreement. Contrary to the Court’s decision, it was my understanding that I was required to assign inventions or improvements in my invention that I conceived in my role as consultant under the 2003 Services Agreement. In all events, my invention pre-dates the 2003 Services Agreement.

10. Under the 2003 Services Agreement, I assisted UTC in organizing a team for clinical trial work which led to FDA approval. I also cooperated with UTC in the prosecution of patent applications for my invention which issued as U.S. Patent No. 9,339,507 and U.S. Patent No. 9,358,240 (“the ‘507 and ‘240 patents”). I now understand that I executed two assignment documents – one for a provisional application, dated July 24, 2006, and a second for a formal patent application, dated June 11, 2007. I did not have these documents in my files. My current attorneys located the assignments at the United States Patent and Trademark Office’s website and provided me with copies of the assignments for review. Although I executed various formal documents for the patent filings, I had no understanding that these documents included an assignment of my patent rights.

11. At my attorneys’ office, I reviewed the assignment dated June 11, 2007. I determined that I executed this document at UTC’s corporate offices in Silver Spring, Maryland. On June 11, 2007, I attended an all-day conference at UTC’s corporate offices to review the status of the TRIUMPH development program, and trial data for presentation to the FDA. In attendance at

the conference were Dr. Rothblatt, Eugene Sullivan, the Chief Medical Officer of Lung-Rx, and Ted Staub, Lung Rx's executive responsible for implementing the TRIUMPH development program. (Compl. ¶ 47).

12. At the conclusion of the conference, as I was leaving for the airport, Dr. Rothblatt asked me to sign documents relating to a formal patent application for my invention. Records of the U.S. Patent and Trademark Office disclose that these documents included a Declaration of Invention and the assignment of my patent rights. I executed these documents without review based upon my understanding from discussion with Dr. Rothblatt that the documents were in good order. I have a longstanding relationship of trust with Dr. Rothblatt and generally deferred to her with regard to legal formalities. Dr. Rothblatt is an attorney. I did not read these formal patent documents and am confident that other participants present at the meeting will confirm my recollection. (See Compl. ¶¶ 45 – 55).

13. The assignment of the provisional patent application was executed at my office in San Diego. I executed this document at UTC's request and have no records relating to it. In all events, I always proceeded on the premise that I could trust Dr. Rothblatt and UTC to attend to necessary legal formalities. (Compl. ¶¶ 43 – 44).

First Knowledge of Claims

14. On February 1, 2016, UTC's patent attorneys sent me an e-mail requesting that I execute additional documents relating to patent filings for my invention. I responded by e-mail requesting an explanation of the documents and status of my patent applications. UTC's patent counsel advised by e-mail that I had assigned to UTC all my rights in my invention. UTC's counsel advised that the additional patent document was a Declaration of Invention for a further

patent application claiming priority to my earlier patent applications. (Compl., ¶¶ 56 – 58).

After learning from UTC that the Declaration was a formality, I signed and returned it to UTC's patent counsel.

15. In early March of 2016, I retained Glenn F. Ostrager of the firm of Ostrager Chong Flaherty & Broitman P.C. to advise me in this matter. At that time, my primary interest was to engage in a discussion with Dr. Rothblatt to address my concerns about the assignments. Also, I had conceptualized a new invention relating to a PAH drug which I wanted to discuss with Dr. Rothblatt. Mr. Ostrager recommended that I file a Provisional Application prior to my meeting. On April 1, 2016, an attorney in Mr. Ostrager's firm filed the Provisional Application.

16. On April 5, 2016, I met with Dr. Rothblatt in New York for lunch to discuss this matter. I invited my colleague Werner Seeger to attend the meeting. Dr. Rothblatt advised that the assignments relating to my invention were binding legal documents. Accordingly, she stated that it would be difficult for UTC to provide compensation for my contributions beyond the payments that I had received for my consultation work. Nevertheless, Dr. Rothblatt advised that she wished to discuss a new consulting agreement.

17. On May 31, 2016, I sent Dr. Rothblatt an e-mail to follow up our discussions at our April luncheon. I did not consult with Mr. Ostrager regarding this communication. In this e-mail, I expressed the state of affairs that then existed based on the actual wording of the assignments and based on what Dr. Rothblatt had told me at the April 5 meeting, and again requested that UTC agree to a "signing bonus" for a new consulting agreement to account for my prior contributions to the company. Contrary to Defendants' assertion in its motion, I did not acknowledge that I "knowingly" assigned my rights to UTC in '507 and '240 patents, that the assignment documents,

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