



IN THE SUPREME COURT OF THE STATE OF DELAWARE

OPTINOSE AS and)	
OPTINOSE, INC,)	
)	
Defendants Below,)	No. 48, 2021
Appellants,)	
)	Court Below:
v.)	Court of Chancery
)	C.A. No. 2020-0122
CURRAX PHARMACEUTICALS LLC)	
)	
Plaintiff Below,)	
Appellee.)	

APPELLEE’S CORRECTED ANSWERING BRIEF

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TABLE OF CONTENTS

	<u>Page</u>
I. Nature of Proceedings.....	1
II. Summary of the Argument	3
III. Statement of Facts.....	7
A. The Parties’ Agreement.....	7
B. The Parties’ Dispute	8
C. The Court of Chancery’s Decision.....	11
IV. Argument	14
A. The Court of Chancery correctly found that OptiNose breached the Agreement because: (1) Currax’s right to control Prosecution includes the right to file terminal disclaimers; (2) OptiNose agreed to execute any forms necessary to transfer the right to Prosecute to Currax; and (3) Currax cannot file a terminal disclaimer unless OptiNose executes power of attorney forms.....	14
1. Question Presented.....	14
2. Scope of Review	14
3. Merits of the Argument.....	14
a. The Court of Chancery properly interpreted the unambiguous terms of the Agreement.....	14
b. OptiNose distracts from its failure to refute anything underlying the Court of Chancery’s holding with irrelevant allegations about context and intent.....	17
B. The Court of Chancery correctly rejected OptiNose’s attempts to misdirect the focus to irrelevant provisions about abandonment, products, and intellectual property other than Product Patents.....	24

1.	Question Presented.....	24
2.	Scope of Review	24
3.	Merits of the Argument.....	24
	a. The Court of Chancery correctly determined that abandoning a patent or application is different than terminally disclaiming a portion of its term.	24
	b. The Court of Chancery correctly concluded that terminally disclaiming a Product Patent application over a Product Patent does not trigger OptiNose’s prior approval right because that filing does not relate to or characterize the Device component of the Product or other OptiNose intellectual property.	29
	i. The “Device component of the Product” refers to part of a product—not patents.....	29
	ii. “[O]ther OptiNose intellectual property” refers to intellectual property that is different and distinct from Product Patents.	33
C.	The Court of Chancery did not abuse its discretion in enforcing the Agreement according to its terms and refusing to re-write the Agreement by eliminating OptiNose’s obligation to transfer to Currax the right Prosecute Product Patents.....	40
	1. Question Presented.....	40
	2. Scope of Review	40
	3. Merits of the Argument.....	40
V.	Conclusion	47

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>Bayer AG v. Barr Labs., Inc.</i> , 798 F. Supp. 196 (S.D.N.Y. 1992)	25
<i>BlackRock Credit All. Income Trust v. Saba Capital Master Fund, Ltd.</i> , 224 A.3d 964 (Del. 2020)	40
<i>Breckenridge Pharm., Inc. v. Metabolite Labs., Inc.</i> , 444 F.3d 1356 (Fed. Cir. 2006)	22
<i>Chicago Bridge & Iron Co. N.V. v. Westinghouse Elec. Co. LLC</i> , 166 A.3d 912 (Del. 2017)	17
<i>Concerned Cit. of the Estates of Fairway Vill. v. Fairway Cap, LLC</i> , 2019 Del. Ch. LEXIS 78 (Del. Ch. Mar. 6, 2019).....	18
<i>CorVel Enter. Comp, Inc. v. Schaffer</i> , 2010 WL 2091212 (Del. Ch. May 19, 2010).....	21
<i>Esso Standard Oil Company v. Cunningham</i> , 114 A.2d 380 (Del. Ch. 1955)	46
<i>Fed Cetera, Ltd. Liab. Co. v. Nat’l Credit Servs.</i> , 938 F.3d 466 (3d Cir. 2019)	42
<i>Fenner Invs., Ltd. v. Cellco P’ship</i> , 778 F.3d 1320 (Fed. Cir. 2015)	37
<i>Fletcher v. Feutz</i> , 246 A.3d 540 (Del. Jan. 22, 2021).....	21
<i>Gilead Sciences, Inc. v. Natco Pharma, Ltd.</i> , 753 F.3d 1208 (Fed. Cir. 2014)	38
<i>Glaxo Grp. Ltd. v. Drit LP</i> , 2021 Del. LEXIS 88 (Del. Mar. 3, 2021)	29, 34, 39, 44

<i>GlycoGenesys, Inc. v. Platt</i> , No. 11 133 00541 04 (A.A.A. Nov. 10, 2004)	22, 23
<i>GMG Capital Investments, LLC v. Athenian Venture Partners I, L.P.</i> , 36 A.3d 776 (Del. 2012)	21
<i>Guinn v. Kopf</i> , 96 F.3d 1419 (Fed. Cir. 1996)	27
<i>In re Ibp S’holders Litig. v. Tyson Foods</i> , 789 A.2d 14 (Del. Ch. 2001)	46
<i>Immunex Corp. v. Sandoz Inc.</i> , 964 F.3d 1049 (Fed. Cir. 2020)	19, 22
<i>Kuhn Constr., Inc. v. Diamond State Port Corp.</i> , 990 A.2d 393 (Del. 2010)	21, 22
<i>Leading Edge Tech. Corp. v. Sun Automation, Inc.</i> , 1991 U.S. Dist. LEXIS 20766 (D. Md. Sep. 24, 1991).....	25, 26
<i>MasterMine Software, Inc. v. Microsoft Corp</i> , 874 F.3d 1307 (Fed. Cir. 2017)	38
<i>O’Brien v. Progressive N. Ins. Co.</i> , 785 A.2d 281 (Del. 2001)	32
<i>Osborn v. Kemp</i> , 991 A.2d 1153 (Del. 2010)	36
<i>Personnel Decisions, Inc. v. Bus. Planning Sys.</i> , 2008 Del. Ch. LEXIS 55 (Del. Ch. May 5, 2008)	42, 43
<i>Photocircuits Corp. v. United States</i> , 204 Ct. Cl. 821 (Ct. Cl. 1974).....	22
<i>Ride The Ducks of Phila., LLC v. Duck Boat Tours, Inc.</i> , 138 F. App’x 431 (3d Cir. 2005)	46
<i>Salamone v. Gorman</i> , 106 A.3d 354 (Del. 2014)	14, 24

<i>Seaport Village, Ltd. V. Terramar Retail Centers, LLC,</i> 2016 WL 5373085 (Del. Sep. 26, 2016).....	34
<i>SimpleAir, Inc. v. Google LLC,</i> 884 F.3d 1160 (Fed. Cir. 2018)	38
<i>Solenis Techs., LP v. SNF SAS,</i> 2020 WL 2702702 (Fed. Cir. May 26, 2020).....	9
<i>Town of Cheswold v. Cent. Del. Bus. Park,</i> 188 A.3d 810 (Del. 2018)	17, 20
<i>Tube-Mac Indus. v. Campbell,</i> 2020 U.S. Dist. LEXIS 68630 (W.D. Pa. Apr. 20, 2020)	43
<i>Viking Pump, Inc. v. Liberty Mut. Ins. Co.,</i> 2007 WL 1207107 (Del. Ch. Apr. 2, 2007).....	28, 29
<i>W.L. Gore & Assocs., Inc. v. Oak Materials Group, Inc.,</i> 424 F. Supp. 700 (D. Del. 1976).....	26, 27
Statutes	
35 U.S.C. 253	31
35 U.S.C. 293	43
Other Authorities	
37 C.F.R. § 1.135	25
37 C.F.R. § 1.138	25
37 C.F.R. § 1.321	25, 31
MPEP § 402	44
MPEP § 711	25
MPEP § 804	8, 9, 25, 31, 38
MPEP § 1490	25, 31
11 Williston on Contracts § 31.5 (4th ed. 2020).....	41

I. Nature of Proceedings

This is an action for specific performance of a contract. Plaintiff-Appellee (“Currax”) obtained an exclusive license to patents from Defendant-Appellant (“OptiNose”) in a 2019 Agreement. Currax made an upfront payment of over \$4 million and complied with its other obligations under the Agreement. But OptiNose has failed to fulfill its obligations, preventing Currax from obtaining valuable patents claims that Currax bargained for.

The Agreement grants Currax the right to control Prosecution of Product Patents and requires OptiNose to execute any forms necessary to transfer that right to Currax. Currax asked OptiNose to execute power of attorney forms so Currax could file a “terminal disclaimer”¹ during Prosecution to obtain an additional Product Patent. Despite the clear language of the Agreement, OptiNose refused, forcing Currax to file this action.

The parties cross-moved for judgment on the pleadings. Following oral argument, the Court of Chancery (Vice Chancellor Zurn) issued a thorough twenty-four-page decision (“Op.”) granting Currax’s motion and denying OptiNose’s. The Court of Chancery ordered OptiNose to grant power of attorney

¹ Patent applicants often claim their inventions in multiple, similar ways, in more than one patent. Doing so is permissible, however, the patents must expire on the same date. Filing a “terminal disclaimer” ensures that is the case. *See* Section III(B).

to Currax because: (1) filing a terminal disclaimer undisputedly fell within the Agreement's broad definition of Prosecution; (2) power of attorney is undisputedly necessary to file a terminal disclaimer; and (3) OptiNose expressly agreed to execute any forms necessary to transfer the right to Prosecute to Currax.

The Court of Chancery rejected OptiNose's arguments concerning "limitations" in the Agreement, finding that none of those provisions restricted Currax's right to file a terminal disclaimer or curtailed OptiNose's obligation to transfer the right to control Prosecution to Currax.

The Court of Chancery's decision should be affirmed.

II. Summary of the Argument

1. Currax denies OptiNose's statements in paragraph one of its summary. The Court of Chancery properly found that the Agreement's language about "other OptiNose intellectual property" did not apply because, by filing a terminal disclaimer, Currax will not be making any statement about OptiNose's intellectual property other than Product Patents. Op. at 20-21. OptiNose acknowledges that Currax can make statements that relate to or characterize each and every Product Patent individually without OptiNose's approval. Yet OptiNose maintains that, while prosecuting a given Product Patent, Currax cannot make any statement that might relate to or characterize another Product Patent. OptiNose Brief ("Br.") at 30. OptiNose's interpretation has no support in the language of the Agreement and would lead to absurd results, as discussed below.

2. Currax denies OptiNose's statements in paragraph two of its summary. The Court of Chancery properly found that the Agreement's language about the Device component of the Product did not apply because, by filing a terminal disclaimer, Currax will not be making any statement relating to a tangible object. Op. at 18-19. OptiNose notes that the claims at-issue mention certain physical components, but so does each claim of every Product Patent identified in the Agreement. OptiNose's argument that Currax needs OptiNose's approval to file anything relating to a claim that mentions a "nosepiece" (Br. at 35-36), for

example, would apply to every Product Patent and thus render meaningless Currax's right to control Prosecution (among other provisions).

3. Currax denies OptiNose's statements in paragraph three of its summary. The Court of Chancery properly found that the Agreement's language about "abandoning" Product Patents did not apply because Currax did not seek to abandon any patent or application. Op. at 16-17. OptiNose again attempts to equate the "effect[s]" of filing a terminal disclaimer and abandoning an application. Br. at 39-40. As the Court of Chancery explained, however, they have opposite effects. Abandoned claims cease to exist and cannot be enforced, whereas a terminal disclaimer permits allowance of additional patent claims. Op. at 16-17.

4. Currax denies OptiNose's statements in paragraph four of its summary. The Court of Chancery correctly ordered OptiNose to execute forms granting Currax power of attorney for Product Patents. Op. at 23-24. The Court of Chancery also properly rejected OptiNose's argument for different relief (an order requiring OptiNose to file a terminal disclaimer) as contrary to the language of the Agreement. The Court relied on three unambiguous provisions in the Agreement, which: (1) grant control over Prosecution of Product Patents to Currax; (2) define Prosecution broadly as, among other things, any *ex parte* practice or procedure in the United States Patent and Trademark Office ("USPTO"), which undisputedly

includes filing terminal disclaimers; and (3) require OptiNose to cooperate in transferring the right to Prosecute, including executing any necessary forms. OptiNose largely ignores these provisions on appeal and thus fails to identify any flaw in the Court of Chancery’s reasoning. First, OptiNose fails to mention Currax’s “control” over Prosecution of Product Patents—the pivotal issue in this case—until the thirteenth page of its brief. Currax’s right to right to *control* Prosecution means *Currax* makes the final decision on Prosecution except where the Agreement expressly states otherwise. And, as discussed below, none of the exceptions apply here. Second, OptiNose does not dispute that filing a terminal disclaimer falls within the Agreement’s definition of Prosecution. Third, OptiNose does not dispute that Currax cannot file a terminal disclaimer without power of attorney, and therefore concedes that power of attorney is a form that it must execute to transfer the right to Prosecute to Currax. Rather than directly address the Court of Chancery’s analysis, OptiNose conjures up a nebulous notion of the Agreement’s “overall scheme.” Br. at 42 (citation omitted). OptiNose cobbles together various “retained” rights to try to show that it still has the “majority of rights.” Br. § I(C)(1). But as discussed below, those rights are irrelevant. So are the background facts that OptiNose attempts to inject into the Agreement, as the express terms of the Agreement dictate the parties’ respective rights and obligations. OptiNose’s vague insinuation about the Agreement “as a whole” and

its “commercial context” cannot supplant or contradict the Agreement’s unambiguous terms. Br. at 27-28, 39-43. OptiNose again suggests it could file a terminal disclaimer on Currax’s behalf, but cites nothing in the Agreement that supports or dictates that result. Under OptiNose’s suggested remedy, Currax would be forced to return to Court and waste time and resources litigating whenever it needs power of attorney to exercise its right to control Prosecution, which is contrary to the specific language in the Agreement (and common sense). While OptiNose feigns concern that Currax could use power of attorney to breach the Agreement, Currax could breach the Agreement using the Authorization to Act forms that OptiNose has already executed, as the Court of Chancery pointed out. Op. at 24. So OptiNose’s contrived and speculative concern has no bearing on the proper form of injunctive relief. *See* Op. at 12-15.

III. Statement of Facts

A. The Parties' Agreement

On September 25, 2019, Currax and OptiNose entered into the Agreement, which grants Currax exclusive rights to certain OptiNose intellectual property to, among other things, make and sell ONZETRA® XSAIL® (sumatriptan nasal powder) for the acute treatment of migraine in adults. The license includes both “Product Patents” and “Platform Patents.” Product Patents cover Currax’s ONZETRA® XSAIL® product, whereas Platform Patents also cover OptiNose’s XHANCE® product. Product Patents and Platform Patents do not overlap.

A0113.

This case relates solely to Product Patents. Three provisions of the Agreement are material to the case.

First, OptiNose granted the “right to control Prosecution of Product Patents” to Currax:

Currax shall have the first right to *control the Prosecution* and maintenance of Product Patents . . .

A0051 § 5.01(a)(i) (emphasis added). Section 5.01(a)(i) further provides that Currax need only “reasonably consider” OptiNose’s comments on proposed filings. While Section 5.01(a)(i) sets forth triggers for other limitations (*e.g.*, if

Curax decides to abandon a patent, or if a patent issues with claims covering OptiNose's XHANCE® product), filing terminal disclaimers is not a trigger.

Second, Prosecution is broadly defined:

“Prosecution” means, with respect to the Territory, *any ex parte procedure or practice* before an administrative agency such as the United States Patent and Trademark Office, or an equivalent agency, *including but not limited to* the filing of patent applications, *prosecuting patent claims*, reexaminations, reissues and the like.

A0041 § 1.01(a) (bold/italics emphasis added).

Third, OptiNose is required to transfer the right to Prosecute to Curax:

OptiNose *shall cooperate in transferring the right to Prosecute* and maintain the Product Patents to Curax, *including but not limited to executing any forms required to effect such transfer.*

A0053 § 5.01(c)(i) (emphasis added).

B. The Parties' Dispute

One and a half years ago, Curax requested that OptiNose execute USPTO forms (PTO/AIA/82B (07-13) (A0212)) granting Curax power of attorney to Prosecute the Product Patents as required by the Agreement. *See* A0031.

OptiNose, however, has refused to do so.

As recognized by the USPTO, applicants use “terminal disclaimers” during patent prosecution to overcome “double patenting” rejections. *See* Manual of Patent Examining Procedure (“MPEP”) § 804.02(II) (“A rejection based on a

nonstatutory type of double patenting can be avoided by filing a terminal disclaimer in the application.”).² Patent Examiners reject pending patent claims for double patenting when they believe that the pending claims are similar to other patent claims owned by the same party. *See* MPEP 804.

Patent applicants often claim their inventions in multiple, similar ways, to avoid a potential infringer designing around the invention. Doing so is permissible, so long as, among other things, the patentee is not seeking to extend the patent term beyond the expiry of other similar claims covering that invention. Filing a terminal disclaimer ensures that: (a) both sets of patent claims expire at the same time; and (b) both patents are owned by the same party (so that an accused infringer cannot be sued by more than one party concerning the invention). *See* MPEP § 804.02(II) (“The use of a terminal disclaimer in overcoming a nonstatutory double patenting rejection is in the public interest because it encourages the disclosure of additional developments, the earlier filing of applications, and the earlier expiration of patents whereby the inventions covered become freely available to the public.”).

Filing terminal disclaimer is a routine part of patent prosecution. By way of

² The MPEP is “entitled to judicial notice as an official interpretation of statutes or regulations as long as it is not in conflict therewith.” *Solenis Techs., LP v. SNF SAS*, 2020 WL 2702702, at *6 n.3 (Fed. Cir. May 26, 2020).

example, OptiNose itself filed terminal disclaimers during prosecution of U.S. Patent Nos. 8,555,877 and 9,108,015—both Product Patents (A0078)—before the parties entered into the Agreement. A0217; A0234.

At least one pending Product Patent application (“the ’009 application”) stands rejected for obviousness type double patenting in view of another Product Patent (“the ’229 patent”). Br. at 18-20, 32-33 n.4. In accordance with OptiNose’s preference, Currax initially tried to overcome the double-patenting rejection by amending the claims, without filing a terminal disclaimer. A0315-0321. That strategy failed. A0356-0357. Currax reiterated its request for power of attorney so it could file a terminal disclaimer. Again, OptiNose refused. Currax therefore tried to overcome the rejection by making an argument. That too failed. OptiNose again refused to execute power of attorney, forcing Currax to file yet another amendment and make yet another argument, on April 30, 2021.

As OptiNose admits, however, “*Currax decides* the course to take, the scope of claims to pursue, and the amendments and arguments to overcome rejections.” A0306 (emphasis added). Currax has decided the course of action to take and settled on the scope of claims to pursue for the ’009 application. Amending the claims alters their scope. Making arguments also can alter the claims’ scope. *See* Section IV(B)(3)(b)(i). And, unlike a terminal disclaimer, neither approach would necessarily lead to allowance. So OptiNose is standing in the way of Currax

deciding “the course to take” and “the scope of claims to pursue”—which OptiNose admits Currax is entitled to do under the Agreement.

Without power of attorney, Currax thus faces a Hobson’s choice. It could give up on its desired Prosecution strategy and continue to acquiesce to OptiNose’s improper exercise of control by expending time and financial resources in filing amendments and/or advancing arguments as dictated by OptiNose—contrary to the Agreement’s provision that Currax need only “consider” OptiNose’s comments. A0051 § 5.01(a)(i). Or, Currax could abandon the application, along with the resources that it expended to prosecute it, and thereby allow control over Prosecution to revert to OptiNose. *Id.* Either way, OptiNose has forced Currax to relinquish its control over Prosecution, thus depriving Currax of rights that it bargained for in the Agreement.

C. The Court of Chancery’s Decision

The Court of Chancery analyzed the Agreement in detail and determined that the dispute turns on “two questions”: (1) “is filing a terminal disclaimer part of Currax’s ‘first right to control the Prosecution’ of the Product Patents?”; and (2) “if it is, is a power of attorney required to transfer that right?” *Op.* at 12. The Court of Chancery answered both in the affirmative, as OptiNose: (1) did not advance any interpretation of Prosecution that could exclude filing terminal disclaimers; and (2) did not argue that Currax could file a terminal disclaimer without power of

attorney. Op. at 13-15. It consequently concluded that the Agreement requires OptiNose to execute power of attorney forms.

The Court of Chancery then addressed OptiNose's arguments. It first found that the Agreement's restriction on "abandoning" Product Patents did not apply because Currax did not seek to abandon any patent or application, but rather sought to terminally disclaim a portion of an application's term so that it would issue as a patent. Op. at 16-17. The Court of Chancery next rejected both of OptiNose's arguments about its "prior approval" right. It found that OptiNose's right to approve statements relating to the Device component of the Product did not apply because a terminal disclaimer relates to patents, not products. Op. at 18-19. And it found that OptiNose's right to approve statements relating to OptiNose's other intellectual property did not apply because the terminal disclaimer that Currax seeks to file relates solely to Product Patents. Op. at 20-21. The Court of Chancery further found that OptiNose's interpretation of "other OptiNose intellectual property"—"any OptiNose intellectual property," including Product Patents (A0303)—would apply to every filing and thus render meaningless the provision stating that Currax need only "reasonably consider" OptiNose's comments on proposed filings. Op. at 22.

Finally, the Court of Chancery held that the equities favored Currax, and that OptiNose therefore must execute power of attorney forms for Product Patents

pursuant to the Agreement's express provision requiring OptiNose to transfer to Currax the right to Prosecute. It rejected OptiNose's suggestion that OptiNose itself could file a terminal disclaimer as contrary to the language of the Agreement, which does not contemplate OptiNose Prosecuting Product Patents on Currax's behalf.

IV. Argument

A. The Court of Chancery correctly found that OptiNose breached the Agreement because: (1) Currax’s right to control Prosecution includes the right to file terminal disclaimers; (2) OptiNose agreed to execute any forms necessary to transfer the right to Prosecute to Currax; and (3) Currax cannot file a terminal disclaimer unless OptiNose executes power of attorney forms.

1. Question Presented

Whether the Court of Chancery correctly held that Currax’s right to control Prosecution of Product Patents and OptiNose’s obligation to execute any forms necessary to transfer that right to Currax required OptiNose to grant power of attorney to Currax, where OptiNose did not (and does not) dispute that:

(1) Prosecution includes filing terminal disclaimers; and (2) power of attorney is necessary to file a terminal disclaimer. A0172-0177, A0188.

2. Scope of Review

Matters of contract interpretation are reviewed *de novo*. *Salamone v. Gorman*, 106 A.3d 354, 367 (Del. 2014).

3. Merits of the Argument

a. The Court of Chancery properly interpreted the unambiguous terms of the Agreement.

The Court of Chancery correctly concluded that OptiNose breached the Agreement by refusing to execute forms granting Currax power of attorney to Prosecute Product Patents. As an initial matter, the Court of Chancery recognized

that OptiNose did not dispute that: (1) the Agreement is valid and supported by consideration; (2) the Agreement is unambiguous; and (3) Currax has performed its obligations under the Agreement. Op. at 11, 23.

The Court of Chancery therefore examined the unambiguous provisions of the Agreement. It focused initially on Currax's right to control Prosecution of Product Patents, and held that Prosecution includes filing terminal disclaimers. The Court of Chancery relied on the "plain meaning" of the Agreement's definition of "Prosecution," which includes "any ex parte procedure or practice before an administrative agency such as the [USPTO]." Op at 4, 13 (citation omitted). Filing a terminal disclaimer falls directly within the definition of Prosecution because Currax will file the terminal disclaimer with the USPTO, without the involvement of any third-party adversary. Moreover, the definition of Prosecution includes "prosecuting patent claims" (A0041), which undisputedly entails filing terminal disclaimers. See Op. at 13 n.41, citing *Ex Parte Mark T. Dinsmore & David J. Caruso*, 2013 WL 5274029, at *2 (P.T.A.B. June 3, 2013) ("During prosecution of Application . . . the Examiner rejected original application claims . . . on the ground of non-statutory obviousness-type double patenting In response, Appellants filed a terminal disclaimer"), *aff'd sub nom. In re Dinsmore*, 757 F.3d 1343, 1344 (Fed. Cir. 2014).

The Court of Chancery then addressed the unambiguous provision requiring

OptiNose to transfer the right to Prosecute Product Patents to Currax, which includes executing any necessary forms. It correctly concluded that OptiNose must execute power of attorney forms pursuant to that obligation, as Currax could not file a terminal disclaimer without power of attorney. Op. at 14-15. The Court of Chancery grounded its conclusion in “settled . . . federal law.” Op. at 14. First, the C.F.R. states that a terminal disclaimer must be “signed by the applicant or an attorney or agent of record.” Op. at 15, citing 37 C.F.R. § 1.321(b)(1) (2021). Second, the Federal Circuit has found that “other than the patentee, only the attorney of record with power of attorney is authorized to file a terminal disclaimer on the patentee’s behalf.” Op. at 15, quoting *Japanese Found. for Cancer Research v. Lee*, 773 F.3d 1300, 1309 (Fed. Cir. 2014). Third, USPTO’s guide for filing terminal disclaimers states that “[i]f the filer is an attorney or agent, the filer must have power of attorney over the entered application number.” Op. at 15-16 (citation omitted).

Based on this straightforward interpretation of the Agreement’s terms and application of the law, the Court of Chancery concluded that Currax cannot control Prosecution of Product Patents without power of attorney because Currax needs power of attorney to file terminal disclaimers with the USPTO. It therefore held that OptiNose breached the Agreement by refusing to execute power of attorney forms necessary to transfer the right to Prosecute Product Patents to Currax.

b. OptiNose distracts from its failure to refute anything underlying the Court of Chancery’s holding with irrelevant allegations about context and intent.

OptiNose *does not challenge* the Chancery Court’s analysis above. Instead, OptiNose “urge[s] the Court to begin its analysis . . . by stepping back and viewing the [Agreement] in a macro sense through [its] eyes.” *Concerned Citizens of the Estates of Fairway Vill. v. Fairway Cap, LLC*, 2019 Del. Ch. LEXIS 78, at *24 (Del. Ch. Mar. 6, 2019). Citing *Chicago Bridge & Iron Co. N.V. v. Westinghouse Elec. Co. LLC*, 166 A.3d 912 (Del. 2017), OptiNose asks the Court to depart from the text of the Agreement and decide the case based on vague insinuation about “commercial context.” Br. at 27. The Court in *Chicago Bridge*, however, did not endorse OptiNose’s theory that whoever retains the “majority of rights” (whatever that means) under an agreement can re-write its express terms. Br. at § I(C)(1).

The “commercial context” in *Chicago Bridge* merely lent additional support to the Court’s analysis of the express provisions (e.g., a “Liability Bar”). 166 A.3d at 916, 926, 932-33. Courts have repeatedly rejected attempts to seize upon the “commercial context” language to modify the express terms of an agreement. *See, e.g., Town of Cheswold v. Cent. Del. Bus. Park*, 188 A.3d 810, 820 (Del. 2018) (“While we have recognized that contracts should be ‘read in full and situated in the commercial context between the parties,’ the background facts cannot be used to alter the language chosen by the parties within the four corners of their

agreement.”), quoting *Chicago Bridge*, 166 A.3d at 920; *Concerned Citizens*, 2019 Del. Ch. LEXIS 78, at *24-25.

OptiNose predicates its entire argument on the unsupported belief that it retained the “majority of rights” under the Agreement. *See* Br. at 1, 2, 4, 11, 12, 13, 26, 28, 31, 34, 40 (each page referring to the “majority” of rights). For example, OptiNose attempts to diminish Currax’s rights relative to OptiNose’s rights, criticizing the Court of Chancery for purportedly failing to “acknowledg[e]” that Currax licensed the right to make and sell a single product. Br. at 28. The very language OptiNose quotes, however, shows that the Court of Chancery expressly recognized that Currax obtained an exclusive license to “manufacture and sell Onzetra,” *i.e.*, a single product. *Id.*; *see also* Op. at 1 (explaining that Currax obtained an “exclusive license in [OptiNose’s] patents to make and sell *a certain* drug”) (emphasis added). OptiNose also neglects to mention that ONZETRA® XSAIL® is the only product listed in the FDA’s Orange Book for the Product Patents.

OptiNose’s “majority of rights” standard is unworkable. Under that approach, the Court would have to somehow assign value to each right under an agreement, and then weigh those rights to figure out which party had more. The party with the “majority of rights” would then be free to breach the agreement. OptiNose cites no legal support for interpreting contracts in this manner. Nor does

OptiNose even attempt to set forth an evidentiary basis for balancing Currax’s first right to control Prosecution of Product Patents and exclusive (even as to OptiNose) right to make and sell the only FDA-approved product covered by the Product Patents, on the one hand, against whatever rights OptiNose still has in those patents, on the other.

OptiNose mistakenly asserts that the Court of Chancery improperly “equat[ed]” Currax’s right to control Prosecution of Product Patents with OptiNose’s right to control Prosecution of Platform Patents, and overlooked the distinction between those rights. Br. at 29. The Court of Chancery explicitly addressed that distinction and properly found it inconsequential, as the only patents at-issue here are Product Patents. Op. at 12 n.35. Moreover, the difference between Currax’s “first right to control” Prosecution of the Product Patents and OptiNose’s “ultimate decision-making authority” for the Platform Patents (Br. at 29) merely signals that OptiNose possesses certain secondary rights *if* Currax foregoes its rights by, for example, deciding to abandon a Product Patent. *See Immunex Corp. v. Sandoz Inc.*, 964 F.3d 1049, 1061 (Fed. Cir. 2020) (distinguishing the licensee’s “first right” from the licensor’s “secondary right,” which “does not vest until [the licensee] chooses not to” exercise it) (citation omitted). By contrast, no secondary right to control Prosecution exists for the Platform Patents. *See* A0051 § 5.01(a)(ii). So the distinction between “first” and

“ultimate” or “sole” does not diminish Currax’s right to *control* Prosecution in the first instance. To the extent at all relevant, OptiNose’s “ultimate decision making authority” for Platform Patents highlights that OptiNose does *not* have that authority Product Patents.

OptiNose spends considerable pages on a provision disavowing certain rights beyond those “explicitly named in the Agreement.” Br. at 7, 11, 17, 45 (citation omitted). Neither Currax nor the Court of Chancery, however, relied on any “rights granted by implication[] [or] estoppel.” *Id.* The Agreement explicitly grants Currax the right to control Prosecution of Product Patents and requires OptiNose to execute any forms necessary to transfer that right to Currax.

OptiNose also focuses on its subjective “intent,” contending that it meant to retain any rights that it “may still want to use.” Br. at 38, 41. But the Agreement does not carve out from Currax’s control anything that OptiNose “cares about” or “may still want.” Br. at 16, 41. Those phrases appear nowhere in the Agreement. And, as the Court of Chancery recognized, “Delaware adheres to the ‘objective’ theory of contracts, [meaning that] a contract’s construction should be that which would be understood by an objective, reasonable third party.” Op. at 9-10 (citation omitted). Now that the parties have entered into an unambiguous Agreement, the provisions of that Agreement define the parties’ rights and obligations. *Town of Cheswold*, 188 A.3d at 820. Whatever OptiNose intended or “may still want” is

beside the point. “Whether [OptiNose] really intended” to grant Currax the right to control Prosecution “is one of those subjective questions that the Court neither can answer nor may even ask. *CorVel Enter. Comp, Inc. v. Schaffer, No. CIV.A. 4896-VCN*, 2010 WL 2091212, at *4 (Del. Ch. May 19, 2010). Instead, courts must read the words for what they say.” *Id.* OptiNose’s speculation about what “might be unimportant” to Currax is likewise irrelevant. Br. at 15-16, 41. It also is incorrect; Currax would not have brought this action if controlling Prosecution of Product Patents were “unimportant” to Currax.

OptiNose cites *Fletcher v. Feutz*, 246 A.3d 540, 555 (Del. 2021) (Br. at 7) in support of its notion that the agreement “as a whole” nullifies the provisions granting Currax the right to control Prosecution and requiring OptiNose to execute any forms necessary to transfer that right to Currax. But that case turned on a single paragraph that contained a broad release. The Court rejected reliance on another clause of the agreement that suggested the release relates only to certain divorce proceedings, as it found no ambiguity in the specific provision to warrant overriding it based on the agreement as a whole. *Id.*

OptiNose’s remaining authority lends no more support to its position. In *GMG Capital Investments, LLC v. Athenian Venture Partners I, L.P.*, 36 A.3d 776 (Del. 2012), the Court vacated an order granting summary judgment because it found ambiguities in the agreement. In *Kuhn Constr., Inc. v. Diamond State Port*

Corp., 990 A.2d 393, 397 (Del. 2010), the Court found ambiguities and therefore construed an agreement against the drafter. It emphasized that the party seeking to arbitrate “unilaterally deleted the arbitration clause.” *Id.* Here, both parties and the Court of Chancery agree that the Agreement is not ambiguous. OptiNose did not (and could not) make any argument that the Agreement should be construed against the drafter. And Currax never deleted any provision pertaining to its control over Prosecution of Product Patents.

To the extent “commercial context” matters, it only bolsters the Court of Chancery’s decision. Patent licenses often allocate the right to control prosecution. *See Immunex*, 964 F.3d at 1057-62 (a licensee had the “right to control prosecution” of patent applications but did not possess “all substantial rights” in those applications); *Photocircuits Corp. v. United States*, 204 Ct. Cl. 821, 824 (Ct. Cl. 1974) (“Under the ETCO-Photocircuits license agreement, ETCO was responsible for prosecuting patent applications on the inventions licensed by it to Photocircuits. Mr. van der Meer executed a power of attorney authorizing such prosecution”); *Breckenridge Pharm., Inc. v. Metabolite Labs., Inc.*, 444 F.3d 1356, 1366-67 (Fed. Cir. 2006) (“Metabolite granted [its exclusive licensee] ‘full control of the prosecution or maintenance’ of any patent or application that Metabolite abandons or permits to lapse and agreed to provide [the licensee] with an executed power of attorney for that purpose.”).

For example, in *GlycoGenesys, Inc. v. Platt*, No. 11 133 00541 04 (A.A.A. Nov. 10, 2004), a patent licensee sought an order directing “specific performance of [a] License Agreement[,] ‘including the immediate filing of a power-of-attorney with the USPTO on behalf of [its] chosen patent counsel.’” A0275. The arbitrator looked for a provision allocating “*control* of patent prosecution,” *i.e.*, a provision specifying the party with the “final word regarding prosecution decisions.” A0276 (emphasis original). Because the agreement at-issue there—unlike “many patent license agreements”—had no such provision, the licensee was not entitled to power of attorney. *Id.* The agreement here, by contrast, expressly grants Currax the right to control Prosecution of Product Patents, so Currax is entitled to power of attorney.

B. The Court of Chancery correctly rejected OptiNose’s attempts to misdirect the focus to irrelevant provisions about abandonment, products, and intellectual property other than Product Patents.

1. Question Presented

Whether the Court of Chancery correctly rejected OptiNose’s arguments about immaterial provisions of the Agreement in concluding that: (1) abandoning a patent or application (whereby it ceases to exist) is different than filing a terminal disclaimer, which allows an application to issue as an enforceable patent that continues to exist; (2) the “Device component of the Product” refers to a tangible object, not intellectual property; and (3) a reference to “other OptiNose intellectual property” in a sentence about “Product Patents” means intellectual property other than Product Patents. A0191-0193, A0333-340.

2. Scope of Review

Matters of contract interpretation are reviewed *de novo*. *Salamone*, 106 A.3d at 367.

3. Merits of the Argument

a. The Court of Chancery correctly determined that abandoning a patent or application is different than terminally disclaiming a portion of its term.

OptiNose argues that Currax cannot file terminal disclaimers because the Agreement prohibits Currax from abandoning a Product Patent without providing OptiNose an opportunity to take over Prosecution. But filing a terminal disclaimer

does not “abandon” patent term. Abandonment and terminal disclaimers are distinct concepts governed by different provisions of the Code of Federal Regulations and MPEP. *Compare* 37 C.F.R. §§ 1.135, 1.138 and MPEP § 711 (discussing abandonment); *with* 37 C.F.R. § 1.321 and MPEP §§ 804, 1490 (discussing terminal disclaimers).

Those rules and regulations distinguish between abandoning an *application* and disclaiming *part of its term*. *Compare* 37 C.F.R. § 1.135(a) (“If an applicant of a patent application fails to reply within the time period provided under § 1.134 and § 1.136, the *application will become abandoned*.”) (emphasis added); *with* 37 C.F.R. § 1.321(b) (“An applicant *may disclaim* or dedicate to the public the entire term, or *any terminal part of the term*, of a patent to be granted.”) (emphasis added). The Agreement’s restriction on abandonment refers to “abandon[ing] or not maintain[ing] any Product Patent.” A0051 § 5.01(a)(i). That provision does not mention disclaiming term and does not restrict the filing of terminal disclaimers.

OptiNose relies on *Leading Edge Tech. Corp. v. Sun Automation, Inc.*, 1991 U.S. Dist. LEXIS 20766 (D. Md. Sep. 24, 1991), which did not deal with any issues concerning terminal disclaimers. The Court mentioned a terminal disclaimer once in passing when summarizing the prosecution history. *Id.* at *9 n.4. OptiNose ignores cases, such as *Bayer AG v. Barr Labs., Inc.*, 798 F. Supp.

196, 199 (S.D.N.Y. 1992), that state terminal disclaimers “do[] not abandon” a claim. Regardless, the court in *Leading Edge* merely stated that a terminal disclaimer “abandoned the terminal part” of patents. 1991 U.S. Dist. LEXIS 20766, at *9 n.4 (emphasis added). The Court of Chancery explained why OptiNose’s argument would fail even if that were true:

Even accepting that a terminal disclaimer “abandons” part of the patent’s term, a terminal disclaimer does not trigger the Agreement’s prohibition on unilateral abandonment of a Product Patent. When a patent applicant files a terminal disclaimer, she disclaims a portion of the patent’s term to overcome a double-patenting rejection. By doing so, she allows the patent application to continue, rather than changing the patent’s scope or abandoning the application.

Op. at 17 (emphasis added).³ As the Court of Chancery recognized, the Agreement prohibits Currax from abandoning an application—not abandoning a “portion” of its term—without providing OptiNose with an opportunity to take over Prosecution. *Id.*; A0051 § 5.01(a)(i). So OptiNose’s argument fails irrespective of whether terminal disclaimers constitute a partial “abandonment.”

Citing *3V Inc. v. CIBA Specialty Chems. Corp.*, 587 F. Supp. 2d 641 (D. Del. 2008) and *W.L. Gore & Assocs., Inc. v. Oak Materials Group, Inc.*, 424 F.

³ OptiNose misleadingly asserts that the Court of Chancery “acknowledged that ‘a portion of the patent’s term may be abandoned’ by a terminal disclaimer.” Br. at 22. The Court of Chancery merely accepted the premise of OptiNose’s argument to explain why that argument would fail even if OptiNose were right that a terminal disclaimer “abandons” patent term. Op. at 17.

Supp. 700, 702 (D. Del. 1976), OptiNose contends that the “effect” of a *statutory* disclaimer is akin to abandonment. Br. at 39-40. But Currax seeks to file a terminal disclaimer, not a statutory disclaimer. To the extent those cases have any relevance, they only undermine OptiNose’s argument. The Courts in *3V* and *Gore* found the effect of a statutory disclaimer analogous to abandonment because “patentee has no further right . . . to enforce the claims which have been [statutorily] disclaimed” (*Gore*, 424 F. Supp. at 702), as the claims no longer “existed.” *Guinn v. Kopf*, 96 F.3d 1419, 1422 (Fed. Cir. 1996). A terminal disclaimer has the exact opposite effect. The claims of the ’009 application will continue to “exist” after Currax files a terminal disclaimer, and will be enforceable for the first time.

OptiNose also faults the Court of Chancery for citing the C.F.R. and MPEP in recognizing that “abandonment” is a patent law term of art. Br. at 41-43. As an initial matter, the Court of Chancery’s reference to abandonment as a “term of art” only buttressed the conclusion it had already reached based on the distinction discussed above between abandoning applications versus allowing them to continue (by filing a terminal disclaimer). Op. at 17. In addition, OptiNose waived its argument that “abandonment” does not constitute a term of art because OptiNose not only failed to argue that below, it affirmatively relied on the same C.F.R. provision cited by the Court of Chancery as evidence of the meaning of that

term. *See* A0143-0144 (“Power of Attorney permits a practitioner to abandon applications, foregoing patent protection altogether.”), citing 37 C.F.R. § 1.138.

While OptiNose misinterpreted those provisions, it never argued for a meaning of “abandonment” separate and apart from its meaning under the patent laws. It simply got the patent law meaning wrong in equating abandonment with filing a terminal disclaimer. *See* A0138-0139, citing 37 C.F.R. §§ 1.321, 1.138.

Moreover, on appeal, OptiNose does not identify any non-patent-related meaning of abandonment that would compel a contrary outcome. Nor could it. *See* <https://www.merriam-webster.com/dictionary/abandon> (“to give up with the intent of never again claiming a right or interest in”) (last accessed May 10, 2021).

Here too, OptiNose’s cases undermine its argument. In *Viking Pump, Inc. v. Liberty Mut. Ins. Co.*, 2007 WL 1207107 (Del. Ch. Apr. 2, 2007), the Court acknowledged that “where a word has attained the status of a term of art and is used in a technical context, the technical meaning is preferred over the common or ordinary meaning.” *Id.*, at *13. The Court held that the technical meaning of “excess” in the insurance context did not apply because: (1) the “varying usage” of the term in the agreement “suggest[ed] a non-technical meaning because if the drafters had intended a technical usage, they would likely have used the word in the same precise manner every time”; (2) the agreement was not an insurance policy but rather an asset sale agreement; and (3) the agreement was not drafted by

insurance attorneys. *Id.* at *15. Here, by contrast, OptiNose does not point to any “varying usage” of “abandon” in the Agreement that suggests a non-technical meaning. And, the agreement is a patent license that was drafted and negotiated by attorneys familiar with patents. *See generally Glaxo Grp. Ltd. v. Drit LP*, 2021 Del. LEXIS 88, at *6 n.8 (Del. Mar. 3, 2021) (looking to the C.F.R. and MPEP for the meaning of terms (including “disclaimer”) in a patent license agreement).

- b. The Court of Chancery correctly concluded that terminally disclaiming a Product Patent application over a Product Patent does not trigger OptiNose’s prior approval right because that filing does not relate to or characterize the Device component of the Product or other OptiNose intellectual property.**

The Agreement states that OptiNose’s prior approval is only required for “filings or statements in any filing relating to or characterizing the Device component of the Product or other OptiNose intellectual property.” A0051 § 5.01(a)(i). The Court of Chancery correctly held that terminally disclaiming a Product Patent application over another Product Patent does not implicate this “prior approval” provision. *Op.* at 17-22.

- i. The “Device component of the Product” refers to part of a product—not patents.**

OptiNose argues that its right to approve statements relating to the Device component of the Product bars Currax from filing a terminal disclaimer without OptiNose’s approval. OptiNose is wrong.

The plain meaning of “Device component of the Product” refers to a physical portion of a product, not to patents. The definition of “Device” begins with “*a device* or component thereof . . .,” and the definition of “Product” begins with “the pharmaceutical *product* . . .” A0039, A0041 (emphasis added). Moreover, as the Court of Chancery recognized, the reference to intellectual property in the definitions for the Device component of the Product confirms that the “Device component of the Product” must be an actual device, not intellectual property. Op. at 19. In addition, the rest of the Agreement uniformly uses “Device component of the Product” in its ordinary sense, *i.e.*, to refer to a physical portion of a product. A0051 § 4.04 (“The Parties shall cooperate on the supply by Currax or its designee to OptiNose or its designees of a limited *supply* of the Product or *the Device component of the Product for noncommercial uses*, pursuant to a separate supply agreement[.]”) (emphasis added); A0057 § 5.04 (discussing rights to “research, develop or commercialize the Device component of the Product”); A0049 § 4.01(c) (“Currax shall ensure that its promotional activities with respect to the Device component of the Product shall be materially consistent with those used by Avanir[.]”). *See* Op. 19 n.60 (“[T]he same phrase should be given the same meaning when it is used in different places in the same contract.”), quoting *JJS, Ltd. v. Steelpoint CP Hldgs., LLC*, 2019 Del. Ch. LEXIS 1308, 2019 WL 5092896, at *6 (Del. Ch. Oct. 11, 2019).

Consequently, statements or filings relating to or characterizing patents—not products—do not relate to or characterize the Device component of the Product. And terminal disclaimers relate solely to patents. The USPTO’s terminal disclaimer form has no field for any statement relating to or characterizing a product. A0351. And the statutes, rules, and regulations governing terminal disclaimers do not require or contemplate any such statement. *See* 35 U.S.C. 253 ¶ 2; 37 C.F.R. § 1.321; MPEP §§ 804, 1490.

OptiNose argues that filing a terminal disclaimer in the ’009 application relates to the Device component of the Product because the pending claims of the ’009 application recite a “nosepiece.” Br. at 35-37. But a statement does not relate to or characterize the Device component of the Product merely because it may relate to a patent that might cover the part of the Device or the Product. Each claim of every U.S. Product Patent listed in the Agreement—including the patent that OptiNose suggests does *not* relate to the Device component of the Product (Br. at 37 n.5)—recites a “nosepiece.” *See, e.g.*, U.S. Patent No. 9,649,456 (all claims require a “nosepiece”; thirty-eight claims further require a “mouthpiece” and/or a “device”)⁴; A0260; A0232. Accordingly, if a filing related to or characterized the Device component of the Product merely because it relates to a claim that mentions

⁴ <https://patents.google.com/patent/US9649456B2> (last accessed May 10, 2021).

a “nosepiece” (or “device”), OptiNose would have the right to approve every statement or filing, rendering meaningless Currax’s right to control Prosecution and obligation to only “reasonably consider” OptiNose’s comments. *See O’Brien v. Progressive N. Ins. Co.*, 785 A.2d 281, 287 (Del. 2001) (cited by OptiNose) (rejecting interpretation that would render provision meaningless).

OptiNose also emphasizes the distinction between the “Nosepiece Assembly” and “Sumatriptan Powder Delivery” categories in Schedule 1.01(d) to the Agreement. Br. at 37. But that only undermines OptiNose’s argument because Schedule 1.01(d) groups both categories as “Product Patents.” A0078. If Currax needed OptiNose’s prior approval to Prosecute a particular category of Product Patents, Section 5.01(a) would have parsed that out instead of broadly granting Currax the right to control Prosecution of “Product Patents.”

OptiNose further suggests that Currax can Prosecute claims without OptiNose’s prior approval if they recite “use of the Device to administer sumatriptan.” Br. at 35. But all pending claims of the ’009 application require “supplying a dose of powdered substance.” If Currax merely amended the pending claims to recite “wherein the substance comprises sumatriptan,” it then could (under OptiNose’s argument) Prosecute them without OptiNose’s prior approval. The absurdity of this scenario confirms that Currax’s right to control Prosecution cannot hinge on OptiNose’s *ad hoc*, ambiguous attempts to distinguish claims, as

the Agreement does not contemplate control passing back and forth between Currax and OptiNose as claims evolve throughout Prosecution.

ii. “[O]ther OptiNose intellectual property” refers to intellectual property that is different and distinct from Product Patents.

OptiNose argues that terminally disclaiming a Product Patent over another Product Patent requires OptiNose’s prior approval because it relates to “other OptiNose intellectual property.” Br. at 10. OptiNose is wrong.

The Court of Chancery correctly determined that “other intellectual property” must mean intellectual property other than Product Patents because the “only mentioned OptiNose intellectual property in the sentence is the Product Patents.” Op. at 20-21. OptiNose identifies no flaw in the Court’s reasoning. It does not take issue with the Court’s conclusion that “other” must refer to something “different and distinct from that or those first mentioned or implied.” *Id.*

OptiNose contends, however, that “other OptiNose intellectual property” means any OptiNose intellectual property (including Product Patents) other than the individual Product Patent in which a given filing is made. Br. at 31. But the provision neither mentions nor implies an individual Product Patent. It refers to “Product Patents” (emphasis added), consistent with Currax’s right to control

prosecution of all Product Patents. A0051 § 5.01(a)(i). Nor does the provision refer only to a single “filing,” as it expressly encompasses “filings” in general.

OptiNose complains that the Court of Chancery failed to address its “argument that ‘other intellectual property’ could be intellectual property other than the patent for which the filing is being made.” Br. at 21. OptiNose argued below, however, that “other OptiNose intellectual property” meant “any OptiNose intellectual property” and thus included *all* Product Patents, regardless of which one was being Prosecuted. A0303. OptiNose cannot fault the Court of Chancery for purportedly “not address[ing]” an argument that OptiNose did not make. Br. at 21; *see Seaport Village, Ltd. V. Terramar Retail Centers, LLC*, 2016 WL 5373085, at *1 (Del. Sep. 26, 2016) (“This argument was not fairly presented to the Court of Chancery in the plaintiff’s trial briefs below and is waived.”). In any event, the Court of Chancery resolved the issue (as framed below and on appeal) by correctly concluding that “other OptiNose intellectual property” means intellectual property other than the “Product Patents” mentioned earlier in the sentence.

OptiNose seizes on the word “*implied*” in the definition of “other.” Br. at 30 (emphasis original). But that definition does not displace black-letter contract law, which imposes strict requirements that must be met before terms will be added by implication. *Fletcher*, 246 A.3d at 556 (“Implying terms that the parties did not expressly include risks upsetting the economic balance of rights and obligations

that the contracting parties bargained for in their agreement.”) (citation omitted).

For example, OptiNose does not even attempt to identify any “gap” in the Agreement that could justify implying a term. *Glaxo*, 2021 Del. LEXIS 88, at *15, *17 (rejecting implied covenant claim where “the contract addresses the conduct at issue”). Nor could it. As the Court of Chancery explained, the sentence regarding “other OptiNose intellectual property” begins with an express reference to “Product Patents.” *Op.* at 20-21. So “other” distinguishes Product Patents, *i.e.*, the intellectual property “first mentioned” in the sentence. *See Op.* at 20 (“An elided version of the provision makes clear that ‘other OptiNose intellectual property’ is OptiNose intellectual property other than the Product Patents: ‘Currax shall have the first right to control the Prosecution and maintenance of the Product Patents in the Territory; . . . provided, further, that filings or statements in any filing relating to or characterizing . . . other OptiNose intellectual property shall require OptiNose’s prior approval.’”) (citation omitted). The provision’s express reference to “Product Patents” thus resolves the issue of the predicate for “other” and forecloses any argument that different intellectual property (e.g., an individual Product Patent) should be implied.

In addition to contradicting the plain language of the Agreement, OptiNose’s interpretation leads to absurd results. *See Osborn v. Kemp*, 991 A.2d 1153, 1160-61 (Del. 2010) (“We cannot countenance . . . an absurd interpretation of the

contract.”). Suppose Currax wanted to terminally disclaim pending Product Patent application A over pending Product Patent application B. OptiNose admits that Currax could make filings—subject only to OptiNose’s review and comment, not prior approval—in application A that characterize application A, and in application B that characterize application B. Yet, under OptiNose’s interpretation of “other OptiNose intellectual property,” Currax could not file the terminal disclaimer in application A because it characterizes application B—an application that Currax undisputedly has the right to characterize without OptiNose’s prior approval.

Moreover, OptiNose’s argument renders provisions meaningless. OptiNose asserts that Currax cannot file a terminal disclaimer without OptiNose’s approval because it may affect the scope of claims of other Product Patents. Br. at 32. But, as OptiNose’s authority makes clear, that is true of *any* statement during prosecution—it has nothing to do with terminal disclaimers in particular. *Id.*, citing *SimpleAir, Inc. v. Google LLC*, 884 F.3d 1160, 1168 (Fed. Cir. 2018) (“In construing the scope of claims, we give considerable weight to statements made by patent applicants during prosecution in order to overcome examiner rejections. *We see no reason to treat terminal disclaimers any differently.*”) (citation omitted) (emphasis added).

As OptiNose expressly admits, any “statements made or actions taken while prosecuting one application in a patent family can have significant impact on other

patents in the family.” Br. at 32, citing *MasterMine Software, Inc. v. Microsoft Corp.*, 874 F.3d 1307, 1311 n.2 (Fed. Cir. 2017) (“We have often held that the meaning of claim terms in one patent can be informed by statements made during prosecution of other patents in the same family.”); see *Fenner Invs., Ltd. v. Cellco P’ship*, 778 F.3d 1320, 1323 (Fed. Cir. 2015) (“**Any** explanation, elaboration, or qualification presented . . . during patent examination is relevant” to the scope of claims) (emphasis added). OptiNose fails to explain how terminal disclaimers’ potential “impact” on claims of related patents distinguishes them from other statements that Currax has made without objection by OptiNose. Br. at 19-21; A305-306 (OptiNose admitting that “Currax may characterize [prior art] third-party patents to overcome a rejection,” and “control the scope of the claims through amendment”).

The possibility that Currax’s actions or statements could affect the claims of Product Patents besides the one being Prosecuted therefore cannot mean that Currax needs OptiNose’s approval to take those actions or make those statements. Otherwise, the provision of the Agreement whereby Currax need only “consider” OptiNose’s comments would be meaningless; OptiNose could veto every statement or action, because any statement or action could affect claims of other Product Patents. See *O’Brien*, 785 A.2d at 287.

OptiNose also overstates the effect of a terminal disclaimer. OptiNose

repeatedly asserts that a terminal disclaimer “constitutes an admission” that claims are not patentably distinct. Br. at 6, 36. OptiNose is wrong. *SimpleAir*, 884 F.3d at 1167 (citing “cases [that] foreclose the inference that filing a terminal disclaimer functions as an admission regarding the patentability of the resulting claims”); MPEP § 804.02(II) (“The filing of a terminal disclaimer to obviate a rejection based on nonstatutory double patenting is not an admission of the propriety of the rejection.”).

OptiNose also suggests that a terminal disclaimer in the '009 application could cut off patent term in the '229 patent. Br. at 32-33 n.4. OptiNose concedes it did not raise that argument below and therefore is not advancing it on appeal. *Id.* So the Court should disregard OptiNose’s attempt to color the Court’s view of the dispute with admittedly waived arguments. In any event, OptiNose cites no case that supports its theory that a patent that issues from the '009 application could eliminate the patent term adjustment (“PTA”) for the '229 patent. OptiNose misplaces reliance on *Gilead Sciences, Inc. v. Natco Pharma, Ltd.*, 753 F.3d 1208, 1217 (Fed. Cir. 2014). The Court there did not deal with the effect of a terminal disclaimer or obviousness-type double patenting (ODB) on PTA. As OptiNose’s principal counsel of record below has explained, *Gilead* left “unanswered the

effect of ODP on PTA,” which “remains an open question.”⁵

⁵ <https://www.finnegan.com/en/insights/articles/us-update-double-patenting.html>
(last accessed May 10, 2021).

C. The Court of Chancery did not abuse its discretion in enforcing the Agreement according to its terms and refusing to re-write the Agreement by eliminating OptiNose’s obligation to transfer to Currax the right Prosecute Product Patents.

1. Question Presented

Whether the Court of Chancery properly enforced the Agreement as written in requiring OptiNose to execute power of attorney forms so Currax could control Prosecution of Product Patents, where OptiNose suggested different relief that departed from the plain language of the Agreement as well as the parties’ performance under the Agreement. A0165-0167.

2. Scope of Review

A grant of injunctive relief is reviewed for abuse of discretion. *BlackRock Credit Allocation Income Trust v. Saba Capital Master Fund, Ltd.*, 224 A.3d 964, 975 (Del. 2020).

3. Merits of the Argument

The Court of Chancery properly granted specific performance based on the equities favoring Currax. It adhered to this Court’s precedent by enforcing the Agreement as written and ordering OptiNose to grant power of attorney for Product Patents to Currax, as the Agreement expressly requires OptiNose to transfer the right to Prosecute to Currax, including executing any necessary forms. *See Glaxo*, 2021 Del. LEXIS 88, at *14 (“Even if the bargain they strike ends up a bad deal for one or both parties, the court’s role is to enforce the agreement as

written.”), citing 11 Williston on Contracts § 31.5 (4th ed. 2020) (“[T]he court must enforce it as drafted by the parties, according to the terms employed, and may not make a new contract for the parties or rewrite their contract . . .”).

OptiNose’s argument that the Court should have ordered OptiNose to file a disclaimer on Currax’s behalf contradicts the Agreement. Br. at 9 n.4. First, that argument contradicts the plain meaning of *control* Prosecution. Second, OptiNose’s argument contradicts the provision requiring that Currax “provide copies to OptiNose of all communications with the applicable patent offices reasonably in advance of filing and OptiNose shall have the right to review and comment on such filings, which Currax shall reasonably consider[.]” A0051 § 5.01(a)(i). The plain meaning of that provision requires Currax to consider OptiNose’s comments before *Currax* files communications with patent offices. Third, OptiNose’s argument contradicts both parties’ performance under the Agreement, as Currax has been “directly” filing papers with the USPTO without any objection or allegation of breach from OptiNose. Br. at 9; *see* A0137 (“Currax (through its prosecution counsel) has already filed several responses *directly* with the USPTO relating to the pending Product Patent applications.”) (emphasis added); *Fed Cetera, Ltd. Liab. Co. v. Nat’l Credit Servs.*, 938 F.3d 466, 473 (3d Cir. 2019) (rejecting interpretation of agreement that “would not accord with the parties’ own behavior” under their agreement); *Personnel Decisions, Inc. v. Bus.*

Planning Sys., 2008 Del. Ch. LEXIS 55, at *14-15 (Del. Ch. May 5, 2008)

("[A]fter plain meaning, the most persuasive evidence of the parties' agreement is the course of its performance."), *aff'd*, 970 A.2d 256 (Del. 2009) (table). Fourth, OptiNose's argument would render superfluous the provision requiring it to execute any forms necessary for Currax to control Prosecution, as no forms would need be required for Currax to merely advise OptiNose of its preferred Prosecution strategy. Fifth, OptiNose's argument runs afoul of Currax's obligation to pay USPTO fees in connection with the Prosecution of Product Patents. The Agreement provides that the "Party controlling Prosecution and maintenance of a Product Patent *shall bear its own costs* and expenses related to the Prosecution" (A0052 § 5.01(b)(i) (emphasis added)), which means that **Currax** pays the USPTO fees associated with **Currax's** filings with the USPTO. Sixth, OptiNose overlooks the provision granting Currax the right to "use its counsel of choice" in Prosecuting Product Patents. *Id.* That provision means that Currax can use its counsel of choice (*i.e.*, Mr. Alegria, as identified in the Agreement) to file papers with the USPTO. The parties would not have included that provision if Currax could only Prosecute the Product Patents indirectly through OptiNose, as they would have had no need to specify that Currax could choose a lawyer to communicate with OptiNose.

OptiNose asserts that power of attorney will enable Currax to transact all

business on OptiNose’s behalf before the USPTO. Br. at 17. OptiNose is wrong. This “power of attorney is exactly what the title implies it is, a ‘Power of Attorney *to Prosecute Applications* Before the USPTO.’” *Tube-Mac Indus. v. Campbell*, 2020 U.S. Dist. LEXIS 68630, at *37 (W.D. Pa. Apr. 20, 2020) (explaining that power of attorney is “not a written designation of an agent for service pursuant to 35 U.S.C. 293”); *see* A0262. The rights conferred by power of attorney thus match almost verbatim the rights granted to Currax in the Agreement. *Compare id. with* A0041 § 1.01(a), A0051 § 5.01(a)(i) (granting Currax the right to control Prosecution, which includes “prosecuting patent claims” before the USPTO). OptiNose admits as much. *See* A0151 (discussing “Power of Attorney *to prosecute* a patent application . . . before the USPTO[.]”) (emphasis added).

The USPTO’s forms also confine the power to transacting business in connection with specific applications (here, the Product Patents). A0213. And the USPTO’s procedures expressly preclude the recipient of power of attorney from exercising rights reserved for the owner. *See, e.g.*, MPEP § 402.02(a)(I) (“A patent practitioner is not authorized to act on behalf of an assignee simply by existence of authority to prosecute an application.”).

The Agreement also prevents Currax from “transact[ing] all business on [OptiNose’s] behalf.” Br. at 10. Although OptiNose complains that Currax could breach the Agreement with power of attorney, it admitted that Currax could breach

the Agreement with the Authorization to Act forms that OptiNose has already executed. *See Op.* at 24. For example, the Authorization to Act forms give Currax sufficient power to make a filing or statement, without OptiNose’s prior approval, that relates to the Device component of the Product. But the Agreement prevents Currax from doing that. The express limitations on Currax’s rights will continue to apply once Currax receives power of attorney, and Currax will continue to abide by those limitations. As the Court of Chancery recognized, the purpose of contracts is to erect “guardrails” that prevent parties from doing things that they otherwise could do. A0385.

OptiNose’s concerns about “potential of irreparable harm” are similarly unfounded. *Br.* at 45-46. The Agreement requires Currax to provide OptiNose with advance notice of filings. If OptiNose believes a proposed filing violates the Agreement and will result in irreparable harm, it can seek an appropriate remedy in Court. Moreover, OptiNose’s conjecture that Currax will suffer no irreparable harm if it does not receive power of attorney is incorrect.⁶ The twenty-year term of a patent commences at the filing date of an application. So the clock is running on the term of any patent that may issue from the ’009 application. The PTO first rejected claims in the ’009 application for double-patenting in September 2019 (the

⁶ OptiNose also failed to make this argument below in its briefing on the motions for judgment in the pleadings.

same month the Agreement was signed). A0315. The '009 application would issue after the filing of a terminal disclaimer in response to that rejection. A0356. So OptiNose's refusal to execute power of attorney forms has undisputedly deprived Currax of one and a half years—and counting—of patent term. And OptiNose admits that lost patent term constitutes irreparable harm. Br. at 45-46.

Nor is the order for specific performance contrary to public interest. *See Glaxo*, 2021 Del. LEXIS 88, at *14 n.31. This case predominantly implicates the private interests of the litigants, and Delaware Courts have upheld agreements as written notwithstanding a far greater likelihood that specific performance could adversely impact the public. *See, e.g., In re Ibp S'holders Litig. v. Tyson Foods*, 789 A.2d 14, 82 (Del. Ch. 2001) (entering a “compulsory order [that] will require a merger of two public companies with thousands of employees working at facilities that are important to the communities in which they operate”). If anything, the public interest supports the Court of Chancery's decision enforcing the agreement. *Ride The Ducks of Phila., LLC v. Duck Boat Tours, Inc.*, 138 F. App'x 431, 434-35 (3d Cir. 2005) (“The public has a strong interest in seeing that contract and property rights are respected.”).

In addition, OptiNose's proposed order whereby it would only have to file a single terminal disclaimer in a single Product Patent application would burden Currax and Delaware Courts with additional litigation every time Currax needs

power of attorney to control Prosecution. OptiNose itself filed multiple terminal disclaimers during prosecution of Product Patents, so this issue likely will arise again. *See Esso Standard Oil Co. v. Cunningham*, 114 A.2d 380, 384 (Del. Ch. 1955) (finding order for specific performance would “avoid a multiplicity of suits”). Moreover, Currax has had to acquiesce to OptiNose’s improper control over Prosecution throughout this litigation to meet the USPTO’s deadlines for responding to rejections. *See* Section III(B). OptiNose has thereby benefited from its breach, obtaining additional rights that it expressly relinquished in the Agreement. The Court of Chancery’s order prevents this from continuing.

V. **Conclusion**

Currax respectfully requests that the Court affirm the decision below.

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Respectfully submitted,

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