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No. SC13-1215

IN THE SUPREME COURT OF FLORIDA

MDS (CANADA), INC., BEST THERATRONICS, LTD., AND
BEST MEDICAL INTERNATIONAL, INC.

Appellants

v.

RAD SOURCE TECHNOLOGIES, INC.

Appellee

Certified Question From The
United States Court of Appeals For The Eleventh Circuit
(Lower Tribunal Case No. 11-15145)

BRIEF OF APPELLEE RAD SOURCE TECHNOLOGIES, INC.

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STATEMENT OF CASE AND OF THE FACTS

I. Nature of the Case.

The underlying action involves claims and counterclaims of breach of contract and declaratory judgment as to the rights and obligations of the parties under a license agreement for a medical device and patent rights thereto. The contract issues were decided by a federal district court under Florida law, except that one of Appellants'¹ claims of breach required an alternative patent infringement analysis under federal patent law. ([R.350]).²

On appeal, the United States Court of Appeals for the Eleventh Circuit affirmed the district court's judgment in part, resolving all but one dispositive issues in Appellee Rad Source Technologies, Inc.'s ("Rad Source") favor, while certifying a question to this Court pursuant to Art. V, § 3(b)(6), Fla. Const. *See MDS (Canada), Inc. v. Rad Source Tech., Inc.*, 720 F.3d 833, 856 (11th Cir. 2013).³

¹ Appellants MDS (Canada), Inc. ("Nordion"), Best Theratronics, Ltd. ("Best Theratronics"), and Best Medical International, Inc. ("Best Medical") are collectively referred to herein as "Nordion-Best." Additionally, Best Theratronics and Best Medical are collectively referred to herein as "Best."

² Record cites are to the document number in the district court docket and, where relevant, page number and line number. For example, ([R.44]-100:23-102:15) would connote Document 44, page 100, line 23, through page 102, line 15.

³ A copy of the Eleventh Circuit's original opinion is attached as **Exhibit C** to the Appendix hereto. Citations herein are to the published opinion.

II. The Course of Proceedings and Dispositions in the Courts Below.

A. The District Court Proceedings.

Nordion-Best initiated the underlying lawsuit on October 15, 2009. ([R.1]). Rad Source had previously filed a declaratory judgment action in Florida state court on October 7, 2009. ([R.61-3]). Nordion-Best removed and consolidated the state court action with its action. ([R.61, 79]). At the same time, Nordion-Best also moved for an emergency preliminary injunction and TRO against Rad Source. ([R.2]). Ruling on an expedited basis, the district court granted the motion, ([R.37]), entering an injunction against Rad Source. ([R.48]).

Both sides amended their pleadings throughout the lawsuit, and, ultimately, Nordion-Best's Third Amended Complaint, ([R.286]), Rad Source's Answer, Defenses, and Counterclaims thereto, ([R.290]), and Nordion-Best's Answers to Rad Source's Counterclaims, ([R.308, 309]), form the operative pleadings in this case. After conducting a ten-day bench trial, the court issued its final order and judgment, which was largely in Rad Source's favor. ([R.350, 351]). Rad Source has a motion for attorneys' fees, pursuant to Fla. Stat. § 768.79, pending in the district court. ([R.353, 369]).

B. The Eleventh Circuit Appellate Proceedings.

On October 26, 2011, Nordion-Best filed their Notice of Appeal with the district court. ([R.359]). The parties' merits briefing was completed by the end of

February 2012. A courtesy copy of Rad Source's merits brief is attached as **Exhibit A** to the Appendix hereto.⁴

In its July 1, 2013 opinion, the Eleventh Circuit decided all but one of the dispositive issues in Rad Source's favor. *Id.* at 856. For example, after conducting an exhaustive patent infringement analysis under federal law, the Eleventh Circuit affirmed the denial of Nordion-Best's primary breach of contract claim. *Id.* at 846-849.

Additionally, Nordion-Best had alleged in the underlying suit that Rad Source was in breach of contract because it had "unreasonably" refused to consent to an assignment of the subject license agreement from Nordion to Best. *Id.* at 850. The district court denied this claim because it found that Rad Source's withholding of consent was reasonable. *Id.* The Eleventh Circuit affirmed this ruling. *Id.*

Unable to assign the license agreement outright, Nordion entered into a purported sublicense agreement with Best, which is attached as **Exhibit B** to the Appendix hereto. "The district court determined that because Nordion conveyed to

⁴ In its merits brief, Rad Source suggested that the Federal Circuit Court of Appeals *may* have jurisdiction over the appeal under 28 U.S.C. § 1338(a) based on then prevailing authority. (*See App., Ex. A, pp. xii-xiii*). In supplemental briefing and at oral argument, however, Rad Source explained that the Eleventh Circuit could exercise jurisdiction over the appeal based on a recently issued Federal Circuit dissent and a Supreme Court opinion. Ultimately, citing this authority, the Eleventh Circuit confirmed that, notwithstanding the dispositive patent law issues inherent in the case and appeal, it had jurisdiction. *See MDS, 720 F.3d at 841-843.*

Best substantially all of its interests under the License Agreement, the sublicense agreement was tantamount to an unconsented-to assignment” and, therefore, a breach of the license agreement. *MDS*, 720 F.3d at 854. The Eleventh Circuit similarly found that the sublicense agreement was “a blatant attempt to circumvent the consent requirement” of the license agreement. *Id.* at 855.

The Eleventh Circuit, however, abstained from affirming the district court’s ruling that the sublicense agreement was a breach of the license agreement because the Eleventh Circuit was “uncertain of the proper resolution of this issue” under Florida law. *Id.* at 854. As a result, the Eleventh Circuit certified the issue to this Court for resolution, with the majority of the panel setting forth “the argument in favor of treating the transfer as an assignment — the argument favoring Rad Source,” *id.* at 855, and the dissenting opinion setting forth the contrary view. *Id.* at 857-859.

The question certified to this Court is:

When a licensee enters into a contract to transfer all of its interests in a license agreement for an entire term of a license agreement, save one day, but remains liable to the licensor under the license agreement, is the contract an assignment of the license agreement, or is the contract a sublicense?

Id. at 856. Because of the unique facts underlying whether the sublicense agreement constitutes an unpermitted assignment in breach of the license agreement, the Eleventh Circuit made it clear that:

The phrasing of this certified question should not restrict the Florida Supreme Court's consideration of the problem posed by this case. This extends to the Florida Supreme Court's restatement of the issues and the manner in which the answer is given.

Id. Indeed, the Eleventh Circuit commented in a footnote that the equitable assignment doctrine may be relevant to this Court's resolution of the issue. *Id.* at n.10. Further, and so that this Court can consider all of the circumstances surrounding the issue at bar, "the entire record, along with the briefs of the parties, [have been] transmitted" to this Court. *Id.*

Finally, as noted in its Motion to Stay filed with this Court, Rad Source filed a Motion for Reconsideration with the Eleventh Circuit, in part, because it contends that the certified question has been improperly submitted to this Court. (See Rad Source's July 24, 2013 *Time Sensitive* Mot. to Stay, Ex. A; see also pp. 17-23, *infra*). As this Court has been informed, however, the Eleventh Circuit summarily denied this motion, in a two-sentence order, without any discussion of the merits of Rad Source's arguments. (See Rad Source's August 22, 2013 Notice of Ruling, Ex. A).

III. Statement of Facts.

A. Rad Source: A company born in the mid-1990s to replace dangerous isotope irradiation technology.

Randol Kirk, a self-taught inventor and entrepreneur, ([R.336]-17:2-22:10), founded Rad Source, a small irradiation technology company, in the mid-1990s.

([R.335]-164:19-165:4; [R.350]-8-9). Mr. Kirk's vision is to replace radioactive isotope irradiation devices with X-ray technology. ([R.336]-22:11-23:2; [R.335]-165:5-9; [R.350]-8-9). Isotope irradiation technology is potentially dangerous from a safety and environmental standpoint. ([R.335]-165:8-166:5).

B. Rad Source develops and sells the RS 3000.

Rad Source surmounted numerous obstacles in commercializing its X-ray technology. ([R.336]-23:3-28:15). Faced with limited funding and skepticism from the industry, Mr. Kirk realized that he would have to produce a practical X-ray irradiation device to succeed. ([R.336]-28:10-25). In 1999, Rad Source built the RS 3000, an X-ray blood irradiator for medical organizations. ([R.335]-166:6-167:8; [R.336]-29:1-18, 30:1-31:16; [R.350]-9). Blood irradiation eliminates pathogens to reduce the risk of disease during blood transfusions. ([R.350]-2-3).

Through its marketing and service efforts, Rad Source saw a steady rise in the sales of the RS 3000. ([R.335]-167:9-169:4; [R.336]-31:17-20). Further, Rad Source obtained three patents for its X-ray irradiation technology. ([R.332]-Joint Exs. 2, 36, 37).

C. In August 2003, Rad Source and Nordion enter into the License Agreement for the RS 3000 System.

In early 2002, Nordion recognized the impact of the RS 3000 in the marketplace and contacted Rad Source to license the RS 3000. ([R.335]-170:9-171:3). Rad Source was very interested in this offer because Nordion had

resources that could propel the RS 3000 into the international arena. ([R.335]-171:4-14; [R.350]-12). Further, because Nordion used only isotope technology, Rad Source could be a complementary partner for Nordion for the RS 3000 and other X-ray irradiation technology that Rad Source later developed. ([R.335]-171:14-172:4; [R.350]-12).

Ultimately, Nordion and Rad Source entered into a license agreement in August 2003 (the “License Agreement”). ([R.286-1]; [R.350]-12). The License Agreement was negotiated for over a year, ([R.335]-174:23-25; [R.350]-12), in part, because the RS 3000 was Rad Source’s “lead product,” and Rad Source wanted to ensure that Nordion would be “dedicated” to their relationship. ([R.335]-174:1-25). Rad Source believed that the License Agreement would allow it to funnel new technologies to Nordion in the future. ([R.335]-175:14-25). As a result, Rad Source ensured that it had a “good fit” with Nordion before it entered into the agreement. ([R.335]-174:23-175:13; [R.350]-12).

The first sentence of Article 3.1 of the License Agreement states:

Rad Source hereby grants to Nordion . . . an exclusive right and license (transferable, with the right to grant sublicenses to third parties (‘Sublicensees’) on such terms as are consistent with this Agreement to Use the Licensed Technology for the System

([R.350]-31-32). The Eleventh Circuit has ruled that Article 3.1 is unambiguous, *MDS*, 720 F.3d at 845, and that the “plain reading of the first sentence is that it grants Nordion the exclusive right to use the patents to manufacture, install,

service, and maintain the RS 3000 System.” *Id.* Therefore, the plain meaning of the sublicense right referenced in that first sentence can extend *only* to Nordion having a right to sublicense this “exclusive right to use the patents to manufacture, install, service, and maintain the RS 3000 System[,]” and *not* to Nordion having a right to sublicense all of its rights and obligations under the License Agreement.

Indeed, the License Agreement also has an anti-assignment clause at Article 13.9, which states that neither party “may assign any of its rights or delegate any of its obligations under this Agreement without the express written consent of the other party.” ([R.286-1-22; [R.350]-36).

D. In July 2007, Nordion and Rad Source discuss licensing a new blood irradiator using the Long Tube.

In 2002, at the time the parties were negotiating the License Agreement, Rad Source demonstrated to Nordion a prototype of a more powerful X-ray tube called the Long Tube. ([R.335]-176:19-24, 177:13-16; [R.350]-13-14). Nordion, however, did not want to license the Long Tube from Rad Source at that time because it did not believe that the technology was commercially ready.

Years later, in July 2007, Nordion representatives visited Rad Source’s headquarters. ([R.332]-133:24-134:4; [R.350]-16). During the visit, Nordion received an in-depth demonstration of the Long Tube, and the parties discussed its use for blood irradiation. ([R.335]-181:7-18; [R.350]-18). Thereafter, in October 2007, Nordion requested Rad Source’s company profile for further business

development discussion. ([R.332]-149:1-151:3, Joint Ex. 5; [R.350]-18-19). Rad Source promptly sent its company profile to Nordion. ([R.332]-153:10-154:24, Joint Ex. 6, Def. Ex. D; [R.350]-19). Rad Source, however, never heard back from Nordion. ([R.335]-185:10-15; [R.350]-19).

E. In 2007-2008, Nordion exits the blood irradiation business and assigns the License Agreement to Best without Rad Source's reasonable consent.

Surprisingly, the next time Rad Source heard from Nordion was in December 2007, when Rad Source received a one-page letter stating Nordion was exiting the blood irradiation business and requesting Rad Source's consent to an assignment of the License Agreement to Best. ([R.332]-243:2-20; [R.335]-18:3-10; [R.350]-21).⁵ The letter gave no information about the transaction or Best. ([R.335]-17:3-23). Believing that Nordion planned to license the Long Tube, Rad Source's receipt of this letter was "shocking," ([R.350]-21), and "out of the blue." ([R.336]-144:1-5). The "circumstances were ... completely 180 degrees from what [Rad Source] thought they were." ([R.335]-187:14-17).

Not knowing anything substantive about Best or the Nordion-Best transaction, or how Rad Source would be affected by it, Rad Source responded to Nordion and refused to consent to an assignment of the License Agreement

⁵ Unbeknownst to Rad Source, in November 2007, Nordion had already entered into an Asset Purchase Agreement with Best, which the two parties had been secretly negotiating since 2006. ([R.335]-5:20-6:9, 8:15-20, 18:22-25; [R.350]-21).

because it was “not in Rad Source’s best economic or business interest” to do so. ([R.335]-19:24-20:24, 187:17-188:11; [R.350]-21-22). In fact, from its own research, Rad Source was concerned that Best may be a potential competitor. ([R.335]-188:12-24; [R.350]-21). Nonetheless, in its response letter, Rad Source stated that it did “not want to foreclose future discussions” and asked for documentation pertaining to the transaction. (*Id.*). Despite this request, Nordion did not send Rad Source a single document or a copy of the Asset Purchase Agreement. ([R.332]-178:7-14; [R.335]-20:25-21:2, 190:15-22; [R.350]-22).

The parties subsequently had a conference call to discuss the issue. ([R.335]-21:13-22:6, 189:19-190:6; [R.350]-22-23). During that call, Nordion learned that Rad Source was uncomfortable having an exclusive license with Best, in part, because Best was an oncology company, and not an irradiation company like Nordion. ([R.333]-221:16-222:25; [R.335]-22:7-10, 23:24-24:6, 24:24-25:3). Rad Source also expressed that it valued its relationship with Nordion, as well as Nordion’s vision in the irradiation marketplace. ([R.335]-22:15-23). Knowing little about Best, Rad Source stated that it could not consent to Best assuming the License Agreement. ([R.335]-22:24-23:23). The Eleventh Circuit held that Rad Source’s decision was reasonable. *MDS*, 720 F.3d at 850.

When Rad Source stated that it did not have enough information to consent, Nordion threatened that it would go through with the transaction by sublicensing

the License Agreement. ([R.335]-192:3-24; [R.350]-23). Rad Source objected that Nordion could not do so under the agreement, but Nordion made a thinly veiled threat that Rad Source would take on the wealthy owner of Best if it fought this issue. ([R.335]-192:24-193:14; [R.350]-23).

1. Nordion Exits the Business.

As confirmed by the language of the Asset Purchase Agreement executed on November 29, 2007, ([R.350]-19-20), Nordion sold and assigned all of its interest in the License Agreement and Raycell (i.e., RS 3000 System) to Best. ([R.332]-231:22-234:25; [R.332]-Def. Ex. E; [R.350]-20). In doing so, and instead of licensing, Nordion assigned and fully transferred its own intellectual property related to its blood irradiators, including a patent, RAYCELL trademarks, and a web domain. ([R.332]-Def. Ex. E; *see also* [R.332]-235:20-22). Indeed, the name Best Theratronics comes from a former Nordion division called Theratronics. ([R.335]-133:2-4).

In a press release, ([R.335]-13:15-15:2), related documents, ([R.350]-25-26), and even in Securities and Exchange Commission (“SEC”) filings, Nordion stated unequivocally (as recently as 2011 while this litigation was underway) that it had divested its self-contained irradiator division and exited the blood irradiation business through the Asset Purchase Agreement. ([R.333]-112:4-121:5, [R.335]-39:1-15; [R.350]-20). Moreover, Nordion entered into a seven-year non-compete

with Best in the blood irradiation business. ([R.332]-236:5-7, [R.335]-15:3-20; [R.350]-20).

Consequently, Nordion does not sell, market, service, or maintain Raycells anymore. ([R.335]-15:21-24, 38:5-9, 38:18-21; [R.350]-26). In fact, 155 Nordion employees have transitioned to Best Theratronics, and the Nordion “Theratronics building” and land are now owned by Best. ([R.332]-236:1-4; [R.350]-20). Clearly, Nordion fully exited the blood irradiation business and has no plans of selling blood irradiators in the future. ([R.335]-37:21-25).

2. The Sublicense Agreement.

In April 2008, after Rad Source reasonably refused to consent to an assignment of the License Agreement, and in a clear attempt to circumvent the non-assignment provision in the License Agreement, *MDS*, 720 F.3d at 855, Nordion and Best entered into a Sublicense Agreement. ([R.290-8]; [R.350]-24). Nordion-Best never informed Rad Source about this agreement. ([R.332]-246:15-17; [R.333]-193:22-194:2).

The Sublicense Agreement’s term is “equal to the term of the License Agreement less one (1) day.” ([R.290-8]-3). According to Nordion, the one day remainder in the Sublicense Agreement has *no* business purpose whatsoever. ([R.335]-37:12-16). Rather, the Sublicense Agreement was intended to transfer all of Nordion’s interest and obligations under the License Agreement to Best.

([R.333]-110:12-111:22; [R.335]-35:3-36:2).

For example, under Section 2.3 of the Sublicense Agreement, Best expressly assumed all of Nordion's obligations under the License Agreement. ([R.290-8]-4; [R.333]-108:10-23; [R.335]-35:3-5; [R.350]-25). Under Section 2.5, Nordion-Best agreed that Nordion had no independent obligation to make payments to Rad Source. ([R.290-8]-4; [R.350]-25). Under Section 2.6, Nordion is not liable to Best for any claims or damages arising out of Rad Source's breach of the License Agreement. ([R.290-8]-4; [R.350]-25). Under Section 2.7, Nordion would enforce the License Agreement against Rad Source only "at the request and sole cost and expense of Best Theratronics." ([R.290-8]-4). Further, under Sections 2.3 and 2.7, Best agreed to broadly indemnify Nordion in connection with any claims or damages related to the License Agreement. ([R.290-8]-4; [R.350]-25).

SUMMARY OF ARGUMENT

This is not a landlord-tenant case. Yet, from reading Nordion-Best's brief, which predominantly cites cases evaluating real estate subleases and assignments of leases, one might think so. In reality, the case law cited by Nordion-Best is inapposite because the issue certified to the Court involves a dispute regarding the transfer or assignability of patent rights and licenses, which is governed by federal law. Indeed, this Court has never been asked to answer a certified question concerning a transfer of patent rights.

Patents, as the Court is undoubtedly aware, are creatures exclusively of federal law. Federal patent laws are unique in that they exist to grant a patent holder a monopoly to exclude others from practicing an invention for a certain number of years. Who the patent holder permits, by license or otherwise, to practice his invention, therefore, is a valuable part of this federal right and an important policy consideration. A patent holder may want to extend his monopoly rights to some, but not others, and he has the right to do so under federal law.

If a particular state law, however, allowed for the free assignability of a nonexclusive patent license, the patent holder would lose control over the identity of downstream licensees, in derogation of the patent holder's federal rights. Such state law would be in contravention of federal patent law and of its policy of protecting the licensing rights of patent owners. Indeed, under federal law, *Rad Source*, as a patent holder, was well within its rights to refuse *Best* as a sublicensee.

As a result, other courts that have considered this issue have ruled that federal law, and not state law, governs the inquiry. Indeed, a New York state court faced with almost the exact same situation of bad faith behavior by a licensee ruled that federal law controls. Moreover, unlike the lease assignment authority cited by *Nordion-Best*, these cases hold that when *substantially* all rights in a patent are transferred, the transfer constitutes an assignment, and not a license or sublicense.

Applying this federal law, the district court correctly found that the Nordion-Best Sublicense Agreement is tantamount to an assignment.

For these reasons, and because federal law controls, Rad Source submits that Florida law does not apply to the certified question before the Court. Moreover, no Florida court has opined on this issue before, and the Court has no impetus now to take a position on this issue of federal law that may conflict with the important policy considerations at stake. Rather, pursuant to Art. V, § 3(b)(6), Fla. Const., the Court should exercise its discretion and decline to answer the certified question.

Even if the Court considers the merits of the certified question in the context of the unique facts of this case, it should hold that under Florida law an agreement such as the Sublicense Agreement would constitute an assignment. To that end, the real estate lease cases cited by Nordion-Best are of no help because those cases do not address the factual circumstances or policy considerations at stake here. And, in fact, even to the extent those cases are considered, it is clear that the Sublicense Agreement is not what it purports to be.

Nor is there any credence to Nordion-Best's argument that the issue before the Court is one of pure contract construction limited to the four corners of the Sublicense Agreement. Indeed, if that were the case, the Court would have to decline answering the Certified Question because the Sublicense Agreement

mandates that it is to be interpreted under Canadian law. Rather, the purpose of the Eleventh Circuit’s certified question is to obtain guidance to determine whether, under the circumstances, the Sublicense Agreement is, in reality, an assignment in breach of the License Agreement.

There is no bright line rule under Florida law that addresses the resolution of this complex issue. Rather, to the extent that the Court seeks to resolve the merits of the certified question, it should restate the certified question to address the unique circumstances in this case and rule that, under applicable Florida law, including the equitable assignment doctrine, an agreement such as the Sublicense Agreement is an assignment.

In sum, Rad Source requests that the Court decline to answer the certified question because it is governed by federal law. In the alternative, Rad Source requests that the Court answer the (restated) certified question to hold that an agreement such as the Sublicense Agreement is an assignment under Florida law.

ARGUMENT AND CITATIONS TO AUTHORITY

I. The Standard of Review.

This matter is before the Court pursuant to Art. V, § 3(b)(6), Fla. Const., which states that the Court “[m]ay review a question of law certified by the Supreme Court of the United States or a United States Court of Appeals which is determinative of the cause and for which there is no controlling precedent of the

supreme court of Florida.” A pure question of law is typically subject to a *de novo* standard of review. *See Major League Baseball v. Morsani*, 790 So. 2d 1071, 1074 (Fla. 2001).

II. The Issue Underlying The Certified Question Is Governed By Federal Law, Which Provides That the Sublicense Agreement Is an Assignment.

Rad Source submits that the Court’s inquiry pertaining to whether the an agreement like the Sublicense Agreement constitutes an assignment is not one controlled by Florida law. Rather, federal law governs because at issue is the transfer of patent rights. As a result, on this particular issue, the district court correctly cited applicable federal patent law in its opinion, ([R.350]-76), as did Rad Source in its briefing to the Eleventh Circuit. (App., Ex. A, pp. 47-52).

A. Federal law governs the issue before the Court.

A number of appellate courts faced with a similar inquiry have ruled that disputes regarding the transfer or assignability of patent rights and licenses are governed by federal law. *See, e.g., Rhone-Poulenc Agro, S.A. v. DeKalb Genetics Corp.*, 284 F.3d 1323, 1328 (Fed. Cir. 2002) (“On the related question of the transferability of patent licenses, many courts have concluded that federal law must be applied.”), *cert. denied, Monsanto Co. v. Bayer CropScience, S.A.*, 539 U.S. 957, 123 S. Ct. 2668 (2003); *In re CFLC, Inc.*, 89 F.3d 673, 679 (9th Cir. 1996) (concluding that “federal law governs the assignability of patent licenses because of the conflict between federal patent policy and state laws”); *Cincom Sys. v.*

Novelis Corp., 581 F.3d 431, 436 (6th Cir. 2009) (affirming its prior holding in *PPG Indus., Inc. v. Guardian Indus. Corp.*, 597 F.2d 1090 (6th Cir. 1979) that “questions with respect to the assignability of a patent” are governed by federal law); *see also* 2-9 Milgrim on Licensing § 9.04 (2013) (“While a contract pertaining to patents is governed for the most part by state law contract-construction principles, the fact that the subject matter of the agreement relates to patents makes it appropriate, and in some instances obligatory for a court, to look to federal case law pertaining to patents and patent infringement to resolve disputes.”).

Typically, this issue arises in the context of standing and liability in a patent infringement dispute. *See, e.g., Innovus Prime, LLC v. Panasonic Corp.*, No. C-12-00660-RMW, 2013 U.S. Dist. LEXIS 93820, *7-9 (N.D. Cal. Jul. 2, 2013) (ruling that federal law overrides choice of law clause in inquiry involving assignment of agreement concerning patent rights); *DDB Techs., L.L.C. v. MLB Advanced Media, L.P.*, 517 F.3d 1284, 1289-90 (Fed. Cir. 2008) (resolving that federal law, and not state law, governed whether employment agreement automatically assigned patents to employer); *Bd. of Trs. v. Roche Molecular Sys.*, 487 F. Supp. 2d 1099, 1122-23 (N.D. Cal. 2007), *aff’d in part and vacated in part*, 583 F.3d 832 (Fed. Cir. 2009), *aff’d*, 131 S. Ct. 2188, 180 L. Ed. 2d 1 (2011) (holding that federal law governed inquiry of whether patent license was

assignable).

The application of this principle, however, is by no means limited to patent infringement suits. For example, in deciding what patent rights were transferred in a contract between two co-inventors of a patented device, the Eleventh Circuit has looked to federal law, including the seminal decision of *Waterman v. Mackenzie*, 138 U.S. 252, 11 S.Ct. 334 (1891). See *Devlin v. Ingram*, 928 F.2d 1084, 1092 n.12 (11th Cir. 1991). Also, the *CFLC* case involved an inquiry of whether a patent license was assumable and assignable in bankruptcy. 89 F.3d at 673, 679. See also *Ark Patent Int'l, LLC v. Tarksol Int'l, LLC*, 906 N.Y.S.2d 777, 2009 N.Y. Misc. LEXIS 3555 (N.Y. Sup. Ct. Dec. 11, 2009), *aff'd*, 79 A.D.3d 1732 (N.Y. App. Div. 2010) (ruling that federal law, and not state law, governed whether “Exclusive License Agreement” was, in fact, an assignment in rescission of contract suit).

One of the primary reasons why federal law applies to the above-referenced cases and to the present inquiry before the Court is explained in the *CFLC* decision. In that case, the Ninth Circuit Court of Appeals explained that federal patent laws exist to grant an inventor exclusivity to practice an invention for a certain number of years. 89 F.3d at 679. If a particular state law allowed for free assignability of a nonexclusive patent license, the patent holder would lose control over the identity of downstream licensees. *Id.* This would create a situation

“fraught with . . . danger[,]” one where a licensee could transfer a patent license to “a party whom the patent holder itself might be absolutely unwilling to license.”

Id.

This policy underscores the exact concern that Rad Source faced when it reasonably refused to consent to an assignment of the License Agreement from Nordion to Best. *MDS*, 720 F.3d at 850. Rad Source was well within its rights to refuse Best as a licensee. *Id.* Nordion-Best nevertheless decided to make an end-run around the License Agreement’s anti-assignment clause by entering into the Sublicense Agreement, *id.* at 855, jeopardizing Rad Source’s ability to control the identity of its licensee. Therefore, if in answering the certified question, Florida law could potentially condone Nordion-Best’s scheme, it would be in contravention of this body of federal patent law and the policy of protecting the licensing rights of patent owners like Rad Source.⁶

B. Under federal law, the Sublicense Agreement is, in reality, an assignment.

The governing federal law provides that a “license may be tantamount to an assignment . . . if it conveys to the licensee all substantial rights to the patent at

⁶ Indeed, in other circumstances, the Court has recognized that Florida law must yield to federal patent law. *See, e.g., Chandris, S.A. v. Yanakakis*, 668 So. 2d 180, 183 (Fla. 1995) (per *Sperry v. Florida ex rel. Florida Bar*, 373 U.S. 379 (1963), “Florida could not enjoin a nonlawyer registered to practice before the United States Patent Office from” patent prosecution work in Florida). Similarly, the Eleventh Circuit affirmed the application of federal patent law, rather than Florida law, in denying one of Appellants’ contract claims. *MDS*, 720 F.3d at 846-849.

issue.” *Aspex Eyewear, Inc. v. Miracle Optics, Inc.*, 434 F.3d 1336, 1340 (Fed. Cir. 2006). This is because “[w]hether a transfer of a particular right or interest under a patent is an assignment or a license does not depend upon the name by which it calls itself, but upon the legal effect of its provisions.” *Waterman*, 138 U.S. at 256.

For example, where a licensee attempted to circumvent an “anti-assignment” provision in a patent license through a cleverly crafted set of five sales contracts, the Seventh Circuit noted that the contracts were “merely a device for defeating the anti-assignment clause” and that the contracts “differ from an assignment only in formal, in the sense of economically empty, respects.” *Cook v. Boston Scientific Corp.*, 333 F.3d 737, 742-743 (7th Cir. 2003); *see also Nano-Proprietary, Inc. v. Canon Inc.*, 2007 U.S. Dist. LEXIS 14336, *18 (W.D. Tex. Feb. 22, 2007) (noting “importance of looking past the ‘neatly tailored drafting’ of contracts intended to circumvent a licensing agreement”), *rev’d in part on other grounds*, 537 F.3d 394 (5th Cir. 2008); *Flexiteek Americas, Inc. v. Plasteak, Inc.*, 626 F. Supp. 2d 1251, 1257-58 (S.D. Fla. 2009) (holding that extrinsic evidence and surrounding circumstances considered to determine whether agreement was assignment).

The *Biosynexus* case cited in Rad Source’s Eleventh Circuit briefing, (App., Ex. A, pp. 49-50), which has facts strikingly similar to those in this appeal, is perhaps the best example of why the Sublicense Agreement is, in reality, an

assignment. *See Biosynexus, Inc. v. Glaxo Group Ltd.*, 816 N.Y.S.2d 693, 2006 NY Misc LEXIS 468 (N.Y. Sup. Ct. Mar. 13, 2006) (unpublished), *aff'd in part, modified in part, and vacated in part by*, 40 A.D.3d 384 (N.Y. App. Div. 2007), *appeal denied by*, 2007 N.Y. App. Div. LEXIS 8682 (N.Y. App. Div. Jul. 19, 2007). In that case, the trial court held that federal law, and not state law, governed its analysis in holding that a purported sublicense of patented technology to a third-party was, in fact, an assignment. 816 N.Y.S.2d 693. In affirming this decision, the appellate division held that the trial court “appropriately looked to federal case law on standing in patent infringement cases” 40 A.D.3d at 384.

Biosynexus entered into a broad license agreement with Glaxo, whereby Glaxo also received an “unrestricted right to sublicense the technology.” 816 N.Y.S.2d 693. The agreement, however, prohibited Glaxo “from assigning its rights without Biosynexus’s prior approval.” Later, however, Glaxo “entered into an agreement with [third-party] MedImmune, where [Glaxo] purported to sublicense to MedImmune the same rights to the . . . technology granted to [Glaxo] under the” agreement. *Id.* “In this agreement, [Glaxo] also delegated to MedImmune substantially all of its obligations under the” agreement. *Id.* Biosynexus sued, claiming that this purported sublicense was, in fact, an unpermitted assignment.

Citing federal patent law, the Biosynexus court held that an examination of

the agreement shows that Glaxo “intended to effect an assignment to MedImmune of substantially all its rights to the patented . . . technology” and that the “terms of the agreement tend to show that [Glaxo] intended to divest itself of substantially all control over the technology.” *Id.* at *5. As a result, the court held that this was an assignment, and not a sublicense, of the original agreement. *Id.*

Likewise, in this case, applying federal law, the district court correctly held that “[t]he Sublicense Agreement substantively transferred all rights held by Nordion in the technology licensed under the License Agreement” to Best, “which was in effect an assignment of Nordion’s rights under the License Agreement to Best without [Rad Source’s] express written consent” ([R.350]-72).

Hence, because federal law governs the inquiry and under that law the Sublicense Agreement is, in reality, an assignment, Rad Source respectfully requests that the Court decline to answer the certified question pursuant to its discretion under Art. V, § 3(b)(6), Fla. Const.

III. Even If the Court Applies Florida Law, It Is Clear That the Sublicense Agreement Is, In Reality, an Assignment.

A. The certified question is not limited to an inquiry of pure contract construction.

Nordion-Best pretend that the Court’s charge is merely to interpret the Sublicense Agreement in a vacuum. (Nordion-Best’s Br., pp. 11, 17). That is clearly not the case. Indeed, if it were, the certified question would have been

presented to a *Canadian* court because Section 1.8 of the Sublicense Agreement mandates that it be “interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.” (App., Ex. B, p. 3). By Nordion-Best’s argument, Florida law has no application here and the Court should decline to answer the certified question.

In reality, what is vexing the Eleventh Circuit is the holistic inquiry of whether the Sublicense Agreement constitutes a breach of the License Agreement. *MDS*, 720 F.3d at 854. The court noted that “Appellants argue that the district court erred when it concluded that . . . the sublicense agreement was tantamount to an unconsented-to assignment.” *Id.* Because the court is “uncertain of the proper resolution of this issue, a majority of [its] panel . . . decided to certify the issue to” this Court. *Id.* In fact, so that the Court could consider the certified question in the context of this overall issue of breach, the Eleventh Circuit transmitted “the entire record, along with the briefs of the parties,” to the Court. *Id.* at 856.

B. The Court should restate the certified question as necessary.

Nordion-Best also seek to deter the Court from answering the certified question in a practical manner, requesting that the Court limit its inquiry to the precise language of the question presented by the Eleventh Circuit. (Nordion-Best’s Br., pp. 12, 19-21). Yet, to emphasize that the Court should not elevate form over substance, the Eleventh Circuit stated that:

The phrasing of this certified question should not restrict the Florida Supreme Court's consideration of the problem posed by this case. This extends to the Florida Supreme Court's restatement of the issues and the manner in which the answer is given.

MDS, 720 F.3d at 856. At the same time, the Eleventh Circuit proposed that the equitable assignment doctrine may be relevant to this Court's resolution of the overall issue. *Id.* at n.10.

The Eleventh Circuit's request is nothing novel. In keeping with its discretion under Art. V, § 3(b)(6), Fla. Const., the Court has previously restated and reframed certified questions to address the substance of an issue before it. *See, e.g., Fisher v. Shenandoah General Construction Co.*, 498 So. 2d 882, 883 (Fla. 1986) (restating certified question because Court did "not view the question [presented] as germane to the facts alleged in the pleadings"), *overruled in part on other grounds, Bakerman v. Bombay Co.*, 961 So. 2d 259, 262 (Fla. 2007); *Iglehart v. Phillips*, 383 So. 2d 610, 613, 616 (Fla. 1980) (restating four certified questions).

Nordion-Best are also incorrect that in *Adams v. Fid. & Cas. Co. of N.Y.*, 591 So. 2d 929, 930 (Fla. 1992), the Court "declined to consider issues that were not certified by the Eleventh Circuit." (Nordion-Best's Br., p. 20). In that case, the Eleventh Circuit certified to the Court a question about Fla. Stat. § 624.155(1)(b)1. *Adams v. Fid. & Cas. Co. of N.Y.*, 920 F.2d 897, 900 (11th Cir. 1991). In a footnote, the court also posed an ancillary question that was not raised

by the parties. *Id.* at n.6. In answering the certified question, however, this Court issued a very short opinion, stating that existing precedent was determinative of the question, and it, therefore, “decline[d] to address the certified question further.” *Adams*, 591 So. 2d at 930. In other words, the Court had no reason to reach the Eleventh Circuit’s footnote inquiry, which is quite unlike Nordion-Best’s characterization that the Court “declined” to consider that inquiry. (Nordion-Best’s Br., p. 20).

In sum, to the extent it decides to consider the certified question, the Court can and should restate it as necessary. Indeed, the certified question crafted by the Eleventh Circuit is too general to address the circumstances of this case. *See Fisher*, 498 So. 2d at 883 (restating question to address facts of case). Therefore, under the unique facts of this case, as discussed in the sections below and reflected in the record transmitted by the Eleventh Circuit, an appropriate restatement of the certified question could be:

When a licensee, as part of a sale of its business, enters into a contract with the buyer to transfer all of licensee’s rights and obligations in a license agreement for the entire term of the license agreement, save one day, and the licensee has no purpose for the one day reversion and practically no further liability under the license agreement, is the contract an assignment of the license agreement, or is the contract a sublicense?

C. The landlord-tenant law cited by Nordion-Best is inapposite.

Nearly all of the cases cited by Nordion-Best deal with some aspect of the assignment of real estate contracts, and primarily that of leases. (*See generally* Nordion-Best’s Br.). This body of law is inapposite here, especially considering that none of it even remotely deals with the transfer of patent rights or a party’s blatant attempt to circumvent an anti-assignment clause, *MDS*, 720 F.3d at 855, which is at issue here.⁷

Also, as discussed in the preceding section, the assignment of a real estate contract does not present the same policy concerns of competition and licensee identity, as does the assignment of a patent license. *See also Copeland v. Eaton*, 95 N.E. 291, 292 (Mass. 1911) (patent is “a property right of a peculiar nature, with attributes which differentiate it from all other classes of property.”). For example, with respect to the purported assignment of the real estate contract in *Lauren Kyle Holdings, Inc. v. Heath-Peterson Const. Corp.*, the plaintiff objected to an assignment of the contract merely because it wanted more money, and not because it had any particular objection to the identity of the assignee. 864 So. 2d 55, 58 (Fla. 5th DCA 2004). Here, however, Rad Source, as a patent holder, had reasonable grounds under federal patent law to refuse Best as a sublicensee having

⁷ Indeed, several of these cases do not even deal with the issue of a sublease or sublicense. *Compare Price v. RLI Ins. Co.*, 914 So. 2d 1010 (Fla. 5th DCA 2005); *Dep’t of Rev. v. Bank of Am., N.A.*, 752 So. 2d 637 (Fla. 1st DCA 2000); *Continental Cas. Co. v. Ryan Inc. E.*, 974 So. 2d 368 (Fla. 2008).

access to Rad Source’s valuable intellectual property rights. (*See, supra*, pp. 9-10). Moreover, there was no rebuffed assignment in the *Lauren Kyle* case, 864 So. 2d 55, as there is here. *MDS*, 720 F.3d at 855.

Further, the assignment authority cited by Nordion-Best is ill-fitting for the Sublicense Agreement. For example, citing *Lauren Kyle*, Nordion-Best assert that only if there is an assignment can an assignee (Best) enforce the contract against the original contracting party, and in that situation the assignor (Nordion) would retain no rights to enforce the contract. (Nordion-Best Br., p. 13).

But the Sublicense Agreement demonstrates that Best *is* the *only* party that has the right to enforce the License Agreement against Rad Source, and that Nordion has no obligation or right to do so on its own. For example, under Section 2.7 of the Sublicense Agreement, Nordion “shall” enforce the License Agreement against Rad Source only “at the request and at the sole cost and expense of Best” ([R.290-8]-4). In fact, Nordion testified that it was involved in the lawsuit only “at the request of Best” ([R.335]-36:6-14). In other words, by the plain language of Section 2.7, Nordion is a straw-man that has no right or obligation to enforce the License Agreement on its own. *Id.* Indeed, Best has paid the entire cost of Appellants’ litigation. ([R.333]-111:18-112:3). So, in reality, the Sublicense Agreement “vests in [Best] the right to enforce the [License Agreement], [and Nordion] retains no rights to enforce the contract.” *Lauren Kyle*,

864 So. 2d at 58.

Similarly, the Eleventh Circuit’s dissenting opinion, citing *Lauren Kyle*, states that “[a] sublicensee [Best] cannot enforce a contract against the original contracting party [Rad Source], but must instead sue the sublicensor [Nordion] for any breach of contract by the other original contracting party [Rad Source].” *MDS*, 720 F.3d at 857 (Pryor, J., dissenting). Here, however, Best cannot sue (*and has not sued*) Nordion to enforce the License Agreement against Rad Source. To the contrary, in the Sublicense Agreement, Best has agreed to broadly *indemnify* Nordion “relating to any enforcement of obligations against Rad Source” ([R.290-8]-4).

In fact, Best *has* sued Rad Source directly. ([R.286]). If the Sublicense Agreement truly were a sublicense, Best would have no privity of contract with Rad Source and no contractual cause of action directly against Rad Source. *Compare Tribeca Aesthetic Med. Solutions, LLC v. Edge Pilates Corp.*, 82 So. 3d 899, 903 (Fla. 4th DCA 2011) (“There is no contractual privity between the Landlord and the Subtenant.”). Therefore, either Best has no standing in this lawsuit to bring claims directly against Rad Source or Best is in this lawsuit as a *de facto* assignee of the License Agreement.

If the Court were to apply Florida real estate law here, it would also recognize that “subletting does not affect the lessee's liability to the lessor”

34 Fla. Jur. 2d Landlord & Tenant § 157. Here, however, under Section 2.3 of the Sublicense Agreement, Best “covenant[ed] and agree[d] to assume and perform all of the obligations of [Nordion] under the License Agreement” and agreed that Nordion’s obligations are Best’s “Assumed Obligations” in accordance with their Asset Purchase Agreement. ([R.290-8]-4). Indeed, Best has broadly indemnified Nordion in connection with the performance of these obligations. (*Id.*). In other words, unlike a true sublease or sublicense, Nordion, as a practical matter, has no liability to Rad Source under the License Agreement. Compare *Biosynexus*, 816 N.Y.S.2d 693 (finding delegation of all obligations to purported sublicensee important in holding that sublicense was, in fact, an assignment).

Nor have Nordion-Best treated their relationship as one of sublicensor and sublicensee. Nordion has exited the blood irradiation business completely, and it has no actual interest or involvement with the License Agreement since it closed on its Asset Purchase Agreement with Best. (*See, supra*, pp. 11-12). This is in stark contrast to the situation in *Leesburg Cmty. Cancer Ctr v. Leesburg Reg’l Med. Ctr.*, 972 So. 2d 203 (Fla. 5th DCA 2007), where the court ruled that a sublease was not an assignment, in part, because of the fact that the original tenant continued to exercise its rights under the lease for a period of fifteen years after subletting the premises. *Id.* at 205-06; compare *MDS*, 720 F.3d at 855 (observing that in *Lauren Kyle* no assignment found because of continuing involvement of

original party to contract).

Nordion-Best also rely heavily on the fact that they inserted a one-day remainder in the Sublicense Agreement. (*See* Nordion-Best Br., pp. 17-19). According to Nordion, however, this one day remainder has no business purpose whatsoever. ([R.335]-37:12-16). Rather, it is a nullity deliberately meant to distract from the assignment nature of Nordion-Best’s contract. Importantly, as the Eleventh Circuit points out, none of the “one-day reversion” cases relied upon by Nordion-Best “involve the retention of an inconsequential term of the contract, when the sublicensing party completely divested itself of the business,” *MDS*, 720 F.3d at 855. Therefore, Nordion-Best’s authority is inapposite to the circumstances at bar. *Compare Hooker Chem. and Plastics Corp. v. United States*, 1978 U.S. Ct. Cl. LEXIS 751, *15 (Ct. Cl. Trial Div. Jun. 13, 1978) (“A reservation by the transferor of a right of no practical value will not defeat the sale status of the transaction.”).⁸

In sum, the language of the Sublicense Agreement and Nordion-Best’s

⁸ And, practically, this concept of a one-day remainder in a sub-lease is relevant in situations involving the lease of *tangible* assets such as real estate or automobiles, where the original lessee needs a reversion from the sublessee to ensure it can retake possession of the tangible asset and return the asset to the lessor at the end of the original lease term. Such a reversion has no application here where the patent rights assets are *intangible* and the licensor (Rad Source) will not retake possession of the assets at the end of the term of the License Agreement. (*See* ([R.286-1]-17 (per Section 12.1, Licensed Technology can be used by licensee after expiration of term)).

conduct thereunder belies their assertions to the Court. Their contract is, in reality and in practice, an assignment of the License Agreement, even when applying the inapposite authority cited by Nordion-Best.

D. More relevant Florida law illustrates that the Sublicense Agreement is, in fact, an assignment.

Florida law will recognize certain instruments as valid “equitable assignments” when “to hold otherwise would be unjust.” *Giles v. Sun Bank, N.A.*, 450 So. 2d 258, 260 (Fla. 5th DCA 1984). While there is a dearth of authority on what is considered “unjust,” the preceding discussion should leave this Court with no doubt that the Sublicense Agreement is nothing more than “a blatant attempt to circumvent the consent requirement” of the License Agreement. *MDS*, 720 F.3d at 855. It would certainly be unjust to find that the Sublicense Agreement is anything but an unauthorized assignment under the circumstances.

In *Giles*, the appellate court found it important to not be “misled by form when the substance of the agreement, as interpreted and performed by the parties, reflected an assignment.” 450 So. 2d at 261. Indeed, an “employment agreement” between two companies was found to be an assignment of a landscaping contract when the parties to the agreement “treated the arrangement as an assignment” and the assignee “was to take over” the primary contract. *Id.* at 260. Here, too, with Nordion exiting the blood irradiation business through an Asset Purchase Agreement with Best, and Best taking over all assets and aspects of

that business, Nordion and Best have treated the Sublicense Agreement as an assignment.

Moreover, the unjustness of the situation is further amplified by the fact that the broad Sublicense Agreement is not even contemplated or authorized by the License Agreement, contrary to Nordion-Best's assertion. (Nordion-Best's Br., p. 15). In reality, the parties never intended that Nordion could sublicense the *entire* License Agreement to a third party. ([R.334]-101:18-102:12). The terms "sublicense" and "sublicensee" are not defined or referenced in key clauses of that agreement. ([R.332]-219:20-222:25). Indeed, under the Eleventh Circuit's construction of Article 3.1 of the License Agreement, *MDS*, 720 F.3d at 845, the plain meaning of the unambiguous Article 3.1 sublicense right can extend *only* to Nordion having a right to sublicense its "exclusive right to use the patents to manufacture, install, service, and maintain the RS 3000 System."

Nordion, however, went far beyond just sublicensing its rights to the "RS 3000 System." As Nordion asserted throughout the lawsuit, it transferred *all of its rights under the License Agreement* to Best. ([R.335]-31:23-34:9; [R.341]-76:4-10). The district court noted this fact in its final order, ([R.350]-72),⁹ as did the

⁹ Nordion now tries to assert that it "did not transfer its entire interest in the License Agreement to Best" because "throughout the term of the Sublicense Agreement," it "retained the right to use the Licensed Technology" (Nordion-Best's Br., p. 19). This is flatly contradicted by the Sublicense Agreement, which,

Eleventh Circuit. *MDS*, 720 F.3d at 839. Likewise, Section 2.3 of the Sublicense Agreement expressly *delegates all of Nordion's obligations* to Best. ([R.290-8]-4). Article 13.9 of the License Agreement, however, states that “[n]either Nordion nor Rad Source may assign any of its rights *or delegate any of its obligations* under this Agreement without the express written consent of the other party, such consent not to be unreasonably withheld[.]” ([R.286-1]-22 (emphasis added)).

As a matter of common sense, the anti-assignment provisions of Article 13.9 would be nullified if Nordion truly had the unfettered right in Article 3.1 to sublicense all of its rights and obligations in the entire License Agreement to a third party in this manner. Florida courts do not permit parties to “circumvent” contractual terms through such artifice. *See, e.g., First Federal Sav. & Loan Assoc. v. Fox*, 440 So. 2d 652, 653-654 (Fla. 2d DCA 1983) (finding agreement for deed was attempt to indirectly accomplish what mortgagee could not do directly under mortgage agreement); *Cox v. CSX Intermodal, Inc.*, 732 So. 2d 1092, 1097 (Fla. 1st DCA 1999) (implied covenant of good faith and fair dealing is “designed to protect the contracting parties’ reasonable expectations”); *compare Biosynexus*, 816 N.Y.S.2d 693 (finding licensee’s purported sublicense with third party to be an assignment even where licensee had unfettered sublicense right).

Indeed, for a court to hold otherwise and find that Nordion-Best’s

in Paragraph D, identifies that the “Licensed Technology comprises part of the Assets” sold to Best via the Asset Purchase Agreement. (App., Ex. B., p. 1).

Sublicense Agreement is permitted under the License Agreement would not “accord[] with reason” and instead would be “an absurd construction” of the License Agreement. *Kipp v. Kipp*, 844 So. 2d 691, 693 (Fla. 4th DCA 2003). *See also Lalow v. Codomo*, 101 So. 2d 390, 393 (Fla. 1958) (intention of the parties must be determined from an examination of the entire contract and not from separate phrases or paragraphs); *compare MDS*, 720 F.3d at 855 (observing that *Lauren Kyle* did not deal with “transfer [that] contravened the intention of the parties”).

In sum, it is readily apparent that Nordion-Best’s Sublicense Agreement is a sham. As Nordion has stated under oath to the Securities and Exchange Commission, it has *divested* its self-contained irradiator division and *exited* the blood irradiation business through its Asset Purchase Agreement with Best. ([R.350]-20). The Sublicense Agreement was intended to, and does in fact, function as an assignment of the License Agreement.¹⁰ As such, the Court should recognize Nordion-Best’s true intent and answer the (restated) certified question in

¹⁰ Nordion-Best state in Para. E of the Sublicense Agreement that “they were not entering into an assignment.” (Nordion-Best’s Br., p. 16). This convenient statement (reminiscent of Queen Gertrude from *Hamlet*) was made *after* Rad Source reasonably refused to consent to an assignment. It does nothing more than emphasize Appellants’ guilty conscience and betray their true intent. The situation here is poles apart from that in *Leesburg*, where the lessee actually sublet the premises for fifteen years. 972 So. 2d at 205-06. Moreover, this sentence does not negate the clear language of the terms of the Sublicense Agreement that operate to assign Nordion’s rights and obligations under the License Agreement to Best.

the affirmative: Under the unique factual circumstances of this case, an agreement such as the Sublicense Agreement is, in fact, an assignment under Florida law.

CONCLUSION

To reiterate, whether the Sublicense Agreement is an assignment of Nordion's patent rights and interests under the License Agreement is a question of federal patent law, as state and federal courts around the country have held. The patent law policy considerations at stake in this inquiry are federal in nature and not within the purview of Florida law. Indeed, the Court has never previously been posed a certified question bearing on the transfer of patent rights. For these reasons, the Court should decline to answer the certified question.

To the extent that the Court addresses the merits of the certified question, it should recognize that this case presents a situation vastly different from the lease assignment cases predominantly cited by Appellants. It is also clear that there is no bright line rule under Florida law that can address or condone Nordion-Best's improper actions vis-à-vis the Sublicense Agreement. Nor should the Court attempt to identify a black-and-white test to evaluate agreements such as the Sublicense Agreement. To do so may invite others to follow the type of subterfuge that Nordion-Best have engaged in. Rather, by applying the equitable assignment doctrine, other applicable Florida law, and a traditional sense of justice, the Court should emphasize substance over form and answer the (restated) certified question

such that the district court's ruling in Rad Source's favor can be affirmed, i.e., hold that, under the unique facts of this case, an agreement such as the Sublicense Agreement is, in fact, an assignment.

Respectfully submitted, this 24th day of September, 2013.

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CERTIFICATE OF SERVICE

I hereby certify that I have caused a copy of the foregoing pleading to be served upon opposing counsel in this matter via e-mail (PDF) and U.S. Mail, properly addressed as follows:

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This 24th day of September, 2013.

s/ Anuj Desai

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CERTIFICATE OF COMPLIANCE

The undersigned counsel certifies that the foregoing pleading has been prepared in Time New Roman, size 14, font.

s/ Anuj Desai

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