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April 15, 2021

The Honorable Colm F. Connolly  
United States District Judge  
J. Caleb Boggs Federal Building  
844 N. King Street  
Wilmington, DE 19801-3555

*VIA ELECTRONIC FILING*

Re: *HIP, Inc. v. Hormel Foods Corporation, et al.*,  
C.A. No.18-802-CFC-SRF and  
*HIP, Inc. v. Hormel Foods Corporation*,  
C.A. No. 21-546

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Dear Judge Connolly:

We write on behalf of Plaintiff HIP, Inc. to inform the Court of HIP's actions to address the standing challenge brought by Hormel and to move this case forward to trial.

As the Court is aware, HIP's position throughout this litigation has been that all inventorship rights once held by David Howard in Hormel's U.S. Patent No. 9,980,498 (the "'498 Patent") were retained by Mr. Howard and/or UFS Holdings Inc. ("UFS") and assigned to HIP prior to the filing of this case, and were never assigned to Unitherm Food Systems, LLC ("Unitherm LLC") or its successor-in-interest Marlen International, Inc. ("Marlen"). In an effort to clarify the intentions of the parties at the time of Marlen's acquisition of Unitherm LLC, HIP and Marlen executed a Second Amendment to Contribution and Distribution Agreement on March 16, 2021, which set forth their understanding and intention that Mr. Howard (or HIP, f/k/a UFS) retained all rights in the '498 Patent and did not contribute them to Unitherm LLC prior to its acquisition by Marlen in August 2017. (*See* D.I. 147.)

Although HIP continues to believe that it possessed all rights ever held by Mr. Howard in the '498 Patent at the time this case was filed, it desires to avoid the burden on the parties, third parties, and the Court of additional jurisdictional

April 15, 2021

discovery and related motion practice (*see* D.I. 151), and the delay in resolving the merits of this case. To that end, HIP and Marlen have executed the attached Quitclaim and Assignment, dated April 14, 2021. Ex. A. To the extent that, contrary to the intent of the parties, any rights in the '498 Patent were transferred to Unitherm LLC, and subsequently Marlen, in the applicable agreements, the Quitclaim and Assignment unequivocally quitclaims and assigns any and all rights in the '498 Patent that Marlen or Unitherm LLC may have, or may have once had, to HIP, including, without limitation, any rights to claim inventorship or ownership in the '498 Patent. HIP believes that the Quitclaim and Assignment moots any issue of standing that may have existed.

To avoid any issue as to whether the Quitclaim and Assignment confers standing as of the original filing of this case, HIP filed a new action today (C.A. No. 21-546) asserting the same correction of inventorship and ownership claims asserted in this action, and intends to seek consolidation of the two actions so that they can proceed to trial on the merits. Ex. B. HIP has requested a conference with Hormel to determine whether it will drop its standing challenge in light of the Quitclaim and Assignment and whether it will agree to consolidation of the two actions.

Counsel is available at the Court's convenience to discuss the status of these cases.

Respectfully,

*/s/ Karen Jacobs*

Karen Jacobs (#2881)

cc: All Counsel of Record