

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

Jan K. Voda, M.D.,
Plaintiff-Appellee,

v.

Cordis Corp.,
Defendant-Appellant.

Appeal from the United States District Court
for the Western District of Oklahoma in Case No. Civ-03-1512-L
Judge Tim Leonard

BRIEF FOR *AMICUS CURIAE*
AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION
IN SUPPORT OF CORDIS

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None

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STATEMENT OF INTEREST OF *AMICUS CURIAE*

The American Intellectual Property Law Association (AIPLA) is a national association of nearly 16,000 members interested in all areas of intellectual property law. AIPLA's members include attorneys employed in private practice and by corporations, universities, and government. AIPLA's members represent both owners and users of intellectual property.

AIPLA has no stake in any of the parties to this litigation or the result of this case other than its interest in seeking correct and consistent interpretation of the law as it relates to intellectual property issues.¹ This brief is filed with the consent of both parties.

¹ After reasonable investigation, AIPLA believes that (a) no member of its Board or *Amicus* Committee who voted to prepare this brief, or any attorney in the law firm or corporation of such a member, represents a party to this litigation, (b) no representative of any party to this litigation participated in the authorship of this brief, and (c) no one other than AIPLA, or its members who authored this brief and their law firms or employers, made a monetary contribution to the preparation or submission of this brief. Some committee members or attorneys in their respective law firms or corporations may represent entities that have an interest in other matters that may be affected by the outcome of this litigation.

INTRODUCTION

AIPLA urges this court to reverse the district court's exercise of supplemental jurisdiction over claims of foreign patent infringement. While AIPLA does not have an interest in the outcome of the present litigation, it is concerned about the potential implications of the court's decision in this case. For the reasons discussed herein, this court should hold that federal district courts lack supplemental jurisdiction over foreign patent law claims. This result is proper under the following principles: (1) statutory construction of the federal supplemental jurisdiction statute; (2) an inherent failure of foreign patent infringement claims to meet the "common nucleus of operative fact" standard; (3) the fact that no plaintiff ordinarily would expect to try foreign patent infringement claims in one judicial proceeding with federal patent infringement claims; and (4) other compelling reasons under 28 U.S.C. § 1367(c)(4) (1993), including international comity, judicial economy, fairness, and convenience.

ARGUMENT

I. As a matter of statutory construction, § 1367(a) does not confer jurisdiction over foreign patent law claims.

This case presents the issue of whether jurisdiction exists over foreign patent law claims based on the federal supplemental jurisdiction statute, 28 U.S.C. § 1367(a) (1993). As a matter of statutory construction, such jurisdiction does not exist.

Section 1367(a) provides in relevant part that

in any civil action of which the district courts have original jurisdiction, the district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution.

Id. In adopting this statute, Congress expressed an intent to codify the scope of “pendent jurisdiction” as defined by the Supreme Court in *United Mine Workers v. Gibbs*, 383 U.S. 715 (1966).² Under *Gibbs*, a federal law claim and a state law claim form part of the same Article III “case or controversy” if they “derive from a common nucleus of operative fact” and if they are “such that [a plaintiff] would ordinarily be expected to try them all in one judicial proceeding.” *Id.* at 725; *see Carnegie-Mellon Univ. v. Cohill*, 484 U.S. 343, 349 (1988). As a result, when Congress enacted the supplemental jurisdiction statute, it understood that a state law claim and federal law claim that satisfied these standards would form part of the “same case or controversy.”³

But neither *Gibbs* nor any subsequent Supreme Court decision has confronted a case in which one of two asserted claims arises under foreign patent law. This was the situation at issue in *Mars Inc. v. Kabushiki-Kaisha Nippon Conlux*, 24 F.3d 1368, 1374 (Fed. Cir. 1994), where this court held that federal

² *See* H.R. REP. NO. 734, 101st Cong., 2d Sess. (1990), *reprinted in* 1990 U.S.C.C.A.N. 6860, 6875 n.15.

³ *See Mars Inc. v. Kabushiki-Kaisha Nippon Conlux*, 24 F.3d 1368, 1374 (Fed. Cir. 1994).

supplemental jurisdiction was lacking because the foreign patent law claims at issue did not share a common nucleus of operative fact with the plaintiff's other claims. *Mars* assumed that § 1367 might confer jurisdiction on foreign patent law claims that met the *Gibbs* standard but did not actually decide the issue. Because the scope of § 1367 must be resolved as a logical antecedent to any analysis of a plaintiff's claims under *Gibbs*, this court should address that question first and hold that § 1367(a) does not confer federal jurisdiction over foreign patent law claims.

When Congress enacted the supplemental jurisdiction statute, no express statutory basis existed for a plaintiff to raise any type of foreign patent law claim in federal court. Specifically, no federal substantive cause of action for foreign patent infringement existed, and no federal jurisdictional statute expressly provided for jurisdiction over claims arising solely under foreign patent law. Thus, the determinative question is whether § 1367 somehow grants federal jurisdiction over such unusual and essentially unprecedented claims. As AIPLA will show, several compelling reasons mandate that the statute should not be read so broadly.

A. Federal courts are courts of limited jurisdiction.

Federal courts are courts of *limited* jurisdiction. *Owen Equip. & Erection Co. v. Kroger*, 437 U.S. 365, 374 (1978). Since Congress has never expressly created a cause of action covering foreign patent law claims and has never expressly granted federal courts jurisdiction over such claims, at least a presumption arises that any statutory grant of jurisdiction should be strictly

construed against such jurisdiction. *Cf. Healy v. Ratta*, 292 U.S. 263, 269-70 (1934) (strictly construing federal removal statute because, among other reasons, federal courts historically had limited jurisdiction over federal question and diversity cases); *see also id.* at 270 (strict construction requires federal courts to “scrupulously confine their own jurisdiction to the precise limits which the statute has defined”). This presumption should apply with greater force here than in other contexts because there has never been any expressed basis for federal courts to assert this type of jurisdiction.

B. Federal statutes are presumed to be limited to the geographical territory of the United States.

Interpreting the federal supplemental jurisdiction statute to confer jurisdiction over foreign patent law claims would give extraterritorial effect to the supplemental jurisdiction statute by allowing federal courts to adjudicate (and thus regulate) the legality of actions occurring solely in foreign countries. But unless Congress has clearly expressed an intention that a particular statute be given extraterritorial effect, a presumption exists that federal laws do not regulate foreign conduct. *See EEOC v. Arabian Am. Oil Co.*, 499 U.S. 244, 248 (1991) (“ [L]egislation of Congress, unless a contrary intent appears, is meant to apply only within the territorial boundaries of the United States.” (quoting *Foley Bros., Inc. v. Filardo*, 336 U.S. 281, 285 (1949)));⁴ *F. Hoffman-La Roche Ltd. v.*

⁴ *See also Small v. United States*, 125 S. Ct. 1752, 1758 (2005) (holding that phrase
(cont'd)

Empagran S.A., 124 S. Ct. 2359, 2366 (2004) (“[T]his Court ordinarily construes ambiguous statutes to avoid unreasonable interference with the sovereign authority of other nations.”). As recently explained by the Supreme Court,

This rule of statutory construction cautions courts to assume that legislators take account of the legitimate sovereign interests of other nations when they write American laws. [The rule] thereby helps the potentially conflicting laws of different nations work together in harmony—a harmony particularly needed in today’s highly interdependent commercial world.

F. Hoffman-La Roche, 124 S. Ct. at 2366.

In addition to such comity concerns, another important justification for this presumption is separation of powers: the Constitution assigns principal policymaking and foreign affairs authority to the legislative and executive branches rather than the judicial branch.⁵ As a result, the Supreme Court has applied this presumption if a court’s jurisdiction would otherwise encroach on issues of foreign affairs. *See McCulloch v. Sociedad Nacional de Marineros de Honduras*, 372 U.S. 10, 21-22 (1963) (explaining that policy issues in the sphere of foreign affairs “should be directed to the Congress”).

(... cont’d)

“convicted in any court” in federal criminal law refers only to domestic courts, not foreign courts, based on presumption that Congress’s statutes do not have extraterritorial application).

⁵ *See, e.g.*, U.S. CONST. art. I, § 1; *id.* § 8 cl. 3, 10, 11; *id.* § 9 cl. 8; *id.* § 10, cl. 1, 3; *id.* art. II, § 2 cl. 2; *id.* § 3.

Although these separation-of-powers concerns may arise more often when interpreting *substantive* federal statutes, they also arise when interpreting federal statutes that are “bare” grants of jurisdiction. *See Sosa v. Alvarez-Machain*, 124 S. Ct. 2739, 2762-63 (2004). In *Sosa*, the Supreme Court had to interpret the jurisdictional reach of the Alien Tort Statute, which itself created no new causes of action. 28 U.S.C. § 1350 (1993); *Sosa*, 124 S. Ct. at 2755. The Court thus had to determine the universe of federal common law claims, based on international-law causes of action, that could be brought under that statute. The Court narrowly held that the statute only authorized federal courts to hear claims that met strict standards of “content and acceptance” under “historical paradigms familiar [to international law] when § 1350 was enacted.” *Sosa*, 124 S. Ct. at 2765. The Court reached this result based in part on two separation-of-powers concerns. First, “a decision to create a private right of action is one better left to legislative judgment in the great majority of cases.” *Id.* at 2762-63. Second, “the potential implications for the foreign relations of the United States of recognizing such causes should make courts particularly wary of impinging on the discretion of the Legislative and Executive Branches in managing foreign affairs.” *Id.* at 2763.

Both of these concerns are present with respect to the reach of the supplemental jurisdictional statute: Congress has never created an express cause of action to litigate foreign patent law claims in federal court and the adjudication of such claims in federal courts implicates foreign-affairs issues, such as the proper

construction of foreign patent rights.⁶ Consistently, this court should apply the presumption against extraterritorial reach of U.S. laws and construe the supplemental jurisdiction statute accordingly.

C. Federal statutes should be construed to avoid difficult constitutional questions.

Under principles of statutory construction, federal statutes are interpreted to avoid difficult constitutional questions whenever doing so is “fairly possible.” *See Lorillard, Div. of Loew’s Theatres, Inc. v. Pons*, 434 U.S. 575, 577 (1978) (“[I]t is a cardinal principle that this Court will first ascertain whether a construction of the statute is fairly possible by which the [constitutional] question may be avoided.” (internal quotation marks omitted, second alteration in original)).

As mentioned above, the Supreme Court in *Gibbs* defined the standard for determining if a state law claim against one party is part of the same Article III case or controversy as a federal claim against that same party. But the Court has not decided if the *Gibbs* standard also applies in other situations. Instead, when faced with that constitutional question, the Court has avoided the issue when it could decide a case on other grounds. For example, the Court has twice avoided the issue in cases where a party’s supplemental claim involved the addition of a

⁶ Nor is there an interpretive need to infer a federal common law cause of action over foreign patent law claims because, unlike the case in *Sosa*, the federal supplemental jurisdiction statute would not be a “nullity” if it did not reach that particular class of claims. *See Sosa*, 124 S. Ct. at 2759-61.

new party. *See Moor v. County of Alameda*, 411 U.S. 693, 715 (1973) (“Whether there exists judicial power to hear the state law claims against the [new party] is, in short, a subtle and complex question with far-reaching implications.”); *id.* at 717 (resolving case on non-constitutional grounds); *Finley v. United States*, 490 U.S. 545, 549 (1989) (“We may assume, without deciding, that the constitutional criterion for pendent-party jurisdiction is analogous to the constitutional criterion [under *Gibbs*] for pendent-claim jurisdiction . . .”).

Likewise, before extending supplemental jurisdiction to foreign patent law claims, this court would first have to decide analogous constitutional questions, including whether the judicial power extends to such claims and if so, whether the *Gibbs* standard remains the correct one for defining the scope of the constitutional “case or controversy.” Those constitutional issues may be avoided, however, by construing § 1367 such that it does not extend federal jurisdiction to foreign patent law claims in the first place, as next explained.

* * *

Given the above principles of statutory construction, AIPLA urges this court to read the supplemental jurisdiction statute as narrowly as is “fairly possible.” One way to do that is to read § 1367(a)’s reference to “other claims” as limited to those types of substantive law claims that federal courts were authorized to hear when § 1367(a) was enacted, such as state and federal law claims. In other words, “other claims” should not be read to include completely new types of claims that

lack any history of federal court adjudication, such as foreign patent law claims. *Cf. Raygor v. Regents of Univ. of Minn.*, 534 U.S. 533, 546 (2002) (narrowly construing § 1367(d)'s statutory reference to “all . . . claims” to exclude a particular class of claims that, among other things, raised constitutional issues); *ITSI T.V. Prods., Inc. v. Cal. Auth. of Racing Fairs*, 785 F. Supp. 854, 866 (E.D. Cal. 1992) (dismissing foreign copyright claim based in part on lack of any “clear authority for exercising such jurisdiction”), *aff'd in part, rev'd in part on other grounds*, 3 F.3d 1289 (9th Cir. 1993).

Such a limiting construction should be adopted because it avoids difficult constitutional issues and remains consistent with the principle of limited federal jurisdiction and the presumption of non-extraterritorial effect. In addition, this limiting construction helps make sense of other statutory language. Specifically, § 1367(c) gives district courts express power to decline jurisdiction over supplemental claims in certain cases, as when a claim “raises a novel or complex issue of State law.” 28 U.S.C. § 1367(c)(1). In contrast, however, the statute provides no express authority to decline jurisdiction over similarly complex foreign claims (such as foreign patent law claims).⁷ But if anything, foreign patent law claims would be expected to raise difficult legal issues at least as often as state

⁷ The statute defines “State” so as to exclude foreign states by negative implication. *See* 28 U.S.C. § 1367(e) (“As used in this section, the term ‘State’ includes the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.”).

law claims, if not more often. In addition, there is no reason to think that Congress intended to confer jurisdiction over such a complex, unprecedented, and potentially enormous class of claims as foreign patent law claims while withholding the same basis for declining jurisdiction that Congress provided for complex state law claims. Thus, § 1367(c)(1) provides contextual evidence that Congress simply never intended to confer jurisdiction over foreign patent law claims in the first place. *See Davis v. Mich. Dep't of Treasury*, 489 U.S. 803, 809 (1989) (“It is a fundamental canon of statutory construction that the words of a statute must be read in their context and with a view to their place in the overall statutory scheme.”).

For these reasons, this court should hold that § 1367(a) does not extend supplemental jurisdiction to claims arising solely under the patent laws of foreign countries.

II. Foreign patent infringement claims do not share a common nucleus of operative fact with federal patent infringement claims under § 271(a).

Even if one assumed that district courts could exercise supplemental jurisdiction over foreign patent law claims that met the “common nucleus of operative fact” standard under *Gibbs*, that jurisdiction would not exist where the district court’s original jurisdiction is based on patent infringement under 35 U.S.C. § 271(a) (2001). This is because the kinds of claims at issue in those circumstances inherently lack a common nucleus of operative fact.

Specifically, § 271(a) creates infringement liability only when an entity

“makes, uses, offers to sell, or sells” a patented invention *in* the United States or if it imports it *into* the United States. *Id.* Thus, to prove a claim of patent infringement under § 271(a), a plaintiff must prove specific domestic activity with respect to each alleged act of infringement. In other words, § 271(a) does not apply to purely extraterritorial conduct. *See Rotec Indus., Inc. v. Mitsubishi Corp.*, 215 F.3d 1246, 1251 (Fed. Cir. 2000) (“[The defendant’s] extraterritorial activities . . . are irrelevant to the [§ 271(a) claim] before us[] because ‘[t]he right conferred by a patent under our law is confined to the United States and its territories, and infringement of this right cannot be predicated on acts wholly done in a foreign country.’ ” (quoting *Dowagiac Mfg. Co. v. Minn. Moline Plow Co.*, 235 U.S. 641, 650 (1915))).⁸

As a result, a federal patent infringement claim under § 271(a) will never share a common nucleus of operative fact with a foreign patent law claim. This is true for at least two reasons:

First, if a plaintiff’s foreign patent infringement claim is territorially limited, then it will not overlap with the plaintiff’s federal patent infringement claims under

⁸ *See also Fuji Photo Film Co. v. Jazz Photo Corp.*, 394 F.3d 1368, 1376 (Fed. Cir. 2005) (holding that a patentee’s foreign product sales cannot occur “under” a United States patent because “the United States patent system does not provide for extraterritorial effect” (citing *Int’l Rectifier Corp. v. Samsung Elecs. Co.*, 361 F.3d 1355, 1360 (Fed. Cir. 2004) (“Further, it is well known that United States patent laws ‘do not, and were not intended to, operate beyond the limits of the United States,’ ” (quoting *Brown v. Duchesne*, 60 U.S. 183, 195 (1856)))).

§ 271(a) because the underlying foreign and domestic acts of infringement will have occurred in different countries. While a defendant's foreign and domestic acts of infringement may be qualitatively similar, they cannot be said to have a *common nucleus of operative fact* if they do not actually overlap. See *Lyon v. Whisman*, 45 F.3d 758, 761 (3d Cir. 1995) (*Gibbs* satisfied where federal and state claims are alternative theories of recovery based on same underlying acts); *Frye v. Pioneer Logging Mach., Inc.*, 555 F. Supp. 730, 732 (D.S.C. 1983) (*Gibbs* satisfied where defendant's conduct causes single injury actionable under federal and state law); *Gudenkauf v. Stauffer Communications, Inc.*, 896 F. Supp. 1082, 1084 (D. Kan. 1995) (*Gibbs* satisfied where defendant's wrongful termination of plaintiff was element of offense under federal and state law). Consequently, when foreign patent law is territorially limited, a plaintiff's foreign claim will not be part of the same case or controversy (under the *Gibbs* standard) as his federal claim. See Alan G. Kirios, *Territoriality and International Copyright Infringement Actions*, 22 COPYRIGHT LAW SYMPOSIUM (ASCAP) 69, 76 (Columbia Univ. Press 1977) (explaining that a common nucleus of operative fact is inherently lacking between foreign and federal patent infringement claims when underlying acts of infringement are territorially non-overlapping).

Second, where foreign patent law is not territorially limited – in other words, where it purports to regulate domestic conduct – it is preempted because Congress has occupied the field of patent law. See *Cover v. Hydramatic Packing Co.*, 83

F.3d 1390, 1393 (Fed. Cir. 1996) (“With respect to field pre-emption, Title 35 occupies the field of patent law”);⁹ *Gade v. Nat’l Solid Wastes Mgmt. Ass’n*, 505 U.S. 88, 98 (1992) (“field preemption” means that “the scheme of federal regulation is so pervasive as to make reasonable the inference that Congress left no room for the States to supplement it” (internal quotation marks omitted)).¹⁰

Consequently, if foreign patent law ever purported to regulate infringing activities in the United States, the Supremacy Clause would prevent federal courts from giving that law any effect. U.S. CONST. art. VI (Supremacy Clause) (“This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land”).

Thus, regardless of the substantive content of individual foreign patent regimes, foreign patent infringement claims will not share a common nucleus of operative fact with federal patent infringement claims under 35 U.S.C. § 271(a).

III. Federal patent claims cannot support supplemental jurisdiction over foreign patent claims because plaintiffs ordinarily would not expect to try all such claims in one judicial proceeding.

Even if a federal patent infringement claim could ever share a common

⁹ See also *Univ. of Colo. Found., Inc. v. Am. Cyanamid Co.*, 196 F.3d 1366, 1372 (Fed. Cir. 1999) (holding that federal patent law preempts any state law that purports to define rights based on inventorship).

¹⁰ *Gade* speaks of “the States” rather than “foreign countries,” but federal law necessarily prevails in either case. See U.S. CONST. art. VI (Supremacy Clause).

nucleus of operative fact with a foreign patent infringement claim, a federal court would still lack supplemental jurisdiction over the foreign claim unless the two claims were “ ‘such that [a plaintiff] would ordinarily be expected to try them all in one judicial proceeding.’ ” *Carnegie-Mellon Univ.*, 484 U.S. at 349 (quoting *Gibbs*, 383 U.S. at 725) (alteration in original). But if history is any guide to ordinary expectations, this additional *Gibbs* requirement cannot be met in the context of foreign patent claims. Indeed, despite the fact that federal and foreign patents have existed for hundreds of years, hardly any cases even discuss the possibility of litigating them in one proceeding, let alone hold that a plaintiff is expected to do so.

Moreover, to create such a tradition in order to broaden federal jurisdiction would have negative repercussions on AIPLA’s membership because it would increase the universe of claims and counterclaims that federal parties must raise to avoid waiving them under principles of *res judicata*. See *Brown v. Felsen*, 442 U.S. 127, 131 (1979) (“*Res judicata* prevents litigation of all grounds for, or defenses to, recovery that were previously available to the parties, regardless of whether they were asserted or determined in the prior proceeding.”).¹¹

In other words, although parties in federal court may feel no obligation *today* to bring all of their worldwide patent claims and counterclaims in one federal case,

¹¹This result would also obtain with respect to compulsory counterclaims. See 13 MOORE’S FEDERAL PRACTICE - CIVIL § 13.14 & n.2 (2005).

that would change if federal courts hold that plaintiffs are expected to do so and that such claims may form part of the same case if they bear factual similarities. Parties would then need to bring all such claims they have in the first federal proceeding or risk losing them under the principles noted above. *See, e.g., Equity Resources Mgmt., Inc. v. Vinson*, 723 So. 2d 634, 641 (Ala. 1998) (plaintiff's federal age discrimination suit was *res judicata* as to her related state law claims that could have been – but were not – brought under § 1367). This poses an extremely slippery slope that would have a negative impact on the members of AIPLA, among others.

For these reasons, this court should, at a minimum, hold that federal and foreign patent law claims do not form part of the same case or controversy because plaintiffs never have been expected to try them together in one proceeding.

IV. Other compelling reasons exist under § 1367(c)(4) to decline the exercise of supplemental jurisdiction over foreign patent law claims.

Under 28 U.S.C. § 1367(c)(4), a district court may decline to exercise jurisdiction over a supplemental claim if “in exceptional circumstances, there are other compelling reasons for declining jurisdiction.” *Id.* The statute does not expressly define what constitutes “other compelling reasons” for declining jurisdiction, but at the time of § 1367’s enactment, the Supreme Court had interpreted *Gibbs* to require that federal courts “consider and weigh in each case, and at every stage of the litigation, the values of judicial economy, convenience, fairness, and comity in order to decide whether to exercise jurisdiction over a case

brought in that court involving pendent state-law claims.” *Carnegie-Mellon Univ.*, 484 U.S. at 350. Each of these values provides a compelling basis to decline jurisdiction over foreign patent law claims.

First, asserting jurisdiction over foreign patent law claims would needlessly complicate federal patent litigation and hinder rather than promote judicial economy. Federal patent litigation is a complicated procedure already, and the interests of the members of AIPLA would be adversely impacted by further complicating this procedure with claims of foreign patent infringement. For one, numerous differences exist between federal patent law and the patent laws of other countries. *See Mars*, 24 F.3d at 1375-76 (suggesting that dismissal of foreign patent law claims may be supported by difficulty of resolving complex foreign law issues). These include differing standards for patentability, differing rules for interpreting the scope of patent claims, as well as procedural differences in the enforcement and defense of patent infringement allegations.¹²

In addition, the Patent Cooperation Treaty (“PCT”)¹³ has made it increasingly convenient for inventors to file patent applications in numerous

¹² Indeed, even where patents arise from the same patent application, the patent laws of the various foreign countries differ. *See* Vincenzo di Cataldo, *From the European Patent to a Community Patent*, 8 COLUM. J. EUR. L. 19, 21-22 (2002) (discussing lack of uniformity of national courts in interpreting the European Patent Convention); Sasa Bavec, *Scope of Protection: Comparison of German and English Courts’ Case Law*, 8 MARQ. INTELL. PROP. L. REV. 255 (2004).

¹³ June 19, 1970, art. 1, 28 U.S.T. 7645, 7649, 9 I.L.M. 978, 978.

countries. Yet if a district court decides to retain jurisdiction over *one* foreign patent infringement claim for a patent obtained through the PCT procedure, it is hard to see a principled way to draw any line regarding every other foreign patent claim the plaintiff may have. Some cases might involve only one or two foreign claims, but others could involve over one hundred. Indeed, 126 countries are now signatories to the PCT.¹⁴

Second, asserting jurisdiction over foreign patent law claims would be unfair to defendants because of the Act of State doctrine, which broadly precludes federal courts from determining “the validity of the acts of a foreign sovereign done within its borders.” *See Vanity Fair Mills v. T. Eaton Co.*, 234 F.2d 633, 646 (2d Cir. 1956) (citing *Underhill v. Hernandez*, 168 U.S. 250 (1897); *Am. Banana Co. v. United Fruit Co.*, 213 U.S. 347 (1909); *Ricaud v. Am. Metal Co.*, 246 U.S. 304 (1918)).¹⁵ Because foreign patents are grants of property rights by foreign sovereigns, their validity, at a minimum, cannot be questioned by federal courts. *See Stein Assocs., Inc. v. Heat & Control, Inc.*, 748 F.2d 653, 658 (Fed. Cir. 1984) (“Only a British court, applying British law, can determine validity . . . of British

¹⁴ *See* World Intellectual Property Organization, Treaties and Contracting Parties: PCT, *available at* http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=6 (last visited June 13, 2005).

¹⁵ One basis for this doctrine is international comity. *Oetjen v. Cent. Leather Co.*, 246 U.S. 297, 304 (1918) (“To permit the validity of the acts of one sovereign State to be reexamined and perhaps condemned by the courts of another would very certainly imperil the amicable relations between governments and vex the peace of nations.” (internal quotation marks omitted)).

patents.”).¹⁶ This is especially unfair to defendants where the relevant foreign law allows invalidity to be asserted as a defense in an infringement proceeding. In contrast, nothing is unfair about requiring foreign patent law claims to be litigated in their respective foreign countries.¹⁷

Third, although plaintiffs may be interested in litigating all of their patent claims in one forum, especially if that forum has perceived procedural advantages (such as the availability of liberal discovery and the right to a jury trial), and although some efficiencies may be gained by adjudicating disputes involving the same or similar technology in one forum, the overall convenience to the parties of this kind of consolidation would be more imaginary than real. Even if all of a plaintiff’s foreign patent law claims were allowed to proceed in one federal court, there ordinarily would still need to be substantial foreign proceedings on related issues (most notably issues of patent validity because of the Act of State doctrine discussed above). In addition, if a plaintiff wanted to execute upon a judgment in

¹⁶ In *Stein Associates*, this court also stated that only the relevant foreign court can determine infringement issues. See 748 F.2d at 658. This provides further reason for declining to exercise jurisdiction in a case like the present.

¹⁷ For one, given that there is no tradition of consolidated foreign and domestic patent infringement proceedings, plaintiffs who make the effort to obtain foreign patents do so without any reasonable expectation that they will be allowed to enforce them in a single worldwide proceeding. In addition, by affirmatively invoking the benefits and protections of foreign patent law for the purpose of obtaining property rights that by and large are territorially tied to a foreign country, plaintiffs have no basis to claim that it is unfair to have the courts of that foreign sovereign adjudicate disputes that arise under those rights.

another country, there would need to be foreign enforcement proceedings, which, depending on the country, could effectively result in the re-litigation of the entire dispute (at least as it pertains to that country's patent law). *See Packard Instrument Co. v. Beckman Instruments, Inc.*, 346 F. Supp. 408, 409-10 (N.D. Ill. 1972) (declining to exercise jurisdiction over foreign patent law claims in part because of concerns that resulting judgment would not be respected by foreign courts). Conversely, an adjudication by the courts of the relevant sovereign is the best guarantee of finality to the litigation.

Fourth, and perhaps most importantly, asserting jurisdiction over foreign patent law claims undermines basic principles of comity. Foreign patents are property rights granted by foreign sovereigns under foreign law, and their infringement largely concerns events occurring within that country's territorial jurisdiction. As a result, the adjudication of such claims is a matter peculiarly within both the interest and expertise of the issuing sovereign. *See id.* at 411 (declining to exercise jurisdiction over foreign patent law claims in part because foreign patent law embodied significant economic and social policies best addressed by jurists in the relevant foreign countries).

Finally, dismissal also is appropriate on the ground of *forum non conveniens*. District courts have inherent authority to dismiss claims on the grounds of *forum non conveniens* if an adequate alternative forum exists and a balancing of private and public factors weighs against an exercise of jurisdiction. *See Piper Aircraft*

Co. v. Reyno, 454 U.S. 235, 241 & n.6 (1981). In virtually any imaginable case, an alternative forum exists in which to litigate a plaintiff's foreign patent law claims. And a balancing of the public and private factors will favor dismissal of those foreign claims. *See Mars*, 24 F.3d at 1375-76 (suggesting that dismissal under *forum non conveniens* would be appropriate in case involving foreign patent law claims that raised comity concerns and complex issues of foreign law).

CONCLUSION

For the foregoing reasons, this court should hold that federal courts lack supplemental jurisdiction over foreign patent claims.

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CERTIFICATE OF COMPLIANCE

Pursuant to Federal Rule of Appellate Procedure 32(a)(7)(C), I certify that the foregoing **BRIEF FOR *AMICUS CURIAE* AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION IN SUPPORT OF CORDIS** is 5,092 words in length, in relevant part, and therefore complies with the 7,000 word limitation of Rules 29(d) and 32(a)(7)(b) of the Federal Rules of Appellate Procedure.

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