

United States Court of Appeals
for the
Federal Circuit

JAN K. VODA, M.D.,

Plaintiff-Appellee,

– v. –

CORDIS CORPORATION,

Defendant-Appellant.

APPEAL FROM THE AUGUST 2, 2004 ORDER OF THE
UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA
IN CIV-03-1512-L, THE HONORABLE TIM LEONARD, DISTRICT JUDGE

BRIEF FOR DEFENDANT-APPELLANT

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1. The full name of every party or amicus represented by me is:

Cordis Corporation

2. The names of the real parties in interest represented by me are:

Cordis Corporation

3. The parent company, subsidiaries and affiliates of Cordis Corporation that have issued shares to the public are:

Johnson & Johnson

4. The names of all law firms whose partners or associates appeared for the parties now represented by me in the trial court or are expected to appear in this court are:

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CERTIFICATE OF COMPLIANCE

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TABLE OF ABBREVIATIONS

Abbreviation	Explanation
Cordis	Defendant-Appellant Cordis Corporation
Dr. Voda	Plaintiff-Appellee Jan K. Voda, M.D.
the '625 patent	U.S. Patent No. 5,445,625
the '213 patent	U.S. Patent No. 6,083,213
the '195 patent	U.S. Patent No. 6,475,195
the patents-in-suit	U.S. Patent Nos. 5,445,625, 6,083,213 and 6,475,195
the foreign patents	European Patent No. 0 568 624, British Patent No. GB 568 624, French Patent No. FR568624, German Patent No. DE 69 23 20 95 and Canadian Patent No. CA 2100785
<i>Emphasis</i>	Unless otherwise noted, all emphasis in quoted text has been added.
A__	Appendix page

STATEMENT OF RELATED CASES

No appeal in or from this civil action was previously before this Court or any other appellate court.

There is no other case pending in this or any other court known to directly affect, or be affected by, this Court's decision on appeal. Any contemplated cases in Germany, France, the United Kingdom or Canada may be affected by this Court's decision on appeal.

STATEMENT OF APPELLATE JURISDICTION

The District Court below assumed jurisdiction over the action brought by Plaintiff-Appellee under the United States patent laws, pursuant to 28 U.S.C. §§ 1338, 1391(a) and 2201. The District Court's January 7, 2005 Order certified its August 2, 2004 Order for interlocutory appeal, pursuant to 28 U.S.C. § 1292(b). Cordis' petition for permission to appeal to the United States Court of Appeals for the Federal Circuit ("Federal Circuit") was granted on February 22, 2005.

Accordingly, the Federal Circuit has jurisdiction over this appeal pursuant to 28 U.S.C. §§ 1292(b) and (c). This appeal was timely filed pursuant to 28 U.S.C. § 1292 (b) and Fed. R. App. P. 5(d) and Fed. Cir. R.5(a)(2).

STATEMENT OF THE ISSUES PRESENTED

I. Did the District Court commit reversible error in holding that 28 U.S.C. §1367(a) gave it supplemental jurisdiction over Dr. Voda's claims for infringement of five foreign patents?

II. Having determined that it had supplemental jurisdiction over Dr. Voda's claims for infringement of foreign patents, did the District Court commit reversible error by failing to engage in a discretionary analysis as required under 28 U.S.C. §1367(c)?

STATEMENT OF THE CASE

Plaintiff-Appellee Dr. Voda is an interventional cardiologist practicing in Oklahoma. Defendant-Appellant Cordis is a Florida corporation that sells medical devices used in interventional cardiology. (A207-210.)¹

In October 2003, Dr. Voda sued Cordis in the United States District Court for the Western District of Oklahoma (the “District Court”) alleging infringement of three U.S. patents relating to guiding catheters: the ’625 patent, the ’213 patent, and the ’195 patent. (A12-101.) Cordis served its answer in January 2004, pleading, among other things, that the patents are invalid and not infringed. (A211-218.)

Eight months after the complaint was filed, Dr. Voda moved to amend his complaint to add claims for infringement of five foreign patents: (1) European Patent No. 0 568 624; (2) German Patent No. DE 69 23 20 95; (3) British Patent No. GB 568 624; (4) French Patent No. FR568624; and (5) Canadian Patent No. CA 2100785. Dr. Voda pleaded supplemental subject matter jurisdiction under 28 U.S.C. §1367(a). (A219-254.) Cordis opposed Dr. Voda’s motion. (A255-268.) In August 2004, the District Court granted Dr. Voda’s motion to amend. (A1-3.) Dr. Voda filed his amended complaint the next day. (A269-276.)

¹ A Table of Abbreviations used throughout this brief is provided at p. xiii, *supra*, for the Court’s convenience.

Cordis then moved for reconsideration or, in the alternative, to certify the August 2004 Order for appeal pursuant to 28 U.S.C. § 1292(b). (A280-404.) In January 2005, the District Court granted Cordis' motion to certify, stating:

The court finds that the issue of its jurisdiction over the foreign patents presents a controlling question of law on which a substantial ground for difference of opinion exists and the resolution of which would materially advance the ultimate resolution of this action. The court is loathe to put the parties to the expense of litigating the foreign patents if indeed it does not have subject matter jurisdiction over those claims.

(A4-6 at 6.)

Cordis then petitioned for review. (A2463-2521.) In February, this Court granted Cordis' petition, stating: "In this case, because of the paucity of law surrounding this issue, we grant Cordis's petition." (A7-11 at 8.)

In view of this appeal, Cordis did not answer Dr. Voda's amended complaint and no discovery was taken regarding Dr. Voda's foreign patents. Fact discovery on the U.S. patents closed in December 2004. The parties are now engaged in expert discovery on the U.S. patent claims.

STATEMENT OF FACTS

A. Guiding Catheters For Use In Interventional Cardiology

This case involves guiding catheters for use in interventional cardiology. More particularly, a specific shape of a guiding catheter used for accessing the left main coronary artery of the human heart.

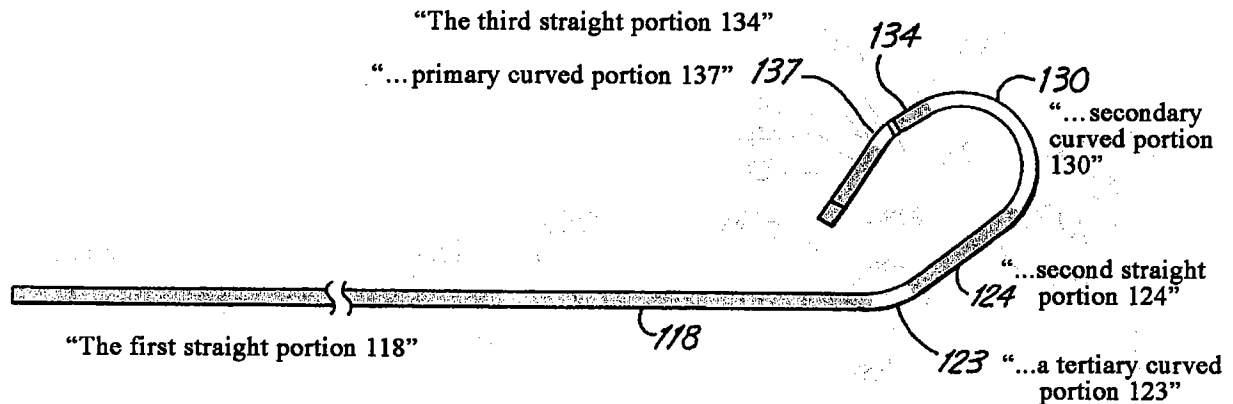
In interventional cardiology procedures, physicians diagnose and treat blockages in the heart by accessing them through the blood vessels in the body rather than through open-heart surgery. The physician begins the procedure by accessing the femoral artery, located in the groin area. A small-diameter, 35 to 40 inch-long hollow tube called a guiding catheter is then inserted into the femoral artery and advanced up through the aorta and into a target artery.

The shape of the guiding catheter facilitates access to a particular artery. The guiding catheter remains in place throughout the procedure. Therapeutic devices, including angioplasty balloons and coronary stents, may then be inserted through the guiding catheter to treat the arterial blockage.

B. Dr. Voda's Shaped Guiding Catheter

Dr. Voda's patents describe and claim a guiding catheter having a specific shape -- four straight portions connected by three curved portions.

Figure 7 from Dr. Voda's patents, (A12-43 at 20; A44-74 at 52; A75-101 at 82), illustrates the catheter as it appears before insertion into the patient's body. The version of Fig. 7 below shows the four straight portions highlighted in blue and the three curved portions highlighted in yellow:



Dr. Voda's guiding catheter was licensed to SciMed in 1991 and commercialized in 1992.

C. Dr. Voda's Three U.S. Patents And Associated File Histories

In January 1991, Dr. Voda filed his first patent application on his guiding catheter with the U.S. Patent and Trademark Office (the "original 1991 application"). In October 1992, Dr. Voda filed a revised, continuation-in-part ("CIP") application, adding a detailed description of prior art and, as contended by Cordis, significant new matter concerning his catheter. (A2870-2957.) The CIP application provides the common specification to the three U.S. patents-in-suit.

The '625 Patent

Dr. Voda's CIP application was directed to the shape of a left coronary artery guiding catheter comprising "a first straight portion . . . a second straight portion . . . a first curved portion . . . a second curved portion . . . a third straight portion . . . a fourth straight portion . . . and a third curved portion."

(A2870-2957 at 2944-45.) During prosecution, the claims were rejected as (1) indefinite under 35 U.S.C. § 112, ¶ 2; (2) anticipated by multiple references under 35 U.S.C. § 102(b); and (3) obvious over multiple references under 35 U.S.C. § 103. (A1109-1117.) To overcome those rejections, Dr. Voda added multiple limitations, including such language as:

wherein the first straight portion, second straight portion, third straight portion and fourth straight portion all lie in generally the same plane, the third straight portion and the fourth straight portion extending slightly out of plane to the extent that the fourth straight portion overlaps the first straight portion

(A1119-1131 at 1120.) The examiner then rejected the claims for obviousness-type double patenting, and Dr. Voda filed a terminal disclaimer. (A1132-1138.)

In June 1994, Dr. Voda filed a continuation application from the CIP application. (A1159-1170.) Following another rejection for obviousness-type double patenting and another terminal disclaimer, the claims were allowed.

(A1174-1186.) The application issued in August 1995 as the '625 patent. (A12-43.) Dr. Voda asserts claims 1-2 and 5-7 in this litigation.

The '213 Patent

Dr. Voda filed another continuation application in May 1997 directed to a “method for advancing a catheter” comprising the step of “providing a catheter . . . having a shaft, an integral profiled portion, and an integral, substantially straight tip portion.” (A1290-1407 at 1405.) During prosecution, the examiner rejected the claims as anticipated by multiple references under 35 U.S.C. § 102(b). (A1423-1424; 1430-1432.) To overcome those rejections, Dr. Voda amended claims 1 and 4, and limited the length of engagement with the opposite wall of the aorta to “a length of about 1.5 cm or greater.” (A1442-1445 at 1443.) The claims were then allowed. (A1446-1447.) The application issued in July 2000 as the '213 patent. (A44-74.) Dr. Voda asserts claims 1-5 in this litigation.

The '195 Patent

Dr. Voda filed yet another continuation application in May 2000 directed to a guiding catheter comprising a “substantially straight tip portion . . . a first bend, a first substantially straight leg, a second bend, a second substantially straight leg, and a third bend,” and its method of use. (A1525-1635 at 1629-1630.) During prosecution, the examiner rejected the claims twice as anticipated by a prior art reference under 35 U.S.C. § 102(b). (A1644-1647; 1653-1657.) Dr. Voda traversed those rejections, and the claims were allowed. (A1665-1663.) The

application issued in November 2002 as the '195 patent. (A75-101.) Dr. Voda asserts claims 1-6 in this litigation.

D. Dr. Voda's Foreign Patents And Associated File Histories

PCT/US92/00468

In January 1992, Dr. Voda filed an amended version of the original 1991 application under the Patent Cooperation Treaty ("PCT"), designating the European Patent Office and Canada. (A2786-2869; A102-113; A155-185.) The PCT claimed priority to the original 1991 application. *Id.*

Dr. Voda submitted his PCT for preliminary examination. The examiner found the claims were (1) anticipated by multiple references and "lack[ed] novelty" under PCT Article 33(2); (2) obvious over those references and "lack[ing] an inventive step" under PCT Article 33(3); and (3) indefinite. (A2579-2590 at 2583, 2585.)

European Patent EP 0 568 624

Dr. Voda filed an application with the European Patent Office in September 1992, designating Germany, France, Great Britain and Italy as contracting states. (A2783-2785; A102-113.) During the following ten years, the claims were repeatedly rejected under (1) Article 84 of the European Patent Convention because "the invention should not be defined by means of features of the use to which the invention is to be put," (A2741-2746 at A2743), (2) Articles

52(1) and 54 because the “subject-matter . . . is not new,” (A2721-2725 at 2723; A2741-2746 at 2746), and is “anticipated by the prior art,” (A2721-2725 at 2722, A2724), and (3) Article 82 because the invention “lacks unity of invention”, (A2733-2736 at 2736).

Accordingly, Dr. Voda submitted a total of 15 new claims for consideration, which were also rejected. (A2708-2717; A2726-2730; A2737-2740.) The examiner then provided an examiner’s amendment, which Dr. Voda accepted, and the patent was published in October 2001. (A2656-2657; A2694-2701; A2705-2707.)

Thereafter, the claims proceeded to national registration. The British patent was published in October 2001, (A102-113), the French patent was published in March 2002, (A114-132), and the German Patent was published in June 2002, (A133-154). No registration was filed in Italy. Dr. Voda seeks to assert claims 1-2 of the British, French and German patents in this litigation.

Canadian Patent 2,100,785

Dr. Voda filed Canadian Patent Application No. PCT/ US1992/ 000468 in August 1993. (A2622-26542.) The Patent Office repeatedly rejected the claims as (1) anticipated under ¶ 28.2(1)(b) of the Canadian Patent Act, (A2607-2608 at 2607), (2) “lack[ing] inventive ingenuity,” (A2591-2592 at 2592),

and (3) indefinite under Subsection 27(4) of the Canadian Patent Act, (A2607-2608 at 2608; A2613).

In response, Dr. Voda submitted new claims 1-6 and amended his claims, which were then allowed. (A2532; A2593-2606; A2609-2612; A2614-2619.) Dr. Voda's Canadian patent issued in September 1999. (A115-145.) Dr. Voda seeks to assert claims 1-5 of the Canadian patent in this litigation.

E. Dr. Voda's United States And Foreign Patents Are Not Identical

As shown above, there is no dispute that the specifications of Dr. Voda's U.S. and foreign patents are fundamentally different. Similarly, as shown, the file histories differ significantly in the application of national law, in the prior art considered, and the amendments made. The claims of Dr. Voda's U.S. and foreign patents also differ in many key respects. For example:

- The U.S. '213 and '195 patents include methods claims, (A73-74; A100-101); the foreign patents do not. (A106-107; A177-178.)
- The '625 claims include dimensional ranges for the straight sections (*i.e.*, "1.5 to 2.5 cm") and curved sections ("130° to 150°"), (A42-43); the foreign patents do not. (A106-107; A177-178.)
- The U.S. preambles of the apparatus claims refer to "a femoral approach angioplasty guide catheter," ('625 patent, A42-43), and "an assembly for guiding the path of a therapeutic catheter," ('195 patent, A100-101); the foreign preambles refer to "a catheter for insertion through an aorta into a branch artery." (A106-107; A177-178.)
- The U.S. '195 claims refer to a tubular member having "a proximal shaft portion, a profiled portion, and a substantially straight tip

portion,” (A100-101); the foreign claims refer to “a straight portion (38) and a distal end portion having a tip portion,” (European patent, A106-107); and “an integral profiled portion, and an integral, substantially straight tip portion.” (Canadian patent, A177-178.)

- The foreign patents describe “providing resistance against the displacement of said tip portion,” (European patent, A106-107), or “resist[ing] forces tending to displace said tip portion.” (Canadian patent, A177-178); the United States patents do not. (A42-43; A73-74; A100-101.)
- The ’213 patent claims engagement of “the opposite wall of the aorta along a line having a length of about 1.5 cm or greater” and engaging “the aorta wall opposite the branch artery along a line,” (A73-74); the foreign patents do not specify the length or geometry of aortic wall engagement. (A106-107; A177-178.)

Dr. Voda conceded that his patents are not identical, and only “share a similar set of disclosures and claims.” (A219-227 at 221; A405-412 at 410.)

F. Cordis’ Accused XB Guiding Catheter

Cordis developed the accused XB guiding catheter for use with coronary stents, and began selling it in 1994. (A2418-2425 at 2424.) The XB catheter was designed at that time for use with newly approved coronary stents. The XB catheter differs significantly from Dr. Voda’s catheter.

In 1994, stents were relatively rigid devices. It was difficult -- sometimes impossible -- to slide a stent through a guiding catheter with sharp corners, like the Voda catheter. By contrast, the end of the XB catheter was designed to be curved -- without “straight portions” -- to ease the delivery of a

coronary stent. As stated by Dr. Richard Schatz, co-inventor of the coronary stent:
“The XB shape has more relaxed curves than the Voda technique catheters.”
(A2344-2349 at 2348.)

Cordis Corporation sells approximately 70 XB catheter product codes in the United States. The products are sold in the United Kingdom by Cordis UK Limited, in Germany by Cordis G.m.b.H., in France by Cordis S.A., and in Canada by Johnson & Johnson Medical Products. (A2958-3035 at 3031-3032.)

XB catheters were manufactured in Miami Lakes, Florida until 2001 and thereafter in Juarez, Mexico. (A238-253 at 251-252.)

G. Cordis’ Non-Infringement And Invalidity Defenses

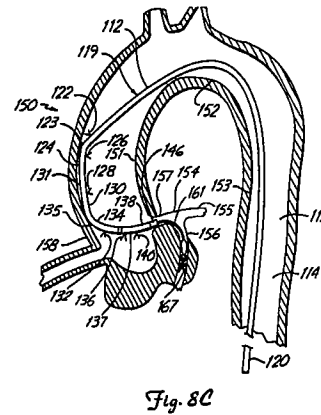
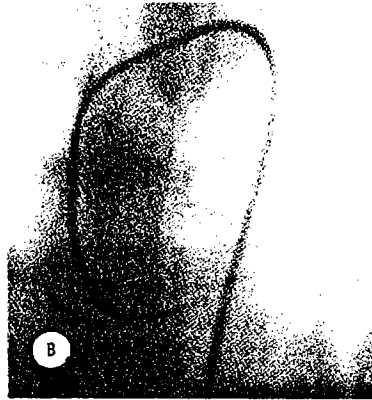
Cordis’ XB catheters do not infringe the asserted claims of the ’625, ’213 and ’195 patents, either literally or under the doctrine of equivalents, because the XB catheters do not have the recited “straight” portions or “substantially straight leg[s].” Put simply, a curved portion is the antithesis of a straight portion. Dr. Voda consistently and specifically defines curved portions in his patent specification by reference to angles, arcs or radii, while all straight sections are merely defined as “straight.” Furthermore, Dr. Voda is estopped under the U.S. doctrine of prosecution history estoppel from broadly construing the claim terms “straight” and “substantially straight leg” to include curvature, after disclaiming

engagement of the ascending aorta at a *bend or curve* along the catheter, to secure allowance of his patents over prior art references. (A1442-1445 at 1444.)

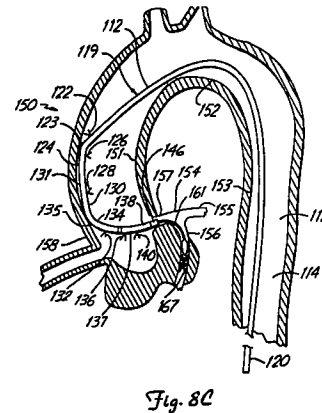
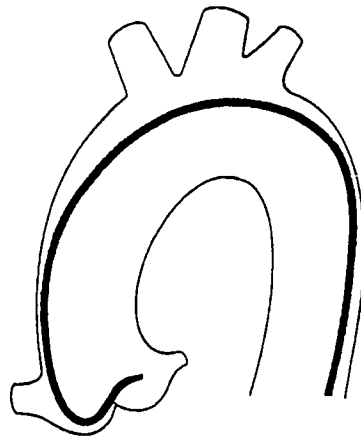
Southwall Techs., Inc. v. Cardinal IG Co., 54 F.3d 1570, 1576, 34 USPQ2d 1673, 1676 (Fed. Cir. 1995) (“The prosecution history limits the interpretation of claim terms so as to exclude any interpretation that was disclaimed during prosecution. . . . Claims may not be construed one way in order to obtain their allowance and in a different way against accused infringers.”); *Spectrum Int’l, Inc. v. Sterilite Corp.*, 164 F.3d 1372, 1380, 49 USPQ2d 1065, 1070 (Fed. Cir. 1998) (patentee “relinquished” a broader reading of the claims “in order to sustain the patentability of [the] claims”).

Furthermore, Cordis’ XB catheters do not infringe claims 1-3 of the ’213 patent, either literally or under the doctrine of equivalents, at least because the XB catheters do not, as recited, engage “the opposite wall of the aorta along a line having a length of 1.5 cm or greater.” (A44-74 at 73.) The XB catheters engage the aortic wall along a *curved portion* of the catheter.

The claims of the ’625, ’213 and ’195 patents are also invalid over the prior art. For example, illustrated on the left below is the Bourassa catheter -- a prior art catheter that was not before the U.S. or foreign patent offices -- which anticipates or renders obvious Dr. Voda’s claims. (Fig. 8C from Dr. Voda’s patents is on the right). (A12-43 at 23; A44-74 at 55; A75-101 at 83.)



In a similar fashion, the prior art Amplatz catheters (illustrated on the left below), (A1724-1745 at 1733), also invalidate Dr. Voda's claims.



Those prior art references, alone or in combination, disclose all of the elements of the asserted U.S. claims, rendering the claims invalid under 35 U.S.C. §102, §103 or both.

Moreover, claims 1-6 of the '195 patent are invalid for obviousness-type double patenting. *Eli Lilly and Co. v. Barr Labs., Inc.*, 251 F.3d 955, 968, 58 USPQ2d 1869, 1878 (Fed. Cir. 2001) (holding the later patent invalid for obvious-type double patenting because "[a] later claim that is not patentably distinct from

an earlier claim in a commonly owned patent is invalid for obvious-type double patenting.”).

If Dr. Voda is allowed to assert his foreign patents in this case, Cordis will assert that they are invalid in view of the Bourassa, Amplatz and other prior art references.

SUMMARY OF ARGUMENT

I

As a matter of law, the District Court erred in finding supplemental jurisdiction over Dr. Voda's foreign patents under 28 U.S.C. §1367. The authority relied upon by the District Court does not support supplemental jurisdiction under §1367 over foreign patents. In fact, *Mars Inc. v. Kabushiki-Kaisha Nippon Conlux*, 24 F.3d 1368, 30 USPQ2d 1621 (Fed. Cir. 1994), held that there is **no** supplemental jurisdiction to litigate the foreign patents in the same action as the U.S. patents.

There are also numerous public policy considerations – including comity, judicial economy, convenience, and fairness to litigants. Comity is a particular concern because there is no international treaty granting United States courts the authority to invalidate patents issued by foreign sovereign nations. As a result, a defendant in the U.S. would likely be required to file separate invalidity actions in the corresponding foreign countries to protect its interests. As for judicial economy, any alleged efficiencies to be gained by trying U.S. and foreign infringement claims together are illusory due to the substantive differences between U.S. and foreign patent law and the likely need for a separate trial for each foreign patent. The doctrine of *forum non conveniens* may also be invoked due to both private and public interest factors, especially cost, and the avoidance of

problems in the application of foreign law. Similarly, fairness to litigants would be profoundly affected by the potential for jury confusion in such a complex case.

II

After deciding that it had supplemental jurisdiction, the District Court also erred in failing to engage in the discretionary analysis required under 28 U.S.C. §1367(c) to determine whether it should exercise jurisdiction. Under §1367(c)(1), (2) and (4), a district court may decline to exercise jurisdiction if a claim raises “novel or complex” issues of law that may substantially predominate the proceedings, or in “exceptional circumstances.” All of these factors are present. To litigate the eight patents Dr. Voda proposes to assert in this case, the District Court and multiple juries would need to apply U.S., British, French, German and Canadian law regarding infringement, validity and damages to the evidence from five countries.

STANDARD OF REVIEW

Jurisdiction is a question of law subject to *de novo* review. *Dehne v. United States*, 970 F.2d 890, 892 (Fed. Cir. 1992).

A district court's interpretation of Federal Circuit precedent is a question of law reviewed *de novo*. *Toro Co. v. White Consol. Indus., Inc.*, 383 F.3d 1326, 1330, 72 USPQ2d 1449, 1453 (Fed. Cir. 2004). The Federal Circuit is bound to follow its own precedent "unless it is overruled by the Supreme Court or an *en banc* decision." *Cemex, S.A. v. U.S.*, 384 F.3d 1314, 1321 n.5 (Fed. Cir. 2004). *See also Knorr-Bremse v. Dana Corp.*, 383 F.3d 1337, 1343, 72 USPQ2d 1560, 1564 (Fed. Cir. 2004); Fed. Cir. R. 35(a)(2).

ARGUMENT

I. §1367 Does Not Support Supplemental Jurisdiction Over Foreign Patent Infringement Claims

A. Supplemental Jurisdiction And 28 U.S.C. §1367

The doctrine of supplemental jurisdiction originated in *Hurn v. Ousler*, 289 U.S. 238, 246-47 (1933) in which the Supreme Court granted district courts jurisdiction to adjudicate state claims along with corresponding federal claims. Specifically, the Supreme Court held that a federal district court in a copyright infringement action had jurisdiction over a corresponding state law cause of action for unfair competition, finding that the state and federal claims together constituted "the same cause of action." *Id.* at 247.

Supplemental jurisdiction -- also known as pendent or ancillary jurisdiction -- was expanded in *United Mine Workers v. Gibbs*, 383 U.S. 715, 725-28 (1966) to include state and federal claims that “derive from a common nucleus of operative fact.”

Pendent jurisdiction . . . exists whenever there is a claim “arising under [the] Constitution, the Laws of the United States and Treaties . . .” and the relationship between that claim and the state claim permits the conclusion that *the entire action before the court comprises but one constitutional “case.” . . . The state and federal claims must derive from a common nucleus of operative fact.* But if, considered without regard to their federal or state character, *a plaintiff’s claims are such that he would ordinarily be expected to try them all in one judicial proceeding*, then, assuming substantiality of the federal issues, there is power in the federal courts to hear the whole.

Id. at 725.

Gibbs made clear that district courts also had the discretion to *decline* jurisdiction over state law claims -- supplemental jurisdiction is a doctrine “of discretion, not of plaintiff’s right,” whose justification “lies in considerations of judicial economy, convenience and fairness to litigants; if these are not present, a federal court should hesitate to exercise jurisdiction over state claims.” *Id.* at 726.

In the decades after *Gibbs*, the Supreme Court placed limitations on the use of supplemental jurisdiction. *Aldinger v. Howard*, 427 U.S. 1, 4-5 (1976) (holding that a statutory basis was required for pendent party jurisdiction where the

party was a municipality); *Finley v. United States*, 490 U.S. 545, 556 (1989) (holding that a statutory basis was required for pendant party jurisdiction in a Federal Tort Claims Act case); *see also* Shirin Malkani, *Upside Down and Inside Out: Appellate Review of Discretion Under the Supplemental Jurisdiction Statute*, 28 U.S.C. §1367, 1997 Ann. Surv. Am. L. 661, 666 (1997).

In *Finley*, the Court invited Congress to create a statutory basis for ancillary and pendent jurisdiction. *Finley*, 490 U.S. at 556. In 1990, Congress codified the *Gibbs* test and common law doctrines of pendent and ancillary jurisdiction in 28 U.S.C. §1367, and overruled both *Aldinger* and *Finley*. *Id.* §1367 states in part:

(a) Except as provided in subsections (b) and (c) or as expressly provided otherwise by Federal statute, 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. Such supplemental jurisdiction shall include claims that involve the joinder or intervention of additional parties.

* * *

(c) The district courts may ***decline*** to exercise supplemental jurisdiction over a claim under subsection (a) if -

- (1) the claim raises a novel or complex issue of State law,
- (2) the claim substantially predominates over the claim or claims over which the district court has original jurisdiction,

- (3) the district court has dismissed all claims over which it has original jurisdiction, or
- (4) in exceptional circumstances, there are other compelling reasons for declining jurisdiction.

Due to the use of the “same case or controversy” language in §1367(a), as opposed to the “common nucleus of operative fact” language in *Gibbs* and in the legislative history, courts are split as to whether the statute simply codified *Gibbs* and its progeny -- which confer great discretion on courts by emphasizing application of the *Gibbs* values -- or whether Congress intended to change the standard for awarding and declining jurisdiction.

This Court has retained the *Gibbs* standard. *Mars*, 24 F.3d at 1374m 30 USPQ2d at 1625 (“The relatedness requirement of section 1367(a) is satisfied by any claim meeting the ‘common nucleus of operative fact’ test of *Gibbs*. See *Sinclair v. Soniform*, 935 F.2d 599, 603 (3d Cir. 1991).”). Other circuits following the *Gibbs* test include the Seventh Circuit and the District of Columbia Circuit. See e.g., *Brazinski v. Amoco Petroleum Additives Co.*, 6 F.3d 1176, 1182 (7th Cir. 1993); *Diven v. Amalgamated Transit Union & Local 689*, 38 F.3d 598, 600-601 (D.C. Cir. 1994); see also 16 Moore’s Federal Practice §§ 106.60-61 (Matthew Bender 3d ed. 1999).

In contrast, the Second and Ninth Circuits -- looking at the express language of the statute -- determined that §1367 altered and constrained the *Gibbs* analysis. See e.g., *Executive Software N. Am. v. United States Dist. Court*, 24 F.3d

1545, 1556 (9th Cir. 1994); *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 140 F.3d 442, 46 USPQ2d 1268 (2d Cir. 1998); *see also* Kimberly A. Moore, *Xenophobia In American Courts*, 97 Nw. U. L. Rev. 1497, n.3 (Summer 2003); and Malkani, *supra*.

B. §1367 Does Not Apply To Foreign Patent Claims

§1367 addresses a district court's supplemental jurisdiction over *state* claims that form part of the same case or controversy as the federal claim giving rise to jurisdiction. §1367 does not address supplemental jurisdiction over *foreign* claims, let alone support supplemental jurisdiction over *foreign patent* claims. As this Court noted, there is a "paucity of law surrounding this issue." (A7-8.) The little existing law is summarized below.

The first case to address the issue of jurisdiction over foreign patent claims was *Ortman v. Stanray*, 371 F.2d 154, 152 USPQ 163 (7th Cir. 1967), a pre-§1367 case involving claims of infringement of U.S., Canadian, Brazilian and Mexican patents. To establish jurisdiction over the foreign patents, Ortman invoked the doctrine of ancillary jurisdiction. *Ortman*, 371 F.2d at 157, 152 USPQ at 165. Relying on *Hurn* and *Gibbs*, the court affirmed the denial of a motion to dismiss for want of jurisdiction. *Ortman*, 371 F.2d at 158, 152 USPQ at 166. The court analogized state claims to foreign claims, stating:

In the case at bar, the alleged infringement of foreign patents does not involve state law, but the same reasoning as in *Gibbs* would seem to apply in determining the existence of federal court jurisdiction.

Ortman, 371 F.2d at 156, 152 USPQ at 166. Importantly, *Ortman* did *not* find supplemental jurisdiction over the foreign patents. The Seventh Circuit only held that the issue was premature, with the answer turning on how the district court on remand interpreted an underlying licensing contract to all of the patents-in-suit:

All that we can decide at this time is that the District Court was correct in denying the motion for a dismissal of the suit because of lack of jurisdiction. Whether the doctrine of ancillary jurisdiction should be applied should be determined by the District Court after it has interpreted the various rights of the parties under the contract.

Ortman, 371 F.2d at 158, 152 USPQ at 166.

The subsequent history in *Ortman* confirms that the Seventh Circuit never resolved the issue of supplemental jurisdiction. *Ortman v. Stanray*, 163 USPQ 331, 333-34 (N.D. Ill. 1969); *Ortman v. Stanray*, 437 F.2d 231, 239, 168 USPQ 617, 622 (7th Cir. 1971):

Stanray argues that our 1967 opinion . . . held only that the district court should determine whether “the doctrine of ancillary jurisdiction should be applied * * * after it has interpreted the various rights of the parties under the contract.” 371 F.2d at 158. We recognize that saying that the district court was not required to dismiss for lack of jurisdiction may be somewhat different from saying that the court had jurisdiction; but our summary description of the holding on the earlier appeal was

intended only to provide some of the procedural background for the present appeal. We did not intend . . . to prejudge the propriety of the district court's application of the doctrine of pendant jurisdiction. . . . It is still open to Stanray to challenge the district court's exercise of jurisdiction over the foreign patent causes of action.

Ortman, 437 F.2d at 239, 168 USPQ at 622.

After *Ortman* was *Packard Instrument Co. v. Beckman Instruments, Inc.*, 346 F. Supp. 408, 175 USPQ 282 (N.D. Ill. 1972). There the district court *assumed* jurisdiction over nine foreign patents, but declined to exercise it for reasons of comity -- citing concerns over ruling on the *validity* of the foreign patents. *Id.* at 409, 175 USPQ at 283. Like Cordis in this case, the defendant asserted invalidity as an affirmative defense to the claim of infringement of the U.S. patent, and indicated in its motion to dismiss the other claims that it intended to assert invalidity for each of the foreign patent claims. *Id.* As a result, the court abstained from exercising jurisdiction and granted the motion to dismiss, citing reasons of comity. “[T]he validity of a patent, like the title to land, is governed by distinctly local law and depends upon local procedures and records, all of which are best understood by local tribunals.” *Id.* at 409 n.1, 175 USPQ at 283 n.1.

Thereafter, in *Goldberg v. Cordis Corp.*, 203 USPQ 717, 718 (N.D. Ill. 1976), *aff'd*, 567 F.2d 392 (7th Cir. 1977), the same district court again declined to exercise jurisdiction “on the basis of comity” where, as here, “the

validity of foreign patents would necessarily be in issue.” The Court stated that determining “the validity of patents granted by foreign governments would invite conflicts with the administrative and judicial officers of those governments. The power to adjudicate conflicts of this type should be exercised with great reluctance.” *Id.*

The Federal Circuit first touched on this issue in *Stein Associates, Inc. v. Heat and Control, Inc.*, 748 F.2d 653, 223 USPQ 1277 (Fed. Cir. 1984). In *Stein*, the patentee Heat and Control filed an action against Stein in Great Britain for infringement of two British patents. *Id.* Stein in turn filed a declaratory judgment action in the United States asserting that Heat and Control’s U.S. patents were invalid and not infringed. Stein also moved for and was denied an order enjoining Heat and Control from enforcing its British patents. *Stein*, 748 F.2d at 655, 223 USPQ at 1278.

The Federal Circuit affirmed the denial of the motion, stating: “Only a British court, applying British law, can determine validity and infringement of British patents.” *Stein*, 748 F.2d at 658, 223 USPQ at 1280.

Following *Stein*, the district court in *Elsag Bailey (Canada) Inc. v. Trojan Technologies, Inc.*, 1996 WL 571156, at *1 (E.D. Pa. Oct. 6, 1996), 40 USPQ2d 1543, 1544, granted a motion to stay proceedings in an antitrust action

pending the resolution of a Canadian patent infringement action, stating: “[T]his court may not rule upon the validity of a foreign patent.” *Id.*, at *1.

Validity of a foreign patent was also raised in *Rodgard Corp. v. Miner Enterprises, Inc.*, 1991 WL 224322, at *1 (W.D.N.Y. Oct. 10, 1991), which dismissed portions of an amended complaint relating to foreign patent co-inventorship, stating: “[T]his court still believes that to assess the plaintiffs’ damage claims for injuries from foreign filings it would have to make determinations about validity of foreign patents and will not make such determinations when the plaintiffs have recourse to foreign courts.” *Id.*, at *1.

After the enactment of §1367, the Federal Circuit directly addressed the issue of jurisdiction over foreign patents in *Mars Inc. v. Kabushiki-Kaisha Nippon Conlux*, 24 F.3d 1368, 30 USPQ2d 1621 (Fed. Cir. 1994). Mars filed suit in Delaware against Nippon Conlux asserting infringement of U.S. and Japanese patents to electronic coin discriminators. Mars pled supplemental jurisdiction over the Japanese patent infringement claim under §1367. *Mars Inc. v. Nippon Conlux Kabushiki-Kaisha*, 825 F. Supp. 73, 76, 27 USPQ2d 1951, 1951 (D. Del. 1993). The district court, citing *Ortman*, “assumed without deciding” that it had subject matter jurisdiction. *Id.* at 75, 27 USPQ2d at 1952. The district court then engaged in a discretionary analysis under §1367(c), and reasoned that under §1367(c) factors (1) and (2): “Mars’ claim of infringement of a Japanese patent . . . raise[s]

novel and complex issues of Japanese law,” and “Mars’ claims relating to the Japanese patent would substantially predominate in this litigation over claims relating to its U.S. patent.” *Id.* at 76, 27 USPQ2d at 1952-53. In addition, the district court addressed comity, citing *Packard, Goldberg and Stein*: “Mars’ claim involves the court in deciding whether a Japanese company is prohibited under Japanese law from making or selling its products in Japan. The Court finds, therefore, that the principles underlying the notion of comity are directly implicated by Mars’ claim.” *Id.* at 76, 27 USPQ2d at 1953. Accordingly, the district court dismissed Mars’ Japanese infringement claim.

On appeal, the Federal Circuit, applying *Gibbs*, held that the district court erred in assuming supplemental jurisdiction because the foreign infringement claim was “not so related to the U.S. patent infringement claim that the claims form part of the same case or controversy and would thus ordinarily be expected to be tried in one proceeding.” *Mars*, 24 F.3d at 1375, 30 USPQ2d at 1625. The Federal Circuit found that the U.S. and Japanese patents were not “counterparts” of one another -- the U.S. patent claims were method claims, while the Japanese patent claim was an apparatus claim. *Id.* at 1374, 30 USPQ2d at 1625.

Additionally, the range of accused devices in Japan was broader than in the United States, the alleged acts in and out of the United States were different, and, particularly relevant, the governing laws were different. *Id.* Accordingly, the

Federal Circuit affirmed the dismissal of the Japanese patent infringement claim due to lack of supplemental subject matter jurisdiction under §1367. *Id.* at 1376, 30 USPQ2d at 1626.

Since *Mars*, district courts have held that U.S. courts do ***not*** have supplemental jurisdiction to litigate foreign patents with U.S. patents under §1367. For example, in *Berkshire Furniture Co. v. Glattstein*, 921 F. Supp. 1559 (W.D. Ky. 1995), the plaintiff sought a declaratory judgment regarding the rights of the parties relative to design of bed frames under U.S., United Kingdom and Malaysian law, and injunctive relief barring defendants from enforcing their design claim against the plaintiff. *Id.* at 1560. Citing *Mars*, the district court denied the motions, stating: “[t]he Court of Appeals for the Federal Circuit held that ***U.S. courts do not have . . . supplemental jurisdiction to litigate foreign patents in the same action in which U.S. intellectual properties are at issue.***” *Id.* at 1561.

Similarly, in *S. Megga Telecommunications Ltd. v. Lucent Technologies, Inc.*, 1997 WL 86413, at *1 (D. Del. Feb. 14, 1997), the court dismissed counterclaims involving trademark violations for selling cordless telephones in China, citing *Mars*: “Lucent’s . . . claims would involve complex issues of Chinese procedural and substantive law. . . . [A]s the *Mars* court recognized, . . . ‘general concerns respecting international comity counsel against

exercising jurisdiction over matters involving' Chinese intellectual property law." *Id.*, at *11.

The only case known to Cordis to find some sort of jurisdiction was *Medigene AG v. Loyola University*, 2001 WL 1636916, at *1 (N.D. Ill. Dec. 19, 2001), a case involving co-inventorship of U.S. and foreign patent applications. In *Medigene*, the plaintiff relying on *Mars* moved to dismiss the co-inventorship claims relating to its foreign patent applications, arguing lack of jurisdiction under §1367. *Id.* The court disagreed and denied the motion, stating: "We do not read [*Mars*] to support any such broad rule." However, the court stated that it had to assume the truth of the allegation that "the foreign patent applications pertain to the same invention claimed in the United States patent and involve the same co-inventorship issue" for purposes of deciding the motion to dismiss for lack of jurisdiction. *Id.* Deciding a question of inventorship is a narrow and focused inquiry. Even so, the *Medigene* court expressed concern over the complexity of the task, stating:

We do not know *what quantum of evidence is necessary to prove co-inventorship in each of the foreign countries*, and, for all we know, a simple preponderance might be sufficient in some countries. There *may or may not be special rules regarding interested witnesses or independent corroboration of the claim*. We mention this to alert the parties that . . . we would need to consider whether a triable issue is presented, and if so, whether this court is a convenient forum for such a trial.

Id., at *3.

In sum, §1367 does not support supplemental jurisdiction over foreign patent claims. Even in cases where jurisdiction was assumed, courts routinely declined to exercise it for reasons of comity -- particularly where validity of a foreign patent was at issue.

* * *

Looking at this issue from the opposite end of the telescope -- when foreign nations apply their law to foreign patents with U.S. counterparts -- U.S. district courts litigating the counterpart U.S. patents have consistently declined to give preclusive effect to either (1) foreign judgments of validity or infringement, or (2) foreign findings of fact that involve mixed questions of fact and foreign law. “[T]he barriers to reliance on the foreign judgment for collateral estoppel purposes becomes almost insurmountable” due to “[d]ifferences in the law of the two nations and in the detailed language of the patent.” *Cuno Inc. v. Pall Corp.*, 729 F. Supp. 234, 239, 14 USPQ2d 1815, 1819 (E.D.N.Y. 1989). *See also Medtronic, Inc. v. Daig Corp.*, 789 F.2d 903, 907-08, 229 USPQ 664, 668 (Fed. Cir. 1986) (rejecting as “specious” an argument to prove obviousness of a U.S. patent by adopting a German court’s conclusion of obviousness of a German counterpart patent, because “[t]he patent laws of the United States are the laws governing a determination of obviousness/nonobviousness of a United States patent”); *Ditto*,

Inc. v. Minnesota Mining & Mfg. Co., 336 F.2d 67, 70-71, 142 USPQ 416, 419 (8th Cir. 1964) (a finding of invalidity of a German counterpart patent “is not controlling authority” because “the German law may well apply different standards”); *Merck & Co. v. Teva Pharm. USA, Inc.*, 288 F. Supp. 2d 601, 611-612 (D. Del. 2004) (denying motion to preclude relitigation of factual findings underlying a British decision in a counterpart case because “many of the principles are mixed questions of law and fact” that “should not be adopted if there are two different legal standards.”).²

Because U.S. courts decline to give preclusive effect to foreign judgments in counterpart cases -- and assuming foreign courts would likewise decline to give preclusive effect to U.S. judgments in counterpart cases -- it seems unlikely that foreign courts would willingly enforce U.S. judgments of validity or infringement of their own patents.

² Other citations include: *In re Yarn Processing Patent Validity Litig.*, 498 F.2d 271, 278-85, 183 USPQ 65, 69-75 (5th Cir. 1974) (issue in United States of date of “reduction to practice” not the same as issue of “date of invention” decided in previous Canada case); *Baracuda Int’l Corp. v. F.N.D. Enters., Inc.*, 222 USPQ 134, 135 (S.D. Fla. 1982) (“The South African courts’ judgments are, of course, not binding upon our own where patent validity is at issue.”).

C. Public Policy Does Not Support Supplemental Jurisdiction Over Foreign Patent Infringement Claims

From a public policy perspective, there are many reasons why U.S. courts should not give supplemental jurisdiction to foreign claims of patent infringement. A few are discussed below. Cordis believes various amici briefs will be filed also addressing this issue.

Comity

Issues of international comity compel declining jurisdiction over foreign patents. Indeed, this is the “elephant in the room.”

In *Mars*, the district court . . . found that concerns respecting ***international comity*** counseled “against exercising jurisdiction over a matter involving a Japanese patent, Japanese law, and acts of a Japanese defendant in Japan.” . . . In light of the principles discussed above, the Court is disinclined to decide issues related to the designs that arise under U.K. and Malaysian law.

Berkshire Furniture, 921 F. Supp. at 1561-62. Other district courts have reached this same conclusion. “[G]eneral concerns respecting ***international comity*** counsel against exercising jurisdiction over matters involving ‘Chinese intellectual property law.’ *S. Megga Telecommunications Ltd.*, 1997 WL 86413, at *11; *Packard Instrument*, 346 F. Supp. at 409 n.1, 175 USPQ at 283 n.1 (“[T]he validity of a patent, like the title to land, is ***governed by distinctively local law*** and depends

upon local procedures and records, all of which are *best understood by local tribunals.*”).

Even if this Court determines that U.S. courts can hear infringement actions involving foreign patents, there exists an international consensus that courts of one sovereign nation cannot rule on the validity of patents issued by another. Accordingly, U.S. courts avoid ruling on the validity of foreign intellectual property rights. *See Stein*, 748 F.2d 653, 658, 223 USPQ 1277, 1280, in which the Federal Circuit recognized that principles of international comity, based in part on “British and United States courts being independent of each other,” counsel against judging the validity of foreign patents.³ *Id. See also Mars*, 24 F.3d at 1376, 30 USPQ2d at 1626; *Elsag Bailey*, 1996 WL 571156, at *1, 40 USPQ2d at 1544; *Rodgard*, 1991 WL 224322, at *1; *Goldberg*, 203 USPQ at 718. *See supra*, pp. 24-30.

If a U.S. court takes jurisdiction over a foreign patent, then, following this rule, it must stay the infringement action and remand all matters involving

³ The restatement (Third) of the Foreign Relations Law of the United States reflects a symmetric reluctance in stating that “while jurisdiction of the foreign court over the subject matter of the action is normally presumed, Comment *a*, an order of a foreign court affecting rights in land in the United States or rights in a United States patent, trademark, or copyright is not entitled to that presumption.” Rest. (Third) of Foreign Rel. Law U.S. § 482 cmt. d. (1987).

validity to an appropriate foreign tribunal. It follows that there would then be multiple proceedings -- the U.S. infringement action, and a separate validity proceeding for each foreign patent. The rationale for applying supplemental jurisdiction, combining otherwise separate actions, disappears. And the wisdom of retaining the foreign infringement claims in the U.S. is questionable because validity and infringement are interrelated.

Further, if U.S. courts begin to adjudicate foreign patents, they must in turn allow foreign courts to adjudicate the validity, infringement or scope of U.S. patents. The impact could be dramatic. For example, one can envision a scenario in which a North Korean court applies unfamiliar U.S. law and invalidates a U.S. patent to a critical technology in a globally competitive business. Based on the holding of this case, U.S. courts would be bound to honor it.

European Union Law

Whereas prudential rules counsel U.S. courts to avoid reviewing the validity of foreign patents, European Union (“E.U.”) law formally requires that a patent’s validity be judged by the courts of the issuing state. The Brussels Convention (“Convention”) is a comprehensive system for jurisdiction and enforcement in civil litigation within the E.U., including patent cases.⁴ *See* Fritz

⁴ Known formally as the European Communities Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters, Sept. 27,

Blumer, *Jurisdiction and Recognition in Transatlantic Patent Litigation*, 9 Tex.

Intell. Prop. L.J. 329 (Spring 2001); Gretchen Ann Bender, *Clash of the Titans:*

The Territoriality of Patent Law vs. The European Union, 40 IDEA 49 (2000).

Under its provisions, it is possible to assert a European patent issued by one country in the courts of another, but Article 16(4) confers exclusive jurisdiction on courts of the issuing state in proceedings concerning validity.⁵ Jan Klink, *Cherry*

Picking in Cross Border Patent Infringement Actions: A Comparative Overview of

German and U.K. Procedure and Practice, EIPR 2004, 26(11), 493-504; Ian

Karet, *EC: Procedure - Jurisdiction - Anti-Suit Injunctions*, EIPR 2004 26(11),

N187-188 at 188.

1968, 8 I.L.M. 229 (1969). The Brussels Convention provides “a useful framework for obtaining relief by enforcing judgements in one state against non-resident defendants, and more importantly, in obtaining jurisdiction over those non-residents in a foreign court.” Paul A. Coletti, *No Relief In Sight: Difficulties in Obtaining Judgements in Europe Using EPO Issued Patents*, 81 J. Pat. & Trademark Off. Soc’y 351, 357 (May 1999).

⁵ Article 16 states:

The following courts shall have exclusive jurisdiction, regardless of domicile: . . . (4) in proceedings concerned with the registration or validity of patents, trademarks, designs, or other similar rights required to be deposited or registered, the courts of the Contracting State in which the deposit or registration has been applied for, has taken place or is under the terms of an international convention deemed to have taken place.

In 2004, the European Court of Justice considered the question, certified to it by the Oberlandesgericht Düsseldorf (Higher Regional Court Düsseldorf) on December 5, 2002, whether Article 16(4) pertains to proceedings concerning validity alone, or includes proceedings where infringement is also at issue.⁶ The German court did not believe it was barred. Although the court has not yet ruled, the advocate general (“A.G.”) opined that questions of validity, regardless of context, must always be heard in the courts of the state that issued the patent.⁷ While the E.J.C. is not bound by the opinion, it often rules as suggested by the A.G.⁸ Where a party filed a revocation action in another member state seeking to invalidate a patent, the A.G. suggested that the court seized of an infringement

⁶ *Gesellschaft für Antriebstechnik GmbH & Co. KG v. Lamellen und Kupplungsbau Beteiligungs KG (GAT v. LuK)*, Case C-4/03, European Court of Justice.

⁷ Conclusions of Advocate General M. L. A. Geelhoed, presented September 16, 2004 in *GAT v. LuK*, *supra*. Originally presented in Dutch. Also available in French, Spanish, German, Italian, Portuguese, Finnish and Swedish at <http://curia.eu.int/index.htm>.

⁸ Advocates General (A.G.) have the same rank as E.J.C. judges and hear the case when presented. While not taking part in deliberations, the A.G. assists the court by rendering a separate independent opinion, which the court takes into consideration when making its decision. *See, e.g.*, Kevin Andrew Swartz, *Powerful, Unique, and Anonymous: The European Court of Justice and Its Continuing Impact on the Formation of the European Community*, 3 S. Cal. Interdisc. L.J. 687 (Winter 1994); and Christine O’Grady Putek, *Limited But Not Lost: A Comment on the EJC’s Golden Share Decisions*, 72 Fordham L. Rev. 2219 (April 2004).

proceeding could stay the case pending a ruling on validity, or transfer the entire action to the court handling the revocation proceeding.

Under British law, a patent court hearing an infringement case involving a non-U.K. European patent must decline to hear the entire case if the defendant challenges validity. In *Coin Controls Ltd. v. Suzo International (U.K.) Ltd.*, [1999] Ch. 33 (1997), J. Laddie struck claims for infringement of German and Spanish patents when it became apparent that the defendant would challenge validity. In considering whether to sever infringement from validity, he reasoned:

I do not believe that [claim severability] applies where infringement and invalidity of an intellectual property right are concerned. They are so closely interrelated that they should be treated for jurisdiction purposes as one issue or claim. . . . Leaving infringement to be determined in one country and validity in another has nothing to commend it and is only likely to result in an unhelpful proliferation of proceedings.

Id. at 51.

While this Court, of course, is not bound by *Coin Controls*, its logic applies fully to the present case.⁹

⁹ In *Coin Controls*, J. Laddie noted that when different versions of the same European patent are challenged in invalidity proceedings, there is no requirement under European law that claim amendments be uniformly made to avoid invalidity. “The result is that national patents which start out identical may end up being different in different countries.” *Coin Controls*, 51. Thus, even in a case where a U.S. court retains infringement claims over the same European patent issued in different countries, it might be faced

Additionally, the U.S. requirement that infringement be tried to a jury, *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 38 USPQ2d 1461 (1996), might offend foreign jurisdiction such as Germany and Japan that are accustomed to having infringement actions heard by expert courts advised by patent and technology experts. *See, e.g.*, Moore, *supra*; Philippe Signore, *On The Role of Juries In Patent Litigation* (Part 1), 83 J. Pat. & Trademark Off. Soc’y 791, 794-795 (November 2001).

Enforcement Of Judgments

It is unclear whether foreign sovereign nations would even recognize any judgment invalidating their foreign patents.

[T]he foreign court would not necessarily respect a judgment entered by a United States court. . . . It is not unlikely that *courts in the foreign countries* whose patents are involved here *would disagree with this court’s determinations on the validity of the patents*. Those courts would at any rate be faced with the hard choice of accepting the inexperienced determination of a foreign court or creating an unseemly conflict with the judgment of the court of another country.

Packard Instrument, 346 F. Supp. at 410, 175 USPQ at 284 (abstaining from exercising jurisdiction over foreign patent claims).

with claims of widely varying scope after validity is adjudicated by the appropriate foreign tribunals.

The State Department is currently leading efforts at the Hague Convention On Private International Law to negotiate a Convention on Jurisdiction and the Recognition and Enforcement of Foreign Civil Judgments. This convention has addressed the issue of whether a chosen forum in a contractual agreement trumps jurisdiction under the Brussels Convention that “is limited to the country of registration” for “certain types of claims involving registered intellectual property rights.” *Negotiations at the Hague Convention for a Convention on Jurisdiction and the Recognition and Enforcement of Foreign Civil Judgments: Hearing before the Subcomm. On Courts and Intellectual Property of the House Comm. On the Judiciary*, 106th Cong. 10 (2000) (statement of Jeffrey D. Kovar, Assistant Legal Advisor for Private International Law, U.S. Dep’t of State).

The State Department’s conclusion is that exclusive jurisdiction will prevail when validity is the “object of the proceedings” (*i.e.*, when it is the primary claim). So, in a patent dispute where there exists a contract that contains a choice-of-forum clause, a patent invalidity claim would nonetheless be heard in the forum of registration of the patent.¹⁰

¹⁰ Interview with Jeffrey D. Kovar, Assistant Legal Adviser for Private International Law, U.S. Dep’t of State (Apr. 7, 2005).

Overall, in the interest of comity, courts should decline to exercise jurisdiction over foreign patents.

Judicial Economy

Granting supplemental jurisdiction over foreign patents will create tremendous additional cost and burden to a U.S. court system which can hardly afford it, and at the same time provide insubstantial benefits to the litigants. Appropriate foreign jurisdictions have well-functioning judicial systems where claims for foreign patent infringement can be heard far more efficiently and effectively.

Generally, and within the present case, the supposed economies to be gained by trying U.S. and foreign infringement claims together are illusory. Substantive legal differences exist between U.S. and foreign law that would directly affect an infringement analysis in the present case and others. For example, in contrast to the situation in the U.S., prosecution histories do not feature prominently in claim construction in the United Kingdom. Thus, otherwise identical U.S. and U.K. claims will often have different meanings. Another example is equivalence. U.S. claims are analyzed element by element, but U.K. claims are analyzed in light of the invention as a whole, an approach rejected by this Court in *Hilton Davis Chemical, Inc. v. Warner-Jenkinson Co., Inc.*, 62 F.3d 1512, 35 USPQ2d 1641 (Fed. Cir. 1995). Nicholas Fox, *Divided by a common*

language: a comparison of patent claim interpretation in the English and American courts, E.I.P.R. 2004, 26(12), 528-537.

Even within Europe, signatories to the European Patent Convention, which nominally imposes the same legal standards on their national patent law, retain different approaches to so basic a function as claim interpretation. M.J. Adelman, *et al.*, *Cases and Materials on Patent Law* 883-89 (2d ed. 2003). Moreover, the laws on claim construction, infringement and validity differ markedly -- and commentators have broadly confirmed this:

The Improver cases provide an example of the inconsistencies of patent infringement proceedings within the European community. . . . Improver sued Remington for patent infringement in several European countries. . . . However, the courts came to different results . . . The ***British court found that Remington did not infringe on the Improver patent*** In contrast, “a ***German court of appeals concluded that exactly the same accused device . . . infringed exactly the same patent.***” . . . This case is just one example of the lack of harmonization in European patent law.

Kara M. Bonitatibus, *The Community Patent System Proposal and Patent Infringement Proceedings: An Eye Toward Greater Harmonization in European Intellectual Property Law*, 22 Pace L. Rev. 201, 213-217 (Winter 2001).

French courts ***allow invalidity*** of a patent being sued upon as a defense to the infringement action. . . . In Germany, . . . ***invalidity can never be used*** as a defense to patent infringement;

Id. at 219-220.

[Under U.S. patent law,] [i]f the inventor discloses the invention prior to the filing of the patent application, the inventor has a time limit of one year for filing of the patent application. . . . [I]n the national patent laws of Europe and in the EPC, disclosure by the inventor prior to the filing of the patent application is generally considered grounds for invalidity

Vincenzo Di Cataldo, *From the European Patent to a Community Patent*, 8

Colum. J. Eur. L. 19, 25 n.27 (Winter 2002).^{11 12}

Moreover, the proper construction of U.S. patent claims alone is under scrutiny. *Phillips v. AWH Corp.*, 376 F.3d 1382, 1382, 71 USPQ2d 1765, 1766 (Fed. Cir. 2004) (“This court has determined to hear this case *en banc* in order to resolve issues concerning the construction of patent claims” including, *inter alia*,

¹¹ The German patent code provides that “[a]ny person who, without the necessary consent of the patentee . . . makes or offers, puts on the market, uses or imports or stocks for these purposes a product which is the subject matter of a patent . . . shall be liable for imprisonment not exceeding three years or a fine.” § 142 Nr. 1 PatG. Imprisonment is not a remedy under the United States patent code.

¹² See also Adam Issac Hasson, *Domestic Implementation of International Obligations: The Quest for World Patent Law Harmonization*, 25 B.C. Int’l & Comp. L. Rev. 373, 386 (Summer 2002) (“Despite its ambitious provisions, TRIPs [the Trade Aspects of Intellectual Property Right Agreement] has had notable shortcomings, and in these respects, has had limited success in harmonizing world patent law.”); Larry Coury, *C’est What? Saisie! A Comparison Of Patent Infringement Remedies Among the G7 Economic Nations*, 13 Fordham Intell. Prop. Media & Ent. L.J. 1101, 1104 (Summer 2003) (“The remedies for patent infringement and standards under which they are awarded . . . differ markedly among countries.”).

the role of dictionaries “as the primary source for claim interpretation.”). Foreign patent law similarly raises a host of inconsistent and unsettled issues.

To apply the different laws correctly, and avoid conflating them, claims for U.S. and foreign infringement would have to be heard separately. Effectively, this would require multiple separate trials within a trial, with *de minimis* savings of time and resources. The same logic applies to the evidence because the facts supporting allegations of infringement will differ among the countries involved, as will the burdens of proof.

Additionally, while less of an issue in this case, before being construed, claims and prosecution histories of foreign patents would have to be accurately translated into English. Because differences in translation alone could affect the meaning of the claims, litigants would likely disagree over which translation is preferred. This might necessitate a pre-*Markman* “translation hearing,” including briefing and expert testimony. As stated in *Packard Instrument*, a case in which claims of infringement of patents in nine foreign countries were at issue:

Also bearing on the suitability of a court of the United States for the enforcement of the foreign patent claims asserted here is the fact that it would be necessary to deal with *seven foreign languages* in order to decide eight of the ten foreign patent claims. Not only would this court be dependent upon *legal opinions, undoubtedly conflicting, of experts in the laws of the foreign countries involved*; the court would also be required to

rely upon *translations of those opinions and of the patents, statutes, regulations and court and administrative decisions* on which the expert opinions are based.

Packard Instrument, 346 F. Supp. at 411, 175 USPQ at 284. *Daubert* challenges of the experts could further complicate proceedings.

Additionally, if a plaintiff is unhappy with the outcome in the U.S. action, he would be free to sue the defendant again in another country, giving rise to vexatious and redundant litigation. Although claim preclusion prevents this in the U.S., foreign courts are not bound by the same rule. *See, e.g., Gordon & Breach Sci. Publishers v. Am. Inst. of Physics*, 905 F. Supp. 169, 179, 37 USPQ2d 1289, 1296 (S.D.N.Y. 1995) (“[N]either Switzerland nor Germany recognizes the doctrine of collateral estoppel and thus would not recognize a judgment rendered by an American court.”).

In the present case, this Court has appellate jurisdiction because the base federal question arises under 28 U.S.C. §1338. If, however, a district court grants supplemental jurisdiction over foreign patents based solely on diversity of citizenship, then appeals could be taken to the local circuit courts of appeal, not the Federal Circuit. This could give rise to conflicting interpretations of foreign patent law by U.S. courts, further complicating the issues.

Furthermore, as is well known, the Federal Rules of Civil Procedure provide for liberal discovery. Because of this, the U.S. may quickly become a

preferred forum to hear important foreign patent cases. Plaintiffs could strategically combine claims for infringement of foreign and domestic patents to gain more information about a defendant's conduct than could be accessed in foreign jurisdictions.

At least one district court judge, Judge Avern Cohn, of the U.S. District Court for the Eastern District of Michigan, has publicly expressed his misgivings about applying foreign patent law:

Let me let you in on a secret. The least favorable case on any federal district judge's docket is usually a patent case. . . . There are two reasons why federal judges do not like patent cases. First is that the judge not only has to deal with a complex legal structure, Title 35 and all that goes with it. . . . This is the legal side. The judge also has to familiarize himself, or herself, with the technology. Judges have little technological training. . . . I have tried about 18 patent cases in my 20 years on the bench. This is probably substantially more than the average federal judge. A third of these cases did not come to me in the normal course; they were reassigned from other judges or were in other districts. Now I might be asked to familiarize myself with foreign law, and foreign patents. This is a bit much.

Avern Cohn. *A federal court perspective on extraterritorial enforcement of intellectual property*. CASRIP Publication Series: Rethinking International Intellectual Property No. 6, at 32-33.

Convenience

The doctrine of *forum non conveniens* is also applicable to efforts to litigate foreign patent infringement in U.S. courts. *Gulf Oil Corp. v. Gilbert*, 330 U.S. 501 (1947) articulated a series of “private interest factors” -- affecting the convenience of litigants -- and “public interest factors” -- affecting the convenience of the forum -- to be considered in a *forum non conveniens* analysis. The private interest factors include: (1) ease of access to sources of proof, (2) availability of a compulsory process for attendance of witnesses, and (3) costs associated with witness attendance. *Id.* at 508-509. The public interest factors include (1) court congestion, (2) the burden of jury duty imposed on people in a community unrelated to the litigation, and (3) local interest in having controversies decided at home with the law that governs the case. *Id.*

Mars applied the *Gilbert* factors in addressing diversity and *forum non conveniens*. *Mars* informed the court that it might plead diversity if no jurisdiction over the foreign patents was found under §1367. In response, the Federal Circuit noted that “[a]lthough the district court did not directly rule on the *forum non conveniens* issue . . . it made a number of findings that are pertinent to the ‘public interest’ factors that must be weighed in considering a motion for dismissal under that doctrine,” such as (1) local interest in having local controversies decided at home, (2) interest in having a trial in a home forum with the law that governs the

action, and (3) avoidance of unnecessary problems with conflict of laws or their application. *Mars*, 24 F.3d at 1375-76; 30 USPQ2d at 1626. *See also Piper Aircraft Co. v. Reyno*, 454 U.S. 235, 261 (1981) (reversing the reversal of the district court's dismissal on the grounds of *forum non conveniens* because the district court "did not act unreasonably in deciding that the private interests" and "public interests favored trial in Scotland.").

Fairness to Litigants

In trying a case involving U.S. patents alone, a jury must understand technology and apply unfamiliar concepts of law. If U.S. courts take jurisdiction over foreign patents, juries may be faced with the challenge of understanding related but not identical patents and applying foreign patent law that maintains important differences compared to U.S. law. Even sophisticated juries may not be up to the task. Jury confusion is the likely result; different patents and different laws will be conflated, and defendants and the judicial process will be harmed.

Also, as discussed, if U.S. courts take jurisdiction over foreign patents, it may be expected that foreign courts will take jurisdiction over U.S. patents, a recognized possibility. *See Fritz Blumer*, 9 Tex. Intell. Prop. L.J. at 370. Foreign jurisdictions, however, do not conduct jury trials in patent cases. *See, e.g., Kimberly A. Moore*, 97 Nw. U. L. Rev. 1497, 1498, n.3; *Philippe Signore*, 83 J. Pat. & Trademark Off. Soc'y at 794-795. Plaintiffs seeking to avoid trying their

patent case before a jury might then forum-shop by suing upon a U.S. patent abroad, denying the defendant the due process rights guaranteed here. While any judgment might not be enforceable in the U.S., there is nothing to prohibit a foreign court from enforcing a judgment within its own jurisdiction.

* * *

For the foregoing reasons, public policy advises against asserting jurisdiction over foreign patent infringement claims.

D. The District Court Erred In Finding Supplemental Jurisdiction Over Dr. Voda's Foreign Patents

The District Court in the present case erred in finding supplemental jurisdiction under §1367 over Dr. Voda's foreign patents. Put simply, the District Court erred in believing that *Ortman* and *Mars* support such jurisdiction. As shown, neither *Ortman* nor *Mars* support supplemental jurisdiction under §1367(a) over foreign patents. Indeed, supplemental jurisdiction was not found in either case. As for *Ortman*, the Seventh Circuit never found jurisdiction, it only asked the district court to consider the issue after interpreting the rights of the parties

under a license contract. Moreover, many commentators do not consider it binding authority.¹³

In *Mars* -- decided 27 years after *Ortman* -- the Federal Circuit assessed the patents, the accused devices, the alleged acts and the governing laws and concluded that the claims for U.S. and foreign patent infringement were *not* “part of the same case or controversy.” *Mars*, 24 F.3d at 1375, 30 USPQ2d at 1625-26. On this basis, the Federal Circuit found *no supplemental jurisdiction* under §1367(a) to litigate foreign patents. *Id.* In its application of *Gibbs*, the *Mars* court held that the district court erred in assuming supplemental jurisdiction because:

The assertion of supplemental jurisdiction over the Japanese infringement claim would in effect *result in the trial court having to conduct two separate trials at the same time.*

Mars, 24 F.3d at 1375, 30 USPQ2d at 1626.

¹³ See John R. Thomas, *Litigation Beyond the Technological Frontier: Comparative Approaches to Multinational Patent Enforcement*, 27 Law & Pol’y Int’l Bus. 277, 318-324 (1996) (“Application of these principles to the problem of foreign patent infringement has led to *mixed results*. . . . With the advent of the Federal Circuit, most of this case law [including *Ortman*] was relegated to the status of merely persuasive authority”); Donald S. Chisum, *Normative and Empirical Territoriality in Intellectual Property: Lessons From Patent Law*, 37 Va. J. Int’l L. 603, 610-614 (1997) (“The holding [in *Ortman*] was limited . . . by the facts of the case and its procedural posture . . . given that the infringement claims were so entwined with a contractual controversy.”).

Applying this same reasoning to the facts of this case, there is no supplemental jurisdiction over Dr. Voda's foreign patents. There are many material differences between the U.S. and foreign patent infringement claims. For example, the patent specifications are very different -- the U.S. specifications are based on Dr. Voda's CIP application, which added significantly to the disclosure of the invention. (A2870-2957; A12-101.) The foreign specifications are based on the much narrower PCT application. (A2786-2869; A102-113; A155-185.) Further, the file histories are very different both in their application of law and the prior art considered. *See supra* pp. 5-11. As a result, the claims differ materially in scope and structure.¹⁴ And, fundamental to the issue before this court, the governing laws in each of the foreign courts differ in important ways. Accordingly, the trial court would, in effect, have to conduct *five* separate trials to adjudicate the U.S., French, U.K., German and Canadian patents. The administrative and procedural burden associated with adjudicating eight different patents under five different sets of patent laws weighs decidedly against finding supplemental jurisdiction over foreign patents in this case, or any other.

In a nutshell, infringement of Dr. Voda's U.S. patents is not part of the same case or controversy as infringement of his foreign patents. It is

¹⁴ Compare, for example, U.S. '213 patent claim 1 (A73) to European patent claim 1 (A106-107).

unreasonable for Dr. Voda to expect to try all of his U.S. and foreign patent claims in one proceeding in Oklahoma district court. On this ground, the district court's decision to grant supplemental jurisdiction under §1367 must be reversed.

II. The District Court Erred By Failing To Engage In A Discretionary Analysis Under §1367(c) As To Whether It Should Decline To Grant Supplemental Jurisdiction

A. A Court Must Engage In A Discretionary Analysis Under §1367(c) When Requested To Do So By A Party

Once a court determines that it has the power to grant supplemental jurisdiction over a non-federal claim under §1367(a), it has the discretion to decline the grant under §1367(c).

In *Gibbs*, 383 U.S. at 726, the Supreme Court stated that a court should consider the values of judicial economy, convenience, and fairness to the litigants in exercising its discretion. To this list, the Supreme Court added comity in *Carnegie-Mellon*, 484 U.S. 343, 350 (1988). In *Gibbs*, the Court also discussed several scenarios under which it would be appropriate to decline jurisdiction because they would tend to invoke the *Gibbs* values, including when the federal claim is dismissed, when state issues predominate and when independent jurisdictional considerations, such as likelihood of jury confusion, exist. *Gibbs*, 383 U.S. at 726-27.

The circuit courts of appeal agree that when asked to do so by a party, a district court must engage in a discretionary analysis under §1367(c):

If a district court's discretion under §1367(c) is invoked, either by a party asking for dismissal of state claims or on its own initiative, we will continue to expect that reasons be given for the decision to decline to exercise supplemental jurisdiction.

Acri v. Varian Assocs., Inc., 114 F.3d 999, 1000-1002, n.3 (9th Cir. 1997).¹⁵

In *Mars*, the district court properly engaged in a discretionary analysis under §1367(c), and concluded that it should decline to exercise jurisdiction over foreign patent claims based on two §1367(c) factors:

[1] Mars' claim of infringement of a Japanese patent . . . ***raise[s] novel and complex issues of Japanese law.*** For example the parties disagree as to the extent to which Japanese law allows discovery, and the Court anticipates disagreements among the parties as to the substance of Japanese patent law. . . .

[2] Mars' ***claims relating to the Japanese patent would substantially predominate in this litigation over its claims relating to the U.S. patent.*** . . . Mars' Japanese patent claim raises difficult questions of Japanese law

¹⁵ See also *Palmer v. Hosp. Auth. of Randolph County*, 22 F.3d 1559, 1569 (11th Cir. 1994) ("Because the district court failed to engage in any analysis of the discretionary factors available to it in this case, we must remand for consideration of section 1367(c)"); *Myers v. County of Lake*, 30 F.3d 847, 850 (7th Cir. 1994) ("This division between the requisites of judicial competence in §1367(a) and the criteria for the exercise of discretion in §1367(c) also marks, we believe, the division between matters the court must examine on its own and those that depend on an assertion of error by the litigants").

that would consume a substantial proportion of the time necessary to resolve the legal issues in this case. This task would be complicated by having to agree on the proper translation of laws, documents and other communications.

Mars, 825 F. Supp. at 76, 27 USPQ2d at 1952.

In the present case, Cordis opposed Dr. Voda's motion to file an amended complaint to add claims for foreign patent infringement, and the court's concomitant grant of supplemental jurisdiction. (A255-268) Cordis both challenged the power to grant jurisdiction and expressly requested that the district court exercise its discretion to decline it. (A255-268 at 261-262.) Cordis stated that granting jurisdiction would frustrate the interest of judicial economy and unfairly prejudice Cordis, referring to two of the *Gibbs* values. *Id.* Cordis also stated that doing so would lead to jury confusion during trial, which district courts have identified as an "exceptional circumstance" under §1367(c)(4). *Id.*¹⁶

In its motion for reconsideration or certification, Cordis additionally stated that granting jurisdiction threatened to disturb principles of comity, referring to an additional *Gibbs* value. (A280-296 at 290-291.) Cordis also argued that its

¹⁶ See, e.g., *Zelaya v. J.M. Macias, Inc.*, 999 F. Supp. 778 (E.D.N.C. 1998); *Green v. Zendrian*, 916 F. Supp. 493 (D. Md. 1996); *Padilla v. City of Saginaw*, 867 F. Supp. 1309 (E.D. Mich. 1994); *Lewis v. United States*, 812 F. Supp. 620, 624-625 (E.D. Va. 1993). See also *Alderman v. McDermott*, 2004 WL 1109541, at *1 (M.D. Fla. Apr. 27, 2004), where jury confusion falls under §1367(c) generally.

grant would greatly increase the complexity of the case because of the need to apply the patent law of multiple foreign jurisdictions, thereby invoking the “complex issue” prong under §1367(c)(1). (A280-296 at 289-290.)

Cordis having raised the issue, the district court was required to undertake a discretionary analysis under §1367(c), and erred in failing to do so. The Court’s August 2004 and January 2005 Orders are silent on exercising discretion as required under §1367(c) and *Gibbs*. (A1-6.)

B. Properly Applied, §1367(c) And The *Gibbs* Values Require The District Court To Decline Jurisdiction

A discretionary analysis under §1367(c) and the *Gibbs* values compels declining supplemental jurisdiction over Dr. Voda’s foreign patents.

Under §1367(c)(1) and (2), the District Court may decline to exercise jurisdiction if (1) the claim raises a novel or complex issue of state law, or (2) if the claim substantially predominates over the other claims in the case. Although state law is not at issue, litigating Dr. Voda’s British, French, German and Canadian patents along with his three U.S. patents currently in the case does raise complex issues of foreign law that may well substantially predominate.

Adjudicating this case would require the District Court to construe 16 patent claims under U.S. patent law, and 11 different patent claims under British, French, German and Canadian patent law. The District Court would then be

required to understand, interpret and apply the infringement and validity law of each of those jurisdictions to the evidence in each country, under different burdens of proof, including a determination as to whether a jury -- as demanded by both parties here -- may appropriately address those issues.

Accordingly, Dr. Voda's claim of infringement of foreign patents implicates §1367(c)(1) and (2), as well as the *Gibbs* factors of comity, judicial economy and convenience. The *Gibbs* value of fairness is also clearly implicated if Cordis' liability must be decided by a hopelessly confused jury.

The District Court may also decline to exercise jurisdiction if, under §1367(c)(4), there are other compelling reasons to do so. One key reason is that Dr. Voda's foreign patent infringement claims require the court to apply foreign law to the acts of foreign corporate entities that are not parties to this litigation, specifically Cordis UK Limited, Cordis G.m.b.H., Cordis S.A. and Johnson & Johnson Medical Products. Hearing Cordis' invalidity counterclaims in this case will also require the court to rule on the validity of foreign patents -- which other countries decline to do. And at the end of the day, recognition and enforcement of any judgments by foreign courts would be, at best, uncertain.

Another compelling reason to decline jurisdiction is the *Gibbs* value of inconvenience to the court, as well as the parties and their witnesses. Considering the *Gilbert* "private interest" factors, access to sources of proof of

foreign infringement will be limited in Oklahoma, as will access to a compulsory process for attendance of foreign witnesses. Costs associated with the appearance of those foreign witnesses in an Oklahoma court would be substantial. Moreover, to comply with Fed. R. Civ. P. 44.1, the parties will likely be required to retain experts in the patent law of Germany, France, the United Kingdom and Canada, all of whom will need to learn the case, prepare expert reports, be deposed and appear at trial. The “public interest” factors include the incremental administrative burden placed on the Oklahoma court, and the strong public interest in having controversies decided in a forum whose laws actually govern the case.

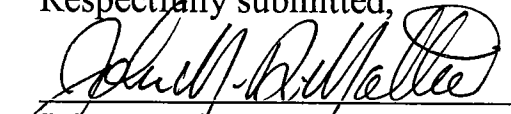
In summary, proper consideration of the §1367(c) factors and the *Gibbs* values weighs heavily in favor of declining jurisdiction over Dr. Voda’s foreign patents.

CONCLUSION

For the foregoing reasons, this Court should reverse the District Court's August 2, 2004 Order granting Dr. Voda's request for leave to amend his complaint to assert five foreign patents.

Date: June 6, 2005

Respectfully submitted,



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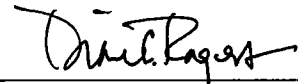
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CERTIFICATE OF COMPLIANCE

I hereby certify that this brief complies with the type-volume limitations under Rules 32(a)(7)(B)(i), Fed. R. App. P., and 32(b), Fed. Cir. R., and contains **11,414** words. The Statement of Appellate Jurisdiction is included in the word count.

A handwritten signature in black ink, appearing to read "Diane C. Ragosa", written over a horizontal line.

Diane C. Ragosa