No. 05-1238

IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

JAN K. VODA, M.D.,

Plaintiff-Appellee,

v.

CORDIS CORPORATION,

Defendant-Appellant.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA
IN CASE NO. 03-CV-1512, JUDGE TIM LEONARD

BRIEF FOR THE UNITED STATES AS *AMICUS CURIAE* IN SUPPORT OF THE APPELLANT

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STATEMENT OF INTEREST

This case presents important questions regarding the circumstances, if any, in which federal courts may entertain claims of patent infringement arising under foreign law. The United States has a substantial interest in ensuring that these questions are resolved in a manner that respects the acts of foreign patent authorities, reduces the risk of misapplication of foreign patent law, and avoids unnecessary conflicts between the courts of this country and foreign nations in the field of

intellectual property. The United States is authorized to file this brief pursuant to 28 U.S.C. § 517 and Rule 29(a) of the Federal Rules of Appellate Procedure.

STATEMENT OF ISSUES

Assuming that a district court has jurisdiction over a claim of foreign patent infringement, whether the court should nevertheless exercise its discretion under 28 U.S.C. § 1367(c) and *forum non conveniens* principles not to entertain the claim.

STATEMENT OF THE CASE

This is a patent infringement dispute between Dr. Jan Voda, an Oklahoma cardiologist, and Cordis Corporation, a Florida medical device company. Dr. Voda owns three United States patents that relate to guiding catheters for performing angioplasty on the left coronary artery. Cordis markets medical devices used in interventional cardiology and other medical procedures.

Dr. Voda brought suit against Cordis in October 2003 in the District Court for the Western District of Oklahoma. In his original complaint, Dr. Voda claimed that Cordis's sale of a series of guiding catheters infringed his United States patents. Dr. Voda invoked the jurisdiction of the district court under 28 U.S.C. § 1338(a), which vests district courts with exclusive original jurisdiction of "any civil action arising under any Act of Congress relating to patents" and other kinds of intellectual property. Cordis denied that the sale of its catheters infringed Dr. Voda's patents

and counterclaimed for a declaratory judgment of patent invalidity and non-infringement.

In June 2004, Dr. Voda moved for leave to amend his complaint to add claims that the sale of Cordis's catheters also infringes five foreign patents. The foreign patents in question are a European patent issued by the European Patent Office (EPO)[1] and national patents issued by Canada, Britain, France, and Germany. First Amended Complaint ¶¶ 20-24.

Dr. Voda did not, and could not, invoke 28 U.S.C. § 1338 as a jurisdictional basis for his foreign patent infringement claims. See *Mars Inc.* v. *Kabushiki-Kaisha Nippon Conlux*, 24 F.3d 1368, 1372-73 (Fed. Cir. 1994) (claims of foreign patent infringement are not cognizable under Section 1338). Nor did Dr. Voda invoke the district court's diversity jurisdiction under 28 U.S.C. § 1332(a), although it appears likely that the elements of diversity jurisdiction are present in this case.[2] Instead,

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[1] The EPO grants European patents for the contracting states to the European Patent Convention (EPC). Almost all members of the European Union are contracting states. The grant of a European patent by the EPO "confer[s] on its proprietor * * * , in each Contracting State in respect of which it is granted, the same rights as would be conferred by a national patent granted in that State." EPC Art. 64(1).

[2] The diversity statute vests district courts with original jurisdiction of all civil actions between "citizens of different States," "where the matter in controversy exceeds the sum or value of $75,000, exclusive of interest and costs." 28 U.S.C. § 1332(a)(1). A corporation is deemed to be a citizen "of any State by which it has

the amended complaint asserted that the district court has jurisdiction over the foreign patent infringement claims pursuant to the supplemental jurisdiction statute, 28 U.S.C. § 1367. Amended Complaint ¶ 4.

Subsection (a) of Section 1367 provides that, with specified exceptions, "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." Subsection (c) of Section 1367 provides that courts "may decline to exercise supplemental jurisdiction over a claim" under subsection (a) if, *inter alia*, "the claim raises a novel or complex issue of State law" (28 U.S.C. § 1367(c)(1)) or, "in exceptional circumstances, there are other compelling reasons for declining jurisdiction" (*id.* § 1367(c)(4)).

The grant of supplemental jurisdiction in Section 1367(a) and the discretionary authority to decline jurisdiction under Section 1367(c) were intended,

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been incorporated and of the State where it has its principal place of business." *Id.* § 1332(c)(1). According to the complaint, Dr. Voda is a resident (and presumably a citizen) of Oklahoma, and Cordis is a Florida corporation with a place of business (its corporate headquarters) in Miami. First Amended Complaint ¶¶ 2-3. The complaint does not specify the amount in controversy, but given the nature of the litigation, it appears likely that more than $75,000 is at stake.

among other things, to codify the jurisdictional principles of *United Mine Workers* v. *Gibbs*, 383 U.S. 715 (1966). In *Gibbs*, the Supreme Court held that when a federal court has jurisdiction over a claim arising under federal law, it may also exercise pendent jurisdiction over a related claim arising under state law if the two claims "derive from a common nucleus of operative fact." *Id.* at 725. *Gibbs* further held that the power to hear pendent claims "need not be exercised in every case in which it is found to exist," and that a court may decline to hear pendent claims where "considerations of judicial economy, convenience and fairness to litigants" militate against the exercise of pendent jurisdiction. *Id.* at 726. Subsections (a) and (c) of Section 1367 represent a codification of these jurisdictional rules. *City of Chicago* v. *International College of Surgeons*, 522 U.S. 156, 164-65, 172-73 (1997).

Cordis opposed Dr. Voda's motion to amend his complaint. Cordis argued that Section 1367(a) does not vest district courts with jurisdiction over patent infringement claims arising under foreign law. Cordis further argued that, even if supplemental jurisdiction exists under Section 1367(a), the district court should exercise its discretion not to entertain Dr. Voda's foreign infringement claims.

The district court granted Dr. Voda leave to amend his complaint in July 2004. The district court rejected Cordis's argument that Section 1367(a) does not reach foreign patent infringement claims and held that the allegations in the

amended complaint are sufficient to confer supplemental jurisdiction. The court did not expressly address Cordis's alternative argument that jurisdiction should be declined under Section 1367(c), but implicitly rejected that argument as well.

Acting at the request of Cordis, the district court certified its jurisdictional ruling for interlocutory review. Cordis then filed a petition for interlocutory appeal under 28 U.S.C. § 1292(b) and (c)(1), which this Court granted "because of the paucity of law surrounding this issue." Misc. Docket No. 785, Order at 2 (Feb. 22, 2005).

SUMMARY OF ARGUMENT

Whether or not claims of foreign patent infringement are cognizable under 28 U.S.C. § 1367, Congress's grant of diversity jurisdiction means that federal courts will have the power to entertain most suits in which a litigant asserts infringement of foreign patents. However, even if a district court *can* entertain a foreign patent infringement claim, whether under Section 1367 or the diversity statute, the question remains whether the court *should* do so. In suits brought under Section 1367 itself, subsection (c) gives district courts discretion not to hear supplemental non-federal claims, and the *forum non conveniens* doctrine provides the courts with similar discretion in suits brought under other jurisdictional statutes.

In the view of the United States, considerations of public and private convenience and international comity should ordinarily lead a district court to exercise its discretion not to entertain foreign patent infringement claims, even if the court has jurisdiction over such claims. Resolving foreign patent infringement claims will require a court to interpret and apply an unfamiliar and complex body of foreign law, a task complicated by the need to translate the governing legal materials. Claim construction, which is often difficult even when the claims are in English, becomes significantly harder when the claims must be translated from a foreign language and construed in light of varying foreign claim construction principles. Deciding whether a defendant is liable for infringement of a foreign patent also raises serious questions of international comity, particularly when the defendant challenges the validity of the patent and thus calls on the district court to determine whether the foreign patent authority has complied with its own laws. Finally, in purely practical terms, the adjudication of foreign patent infringement claims in this country will often require the parties to conduct transnational discovery and obtain the presence of foreign witnesses, with all of the burdens and difficulties that those steps entail. Taken together, these considerations should ordinarily counsel against hearing a foreign patent claim even if the claim can be brought within the ambit of an applicable jurisdictional statute.

ARGUMENT

PRUDENTIAL CONSIDERATIONS COUNSEL AGAINST ENTERTAINING FOREIGN PATENT INFRINGEMENT CLAIMS IN FEDERAL COURTS

Dr. Voda's attempt to litigate claims of foreign patent infringement against Cordis in a federal district court raises two related but distinct jurisdictional issues. The first is whether (and, if so, when) foreign patent infringement claims are within the jurisdiction of the district court under Section 1367(a). The second is whether such claims *should* be entertained, even assuming that the district court has the power to do so.

Although the first of these two questions is relatively novel and unsettled, the resolution of that question is unlikely to have a significant impact either on the course of this litigation or on the general authority of district courts to hear claims of foreign patent infringement. That is because, even if foreign infringement claims are held not to be cognizable under Section 1367(a), they typically will find an alternative jurisdictional home under the general diversity statute, 28 U.S.C. § 1332. In many cases involving foreign patent infringement claims, there will be diversity of citizenship between the plaintiff and the defendant, and the amount in controversy typically will exceed $75,000. Indeed, as noted above, that appears to be true in this case itself. Where diversity of citizenship is present, there is no jurisdictional

obstacle to entertaining claims arising under foreign law. See, *e.g.*, *Randall v. Arabian American Oil Co.*, 778 F.2d 1146, 1149-50 (5th Cir. 1985) (diversity jurisdiction entitles district court to hear claim by American plaintiff against foreign defendant based on foreign law). Thus, the availability of supplemental jurisdiction under Section 1367(a) is likely to add little to the scope of jurisdiction over foreign patent infringement claims provided by Section 1332, and conversely, the absence of supplemental jurisdiction under Section 1367(a) is unlikely to limit significantly the number of foreign infringement claims that can be heard in federal court.

In contrast, the question whether a district court *should* entertain foreign patent infringement claims is a question whose answer will affect all such litigation, regardless of whether jurisdiction is predicated on the supplemental jurisdiction statute or on diversity of citizenship. In suits brought under Section 1367, discretion to decline to entertain pendent claims is provided by Section 1367(c). In suits that rest on other jurisdictional grounds, such as diversity of citizenship, similar discretion is provided by the doctrine of *forum non conveniens* and related principles of international comity. As we now show, regardless of whether a plaintiff seeks to proceed on the basis of Section 1367 or the diversity statute, these discretionary principles will ordinarily counsel strongly against entertaining claims that a defendant has infringed a patent issued by a foreign nation.

A. A District Court Should Ordinarily Decline to Entertain a Foreign Patent Infringement Claim under Section 1367(c)

As explained above, Section 1367(c) codifies the principle that a district court may decline to hear pendent claims where "considerations of judicial economy, convenience and fairness to litigants" militate against the exercise of pendent jurisdiction. *Gibbs*, 383 U.S. at 726; *City of Chicago*, 522 U.S. at 172-73. The first three paragraphs of Section 1367(c) identify specific considerations that may warrant declining to hear such a claim, while the fourth paragraph permits the court to decline to hear the claim whenever "there are other compelling reasons for declining jurisdiction." These provisions require a district court to "consider and weigh in each case, and at every stage of the litigation, the values of judicial economy, convenience, fairness, and comity." *City of Chicago*, 522 U.S. at 173. Those values counsel strongly in favor of declining to exercise jurisdiction when a litigant asks the court to resolve foreign patent infringement claims on the basis of Section 1367(a).

To begin, adjudicating foreign patent infringement claims requires federal courts to interpret and apply an unfamiliar and complex body of foreign law. See *Mars*, 24 F.3d at 1376. Before a court can even undertake that task, relevant foreign statutes, administrative materials, and judicial decisions usually must be translated into English, and the court must resolve any disputes between the parties over

translation. The court must then familiarize itself with legal doctrines that are complex even for the foreign courts and counsel who deal with them on a daily basis. *Cf. In re Kathawala*, 9 F.3d 942, 945 (Fed. Cir. 1993) (noting that determining validity of foreign patents would place an "unrealistic burden on the courts and PTO to resolve esoteric legal questions which may arise under the patent laws of numerous foreign countries") (internal quotation marks omitted). One can perhaps best appreciate the difficulty of this undertaking by imagining the challenges that would be faced in the converse situation by a foreign court, particularly in a civil-law jurisdiction, that had to interpret and apply the unfamiliar patent laws and judicial precedents of the United States. The burden that this task places on a district court is considerable, and however diligently the court may apply itself to the task, the risk of error is far greater than it would be if the infringement claim were heard in the courts of the foreign country whose patent law is being applied.

In addition, the existence *vel non* of patent infringement often turns on complex issues of claim construction, which require close parsing of the text of the claims themselves. Federal courts obviously cannot construe most foreign patent claims in their original language, and the task of translating them into English is fraught with difficulty in an area where liability may turn on the precise meaning and translation

of a single word or phrase. The result is likely to be unwieldy "trials within the trial" regarding what the foreign patent actually says and what it covers.

Moreover, as this Court has recognized, attempts by federal courts to adjudicate claims of foreign patent infringement raise serious questions of international comity. *Mars*, 24 F.3d at 1376. Considerations of comity are particularly acute when – as is typically the case – the defendant defends itself against the infringement claim by challenging the validity of the patent. In order to resolve that defense, a district court would have to determine whether the foreign tribunal that granted the patent acted in derogation of its own nation's patent laws. Any "determination by [a] court that a foreign patent is invalid, *i.e.*, that the act of an agency of a foreign government is invalid, would raise serious questions of comity." *Packard Instrument* v. *Beckman Instruments*, 346 F. Supp. 408, 410 (N.D.Ill. 1972) (citing *Vanity Fair Mills* v. *T. Eaton*, 234 F.2d 633, 646-47 (2d Cir. 1956), and *Canadian Filters* v. *Lear-Siegler*, 412 F.2d 577, 578-79 (1st Cir. 1969)). At the same time, declining to entertain the defense of invalidity would be manifestly unfair to the defendant, since it could result in the imposition of liability in circumstances where the patent is in fact invalid and the defendant would be excused from liability on that basis in a foreign forum.

Finally, adjudicating foreign patent infringement claims will impose serious burdens on the litigants and the federal courts. Given the strongly territorial nature

of domestic and foreign patent law, claims of foreign patent infringement will almost always turn principally on actions taken abroad, rather than actions performed in this country.[3] As a result, much of the relevant evidence will be found in foreign countries rather than in the United States. Conducting transnational discovery and obtaining the presence of foreign witnesses for trial is burdensome in the best of circumstances, and the difficulties and expense of obtaining relevant evidence may compromise the fairness of the proceeding.

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[3] It is a fundamental tenet of American patent law that "the United States patent system does not provide for extraterritorial effect." *Fuji Photo Film Co., Ltd.* v. *Jazz Photo Corp.*, 394 F.3d 1368, 1376 (Fed. Cir. 2005). With limited exceptions, federal patent law does not purport to restrict actions performed outside the territorial limits of the United States. See, *e.g.*, 35 U.S.C. § 154(a)(1) (patents grant "the right to exclude others from making, using, offering for sale, or selling the invention *throughout the United States* or importing the invention *into the United States*") (emphasis added); *id.* § 271(a) ("whoever without authority makes, uses, offers to sell, or sells any patented invention, *within the United States* or imports *into the United States* any patented invention during the term of the patent therefor, infringes the patent") (emphasis added). Foreign patent laws are similarly territorial in nature. Graeme B. Dinwoodie, William O. Hennessey & Shira Perlmutter, *International and Comparative Patent Law* § 1.03 (2002) ("the starting point for any study of international patent law [is that] patent laws operate territorially, and patent rights are thus national in scope"); Restatement (Third) of Foreign Relations Law § 415, comment i (1987) ("Patents are considered territorial, having legal effect only in the territory of the issuing state"); see, *e.g.*, Patents Act, 1977, § 60(1) (Eng.) ("a person infringes a patent for an invention if, but only if, * * * he does any of the following things *in the United Kingdom* in relation to the invention without the consent of the proprietor of the patent") (emphasis added).

Taken together, these factors weigh strongly against the exercise of supplemental jurisdiction over foreign patent infringement claims. Thus, even if a district court *may* hear such a claim under Section 1367(a), it nevertheless should decline to hear the claim under Section 1367(c).

B. Entertaining Foreign Patent Infringement Claims Is at Odds with the *Forum Non Conveniens* Doctrine

As this Court's decision in *Mars* demonstrates, the discretion to decline to exercise jurisdiction is not confined to cases brought under Section 1367. Instead, similar discretion exists in cases predicated on other jurisdictional statutes, including the diversity statute. The primary vehicle for the exercise of that discretion is the doctrine of *forum non conveniens*, which permits a federal court to decline to hear a claim that is within its subject matter jurisdiction when considerations of public and private convenience make it more appropriate for the claim to be heard in another forum. See generally *Piper Aircraft Co.* v. *Reyno*, 454 U.S. 235 (1982); *Gulf Oil Co.* v. *Gilbert*, 330 U.S. 501 (1947); *Mars*, 24 F.3d at 1376. Indeed, the discretionary factors relied on in *Gibbs* and Section 1367(c) are, to a considerable extent, simply a rearticulation of factors already embodied in the *forum non conveniens* doctrine.

In deciding whether to dismiss a claim on *forum non conveniens* grounds, a court must consider both "[f]actors of public interest" and "the private interest of the litigant[s]." *Gilbert*, 330 U.S. at 508. Public interest factors include, *inter alia*, "[the] local interest in having localized controversies decided at home" and the "appropriateness" of having claims heard "in a forum that is at home with the state law that must govern the case, rather than having a court in some other forum untangle problems in conflict of laws, and in law foreign to itself." *Id.* at 508-509. Relevant private interests include "the relative ease of access to sources of proof"; the "availability of compulsory process for attendance of unwilling, and the cost of obtaining attendance of willing, witnesses"; "questions as to the enforceability of a judgment"; and "all other practical problems that make trial of a case easy, expeditious and inexpensive." *Ibid.*

In *Mars*, after holding that the plaintiff could not pursue its foreign patent infringement claim on the basis of Section 1367(a), this Court went on to address whether the *forum non conveniens* doctrine would support dismissal of the same claim if brought on the basis of diversity jurisdiction. See 24 F.3d at 1375-76. The Court pointed out that the claim "would require the [district] court to resolve complex issues of Japanese procedural and substantive law, a task further complicated by having to agree on the proper translation of laws, documents and other

communications." *Id.* at 1376 (internal quotation marks omitted). The court also noted the comity concerns that would be raised by "exercising jurisdiction over a matter involving a Japanese patent, Japanese law, and acts of a Japanese defendant in Japan." *Ibid.* In light of these considerations, the Court concluded that "any attempt to replead jurisdiction based on diversity of citizenship would seem ill-founded." *Ibid.*

As suggested by the discussion above, the kinds of considerations that concerned this Court in *Mars* and the considerations of public and private convenience identified by the Supreme Court in *Gilbert* and *Piper Aircraft* will tend to be present in most, if not all, foreign patent infringement litigation. In particular, concerns of international comity and the public interest in having claims "decided at home" and having questions of foreign law resolved by a forum that is familiar with them strongly counsel against entertaining infringement claims that arise under the patent law of another country and involve acts occurring entirely within that country. *Cf. Piper Aircraft*, 454 U.S. at 260 (supporting district court's dismissal of claims arising under Scottish law when, *inter alia*, "a trial involving two sets of laws would be confusing to the jury," the trial court lacked familiarity with the relevant foreign law, and Scotland "has a very strong interest in th[e] litigation"). In addition, "the relative ease of access to sources of proof" and the "availability of

compulsory process for attendance of unwilling, and the cost of obtaining attendance of willing, witnesses" (*Gilbert*, 330 U.S. at 509) will likewise counsel in favor of remitting the plaintiff to a foreign forum.[4]

The *forum non conveniens* doctrine is a flexible one, and the Supreme Court has cautioned against encumbering it with rigid rules that divest district courts of discretion. See *Piper*, 454 U.S. at 262. It would therefore be inappropriate to adopt a categorical rule that *forum non conveniens* principles compel the dismissal of foreign patent infringement claims in every case. Nevertheless, considerations of public and private convenience and international comity should ordinarily lead the court to dismiss the foreign infringement claim, leaving the plaintiff free to pursue the claim in the foreign venue where the plaintiff himself originally sought and obtained his patent. Only in the exceptional case are countervailing considerations likely to warrant adjudicating a foreign infringement claim in this country's courts.

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[4] These same considerations would be equally applicable if a litigant were to attempt to pursue foreign patent infringement claims in state, rather than federal, courts. State courts generally employ the same *forum non conveniens* principles as the federal courts, and principles of international comity are no less binding on state courts than on federal ones.

CONCLUSION

For the foregoing reasons, assuming *arguendo* that a district court has jurisdiction over a claim of foreign patent infringement, it ordinarily should decline to entertain the claim under 28 U.S.C. § 1367(c) and the *forum non conveniens* doctrine.

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CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATION, TYPEFACE REQUIREMENTS, AND TYPE STYLE REQUIREMENTS

1. This brief complies with the type-volume limitation of Federal Rule of Appellate Procedure 32(a)(7)(B). The brief contains 4,053 words, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(a)(7)(B)(iii).

2. This brief complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6). The brief has been prepared in a proportionally spaced typeface using WordPerfect 9.0 in 14-point Times New Roman.

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June 15, 2005

CERTIFICATE OF SERVICE

I hereby certify that on June 15, 2005, I filed and served the foregoing BRIEF FOR THE UNITED STATES AS *AMICUS CURIAE* IN SUPPORT OF APPELLANT by causing the brief to be sent by first-class mail to the Clerk of the Court and the following counsel:

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