U.S. Federal Courts and Foreign Patents: Recent Decisions Affecting the Global Harmonization of Patent Law

The U.S. Court of Appeals for the Federal Circuit recently held that a U.S. district court did not possess subject matter jurisdiction over the alleged infringement of a foreign patent. The case of Voda v. Coris Corp., concerned several patents owned by Dr. Jan Voda, a cardiologist who invented and patented a catheter for coronary angioplasty. Believing that Cordis Corp. infringed his U.S. patents, Voda brought suit in the Federal District court for the Western District of Oklahoma. Voda ultimately obtained a large damages award from the trial court based upon Cordis' willful infringement of his U.S. patent. Voda also sought, however, to assert patents on the same invention that he had procured in Britain, Canada, France, and Germany.

There was no question that the court had jurisdiction to hear his claim of infringement of his U.S. patents. The interlocutory appeal to the Federal Circuit, however, concerned whether his claims of foreign infringement could be adjudicated on a consolidated basis under the discretionary power of Federal courts to hear "supplemental" claims within the same "case of controversy" as those under the courts' original jurisdiction. *See* 28 U.S.C. 1367 (the "supplemental jurisdiction statute"). Voda asserted that supplemental jurisdiction over the foreign patents was proper, and that exercising such jurisdiction would be fair and efficient for both litigants.

Writing for the majority, Judge Gajarsa concluded that the district court abused its discretion. The court turned first to the Paris Convention for the Protection of Industrial Property, and observed that although the Convention contained no express provision allocating jurisdiction to hear patent infringement claims, there nonetheless existed an inferred a principle that one jurisdiction should not adjudicate the patents of another. In response to Voda's claims that "the trend of harmonization of patent law" supports a consolidated adjudication in one court, the Judge Gajarsa noted:

Regardless of the strength of the harmonization trend, however, we as the U.S. judiciary should not unilaterally decide either for our government or for other foreign sovereigns that our courts will become the adjudicating body for any foreign patent with a U.S. equivalent 'so related' to form 'the same case or controversy.' Cf. F. Hoffman-La Roche Ltd. v. Empagran S.A., 542 U.S. 155, 166-67 (2004) (finding "no convincing justification" for providing such subject matter jurisdiction in antitrust context). Permitting our district courts to exercise jurisdiction over infringement claims based on foreign patents in this case would require us to define the legal boundaries of a property right granted by another sovereign and then determine whether there has been a trespass to that right.. . .Based on the international treaties that the United States has joined and ratified as the 'supreme law of the land,' a district court's exercise of supplemental jurisdiction could undermine the obligations of the United States under such treaties, which therefore constitutes an exception circumstances to decline jurisdiction."

Judge Newman responded with a thoughtful dissent, noting generally that courts routinely apply foreign law, and specifically that courts from other nations have adjudicated claims of foreign patent infringement. Judge Newman also found that no treaty prohibited one national court from resolving private disputes that involve foreign patent rights.

Commentators have reacted to this decision. Professor Jay Thomas thoughtfully writes at Opinion Juris that:

"*Voda v. Cordis represents a lost opportunity for the Federal Circuit to ameliorate the burdens of costly, piecemeal patent litigation faced by innovators and the world's judicial systems alike. The majority's holding is more narrow than may be initially apparent, however. The majority stressed that jurisdiction under § 1367(c) is an area of discretion, and that different results might obtain 'if circumstances change, such as if the United States were to enter into a new international patent treaty or if events during litigation alter a district court's conclusions regarding comity, judicial economy, convenience, or fairness.' . . . For now, innovative industries should recognize that although technology knows no borders, the extent of federal jurisdiction over multinational patent disputes may indeed be constrained by courts uncomfortable with the prospect of adjudicating such cases.*"

This decision presages additional developments, and increased interest, in the extrateritoriality of national patent laws. For example, the United States Supreme Court will hear argument next month in *Microsoft v. AT&T*, a case concerning the scope of a federal law that prohibits the export of unassembled component parts for overseas assembly of a product that would, if made or used in the U.S., infringe a U.S. patent. Veteran Supreme court heavyweights Theodore Olson and Seth Waxman will spar over whether that provision applies to software copied abroad from a master disk supplied from the United States. AT&T has submitted that Microsoft "supplied" an AT&T code to foreign computer manufacturers "with the intent that those companies would pay Microsoft a royalty each time they combined that code with other components that would infringe an AT&T patent if made or used in the United States." Microsoft contends that this result would create a campaign to stretch U.S. patent laws to reach international dealings in software. Interestingly, the United States as amici curiae argues for a territorial limitation of U.S. patent law and asserts that AT&T's remedy "lies in obtaining and eforcing foreign patents, and not in attempting to extend U.S. patent law to overseas activities." Comments on this case, as well as some of the parties' briefs and a related podcast, can be found on the SCOTUSblog, and also on Law.com.