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# SUPPLEMENTAL JURISDICTION OVER FOREIGN PATENTS: PERMISSIBLE, SO LONG AS LIMITATIONS APPLY

## INTRODUCTION: SUPPLEMENTAL JURISDICTION OVER FOREIGN PATENTS AND WHY IT MATTERS

The growing internationalization of patent activity is promoting innovation and facilitating technology transfers on an increasingly globalized level.<sup>1</sup> The World Intellectual Property Organization (“WIPO”)<sup>2</sup> has reported an increase in the number of patents filed and issued worldwide and a growing trend of applicants filing their applications in multiple nations.<sup>3</sup> The internationalization of patent activity can also be seen in the Patent Cooperation Treaty (“PCT”),<sup>4</sup> the Patent Law Treaty,<sup>5</sup> and the numerous calls for the streamlining and harmonization of patent law among different jurisdictions.<sup>6</sup> The process of seeking patent protection and enforcing patent rights is one filled with international considerations.

Notwithstanding growing trends of internationalization in patent activity, it is well recognized that patents are territorial instruments.<sup>7</sup> In the United States, this notion of territoriality is rooted in 35 U.S.C. § 154(a)(1), which provides that a U.S. patent conveys “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*.”<sup>8</sup> Similarly, 35 U.S.C. § 271

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<sup>1</sup> Press Release, World Intellectual Prop. Org., World Patent Report Confirms Increasing Internationalization of Innovative Activity (July 31, 2008), *available at* [http://www.wipo.int/pressroom/en/articles/2008/article\\_0042.html](http://www.wipo.int/pressroom/en/articles/2008/article_0042.html).

<sup>2</sup> WIPO “is a specialized agency of the United Nations. It is dedicated to developing a balanced and accessible international intellectual property (IP) system, which rewards creativity, stimulates innovation and contributes to economic development while safeguarding the public interest.” *What Is WIPO?*, WORLD INTELL. PROP. ORG., [http://www.wipo.int/about-wipo/en/what\\_is\\_wipo.html](http://www.wipo.int/about-wipo/en/what_is_wipo.html) (last visited Feb. 2, 2012).

<sup>3</sup> Press Release, World Intellectual Prop. Org., *supra* note 1.

<sup>4</sup> Patent Cooperation Treaty, *opened for signature* June 19, 1970, 28 U.S.T. 7645.

<sup>5</sup> Patent Law Treaty, *opened for signature* June 1, 2000, 2340 U.N.T.S. 3.

<sup>6</sup> Mark A. Lemley et al., *Divided Infringement Claims*, 33 AIPLA Q.J. 255, 283 (2005) (“[I]n an ideal world patent law would be fully harmonized and indeed international, not territorial, in nature.”); *see also* COMM. ON INTELLECTUAL PROP. RIGHTS IN THE KNOWLEDGE-BASED ECON. ET AL., A PATENT SYSTEM FOR THE 21ST CENTURY 8 (Stephen A. Merrill et al. eds., 2004).

<sup>7</sup> Teruo Doi, Essay, *The Territoriality Principle of Patent Protection and Conflict of Laws: A Review of the Japanese Court Decisions*, 26 FORDHAM INT’L L.J. 377, 377 (2003).

<sup>8</sup> 35 U.S.C. § 154(a)(1) (2006) (emphasis added).

provides that infringement occurs when a party “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.”<sup>9</sup> Therefore, “a US patent is enforceable only in the US and its territories. There is no such thing as a global patent.”<sup>10</sup> Even under the PCT, international applications filed serve only to initiate separate prosecution procedures in each nation and any patents issued are functionally separate instruments.<sup>11</sup> Indeed, every nation maintains its own separate intellectual property regime based on distinct legislative codes.<sup>12</sup>

However, with the growing trend of internationalization, some have attempted to curtail the territorial nature of patents. On several occasions, both in the United States and abroad, domestic courts have been asked to hear cases involving foreign patents and pass judgment on those foreign instruments.<sup>13</sup> In the United States, the Court of Appeals for the Federal Circuit continues to reject the exercise of supplemental jurisdiction over foreign patents.<sup>14</sup> Most recently, the Federal Circuit addressed this issue in *Voda v. Cordis Corp.*<sup>15</sup> After considering comity, judicial economy, convenience, and fairness, the court declined to exercise supplemental jurisdiction over the foreign patents.<sup>16</sup>

The issue of exercising supplemental jurisdiction over foreign patents is an increasingly difficult problem that requires some resolution. First, as already mentioned, considerations of patent protection for modern innovations are no

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<sup>9</sup> *Id.* § 271(a) (emphasis added).

<sup>10</sup> Louis Hallenborg et al., *Intellectual Property Protection in the Global Economy*, in TECHNOLOGICAL INNOVATION: GENERATING ECONOMIC RESULTS 63, 65 (Gary D. Libecap & Marie C. Thursby eds., 2008) (footnote omitted).

<sup>11</sup> JANICE M. MUELLER, PATENT LAW 540–41 (3d ed. 2009).

<sup>12</sup> Robert C. Bird & Subhash C. Jain, *The Continuing Challenge of Global Intellectual Property Rights*, in THE GLOBAL CHALLENGE OF INTELLECTUAL PROPERTY RIGHTS 3, 4 (Robert C. Bird & Subhash C. Jain eds., 2008).

<sup>13</sup> *E.g.*, *Voda v. Cordis Corp.*, 476 F.3d 887 (Fed. Cir. 2007) (seeking enforcement of European, British, Canadian, French, and German patents in the United States); *Mars Inc. v. Kabushiki-Kaisha Nippon Conlux*, 24 F.3d 1368 (Fed. Cir. 1994) (seeking enforcement of Japanese patents in the United States); *Stein Assocs., Inc. v. Heat & Control, Inc.*, 748 F.2d 653 (Fed. Cir. 1984) (seeking enforcement of British patents in the United States); Tōkyō Chihō Saibansho [Tokyo Dist. Ct.] Oct. 16, 2003, Heisei 15 (wa) no. 1943 (Japan), available at <http://www.courts.go.jp/hanrei/pdf/F4341569E2231E6E49256E2F0024C48E.pdf> (seeking enforcement of U.S. patents in Japan).

<sup>14</sup> *Voda*, 476 F.3d at 905.

<sup>15</sup> *Id.* at 889–91.

<sup>16</sup> *Id.* at 900–05. The four factors of comity, judicial economy, convenience, and fairness are collectively known as the *Gibbs* factors. *Newport Ltd. v. Sears, Roebuck & Co.*, 941 F.2d 302, 308 (5th Cir. 1991); see also *infra* Part I.

longer geographically confined.<sup>17</sup> Instead, technological advancements often have widespread global impact. Inventions in the United States are frequently patented in foreign countries as well.<sup>18</sup> The process of innovation can benefit greatly from having greater patent harmonization, or uniform substantive and procedural requirements, throughout various nations.<sup>19</sup> Patent harmonization helps to reduce uncertainties in patent validity, claim scope, and rights granted by a patent when an invention is filed and issued in multiple nations.<sup>20</sup> Uniformity among patent regimes allows multinational corporations to reduce the cost of evaluating various laws,<sup>21</sup> to obtain faster and better validity decisions,<sup>22</sup> and to make better decisions on building and using their patent portfolios.<sup>23</sup>

However, currently there is no consensus in international law, either through treaties or customs, resolving the issue presented in *Voda*.<sup>24</sup> Different tribunals have taken different approaches on whether their domestic courts can exercise jurisdiction and pass judgment on another nation's patents. For example, the Netherlands routinely hears foreign patent claims and continues to do so.<sup>25</sup> Conversely, in 2006, the European Court of Justice ended its long-standing practice of hearing claims relating to foreign patents.<sup>26</sup> Commentators have also taken various positions on the issues of patent law harmonization and the extent of extraterritoriality in U.S. patents.<sup>27</sup> While some advocate for the

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<sup>17</sup> Press Release, World Intellectual Prop. Org., *supra* note 1.

<sup>18</sup> *See id.*

<sup>19</sup> *See* Suzanne Harrison, *Will Patent Harmonization Increase Corporate ROI?*, GATHERING2.0 (July 30, 2009), <http://gathering2.wordpress.com/2009/07/30/will-patent-harmonization-increase-corporate-roi>.

<sup>20</sup> *Id.*

<sup>21</sup> Timothy R. Holbrook, *Extraterritoriality in U.S. Patent Law*, 49 WM. & MARY L. REV. 2119, 2125 (2008).

<sup>22</sup> Harrison, *supra* note 19.

<sup>23</sup> *Id.*

<sup>24</sup> *Patent Law Harmonization: What Happened?*, WIPO MAG., June 2006, at 18, 19, available at [http://www.wipo.int/export/sites/www/wipo\\_magazine/en/pdf/2006/wipo\\_pub\\_121\\_2006\\_03.pdf](http://www.wipo.int/export/sites/www/wipo_magazine/en/pdf/2006/wipo_pub_121_2006_03.pdf).

<sup>25</sup> Gretchen Ann Bender, *Clash of the Titans: The Territoriality of Patent Law vs. the European Union*, 40 IDEA 49, 49 (2000).

<sup>26</sup> Case C-4/03, *Gesellschaft für Antriebstechnik mbH & Co. KG v. Lamellen und Kupplungsbau Beteiligungs KG*, 2006 E.C.R. I-6509, I-6534.

<sup>27</sup> Donald S. Chisum, *Normative and Empirical Territoriality in Intellectual Property: Lessons from Patent Law*, 37 VA. J. INT'L L. 603, 616 (1997) (promoting extraterritoriality); Edwin D. Garlepp, *An Analysis of the Patentee's New Exclusive Right To "Offer to Sell,"* 81 J. PAT. & TRADEMARK OFF. SOC'Y 315, 325-27 (1999) (promoting territoriality); Timothy R. Holbrook, *Territoriality Waning? Patent Infringement for Offering in the United States To Sell an Invention Abroad*, 37 U.C. DAVIS L. REV. 701, 758-59 (2004) (promoting a balance of extraterritoriality and strict territoriality).

liberal extension of extraterritoriality, others advocate for strict territoriality.<sup>28</sup> The former group generally emphasizes the advantages of patent law harmonization.<sup>29</sup> The latter group has argued that various benefits may result from growing nations developing their own intellectual property regimes rather than automatically mimicking the laws of the European Union or the United States.<sup>30</sup> The scattered treatment of this issue among courts and scholars alike makes it worthwhile to explore the issue of supplemental jurisdiction over foreign patents and to dissect the *Voda* decision.

The issue of exercising supplemental jurisdiction is important not only for harmonizing international patent law but also for establishing coherent domestic law in the United States. In recent years, the Federal Circuit's struggle with the territorial nature of patents has become more pronounced. In *NTP, Inc. v. Research in Motion, LTD.*,<sup>31</sup> the court held that patent infringement could occur within the United States even if part of the patented device is physically located abroad.<sup>32</sup> In *MEMC Electronic Materials, Inc. v. Mitsubishi Materials Silicon Corp.*,<sup>33</sup> the court allowed a foreign manufacturer to avoid direct patent infringement liability by selling products through an overseas intermediary before reselling the products in the United States.<sup>34</sup> In *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc.*,<sup>35</sup> the court struggled to determine whether a contemplated sale must be within the United States for the associated "offer to sell" to be an infringing act.<sup>36</sup> These cases are but a few examples of the ways in which the territorial nature of a patent has been tested in U.S. courts. However, despite the number of incidents where patent law and international law have collided, the jurisprudence of the Federal Circuit fails to reflect a "firm theoretical foundation" or reliable, coherent trends on the court's attitude toward extending patent territoriality.<sup>37</sup> Further elaboration on the issue of

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<sup>28</sup> Chisum, *supra* note 27, at 616 (promoting extraterritoriality); Garlepp, *supra* note 27, at 325–27 (promoting territoriality).

<sup>29</sup> Chisum, *supra* note 27, at 616–18.

<sup>30</sup> GRAHAM DUTFIELD & UMA SUTHERSANEN, GLOBAL INTELLECTUAL PROPERTY LAW 4 (2008).

<sup>31</sup> *NTP, Inc. v. Research in Motion, LTD.*, 392 F.3d 1336 (Fed. Cir. 2005).

<sup>32</sup> *Id.* at 1370.

<sup>33</sup> *MEMC Elec. Materials, Inc. v. Mitsubishi Materials Silicon Corp.*, 420 F.3d 1369 (2005).

<sup>34</sup> *Id.* at 1382–83. However, the court did not rule on the question of whether the manufacturer induced others to infringe the patent. *Id.* at 1383.

<sup>35</sup> *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc.*, 617 F.3d 1296 (Fed. Cir. 2010).

<sup>36</sup> *Id.* at 1308–09.

<sup>37</sup> Holbrook, *supra* note 21, at 2127.

supplemental jurisdiction over foreign patents would help patentees better predict their scope of protection and better coordinate their patent related endeavors on both the prosecution and litigation fronts. From both an international and a domestic standpoint, it is worthwhile to reexamine the *Voda* scenario and determine whether supplemental jurisdiction over foreign patents is appropriate and, if so, whether certain limitations should be placed on the exercise of jurisdiction.

The decision by the *Voda* court to deny supplemental jurisdiction over foreign patents garnered much controversy and criticism.<sup>38</sup> Many commentators view the decision as an obstacle to the global harmonization of patent law.<sup>39</sup> Several of these commentators have argued that supplemental jurisdiction over foreign patents should be allowed in a blanket fashion.<sup>40</sup> However, the adoption of such a broad rule would be overly hasty and unsympathetic toward the *Voda* court's concerns of comity, judicial economy, convenience, and fairness. Instead of allowing supplemental jurisdiction of foreign patents in every scenario, U.S. patent law jurisprudence needs to establish a set of clear guidelines to determine when an exercise of supplemental jurisdiction would be appropriate.<sup>41</sup> Such an approach would be more cautious and palatable, and would allow for the incremental harmonization of patent law.

This Comment argues that supplemental jurisdiction over foreign patents should be allowed, but only under specific circumstances. Part I provides an overview of the *Voda* opinion and the four factors considered by the court. Part II summarizes the criticisms that various commentators have made about the *Voda* opinion and also points out additional flaws that have yet to be addressed in the current literature. Part III explains why the existing proposals of solving the issue of supplemental jurisdiction are inadequate. This Comment also argues that supplemental jurisdiction over foreign patents should be permitted, but only in a limited fashion. Part IV presents a proposed rule—supplemental jurisdiction should only be applied only when:

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<sup>38</sup> See, e.g., Eric Chan, *Asserting Foreign Patent Claims in U.S. Federal Courts: What's Left After Voda v. Cordis?*, 18 ALB. L.J. SCI. & TECH. 1 (2008); Johanna G. Roth, *Recent Development, Voda v. Cordis Corp.: No Supplemental Jurisdiction over Foreign Patent Infringement Claims . . . for Now*, 16 TUL. J. INT'L & COMP. L. 523 (2008).

<sup>39</sup> See Chan, *supra* note 38, at 4–7; Roth, *supra* note 38, at 540–41.

<sup>40</sup> E.g., Chisum, *supra* note 27, at 616 (promoting extraterritorial patent law); Roth, *supra* note 38, at 541–42.

<sup>41</sup> Chan, *supra* note 38, at 51.

- (1) The foreign patents were issued from the same PCT application as the U.S. patent over which original jurisdiction is asserted; and
- (2) The court inquires only into infringement claims and does not question the validity of the foreign patent; and
- (3) The burden falls on the patentee seeking supplemental jurisdiction over foreign patents to educate the court on the relevant foreign patent laws.

Lastly, Part V tests the proposed guidelines under the four factors used by the *Voda* court.

### I. *VODA V. CORDIS CORP.*

*Voda v. Cordis Corp.* was initiated in the Western District of Oklahoma by Dr. Jan K. Voda.<sup>42</sup> Voda held three U.S. patents and several foreign patents, all of which were issued from a common PCT application.<sup>43</sup> The patents all “relate generally to guiding catheters for use in interventional cardiology.”<sup>44</sup> Voda brought suit for these patents against Cordis Corp., a U.S.-based entity incorporated in Florida.<sup>45</sup> Although Cordis Corp. had foreign affiliates, those separate entities were not joined as defendants in the action.<sup>46</sup>

Initially, Voda’s complaint alleged infringement only of his three U.S. patents.<sup>47</sup> However, Voda later moved to amend the complaint to include claims of infringement for the foreign patents issued under the PCT application.<sup>48</sup> These patents included ones issued by the European Patent Office (“EPO”), the United Kingdom, Canada, France, and Germany.<sup>49</sup> According to Voda, 28 U.S.C. § 1367(a)<sup>50</sup> gave the district court the authority to exercise supplemental jurisdiction over the foreign patent claims.<sup>51</sup> The

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<sup>42</sup> *Voda v. Cordis Corp.*, 476 F.3d 887, 889–90 (Fed. Cir. 2007).

<sup>43</sup> *Id.* at 890.

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> *Id.* at 890–91.

<sup>48</sup> *Id.* at 891.

<sup>49</sup> *Id.* at 890–91.

<sup>50</sup> 28 U.S.C. § 1367(a) (2006) (allowing supplemental jurisdiction for “claims that are so related to claims in the action . . . that they form part of the same case or controversy”).

<sup>51</sup> *Voda*, 476 F.3d at 893. Voda argued that the foreign patents and the U.S. patents were part of the “the same case or controversy” pursuant to 28 U.S.C. § 1367(a) and had a “common nucleus of operative fact.” Brief for Appellee at 17–19, *Voda*, 476 F.3d 887 (No. 05-1238).

district court wrestled with conflicting precedent laid out by *Mars, Inc. v. Kabushiki-Kaisha Nippon Conlux*<sup>52</sup> and *Ortman v. Stanray Corp.*<sup>53</sup> In *Mars*, the Court of Appeals for the Federal Circuit affirmed the finding that the lower court did not have the authority to exercise supplemental jurisdiction over a Japanese patent.<sup>54</sup> In *Ortman*, the Court of Appeals for the Seventh Circuit affirmed the district court's denial of a motion to dismiss infringement claims based on foreign patents from Canada, Mexico, and Brazil.<sup>55</sup> The district court in *Voda* found that the allegations before it were more similar to those of *Ortman* than *Mars*.<sup>56</sup> Consequently, the district court granted *Voda* leave to amend his complaint to include infringement of the foreign patents.<sup>57</sup>

Cordis appealed to the Federal Circuit, arguing that the district court abused its discretionary authority under § 1367.<sup>58</sup> Pursuant to § 1367(a), “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.”<sup>59</sup> However, in *United Mine Workers of America v. Gibbs*,<sup>60</sup> the Supreme Court explained that in certain situations the district court has the discretion to decline to exercise supplemental jurisdiction.<sup>61</sup> The *Gibbs* decision was codified in § 1367(c).<sup>62</sup> This section provides that “district courts may decline to exercise supplemental jurisdiction over a claim under subsection (a)” if there are compelling reasons to do so.<sup>63</sup> Subsections (a) and (c) of § 1367 emphasize the distinction “between the power to exercise supplemental jurisdiction and the *discretionary authority* to refuse to do so.”<sup>64</sup>

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<sup>52</sup> *Mars, Inc. v. Kabushiki-Kaisha Nippon Conlux*, 24 F.3d 1368 (Fed. Cir. 1994).

<sup>53</sup> *Ortman v. Stanray Corp.*, 371 F.2d 154 (7th Cir. 1967). *Ortman* was heard by the Court of Appeals for the Seventh Circuit in 1967. *Id.* Today, *Ortman* would have been heard by the Court of Appeals for the Federal Circuit. See Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25.

<sup>54</sup> *Mars*, 24 F.3d at 1376.

<sup>55</sup> *Ortman*, 371 F.2d at 158.

<sup>56</sup> *Voda v. Cordis Corp.*, No. CIV-03-1512-L, 2004 WL 3392022, at \*1 (W.D. Okla. Aug. 2, 2004), *vacated*, 476 F.3d 887.

<sup>57</sup> *Id.*

<sup>58</sup> *Voda*, 476 F.3d at 891.

<sup>59</sup> 28 U.S.C. § 1367(a) (2006).

<sup>60</sup> *United Mine Workers of Am. v. Gibbs*, 383 U.S. 715 (1966).

<sup>61</sup> *Id.* at 726–27; see also RICHARD D. FREER, *CIVIL PROCEDURE* 219 (2d ed. 2009).

<sup>62</sup> FREER, *supra* note 61, at 219.

<sup>63</sup> 28 U.S.C. § 1367(c).

<sup>64</sup> FREER, *supra* note 61, at 219 (emphasis in original) (discussing the *Gibbs* decision).

In reviewing the lower decision, the Court of Appeals for the Federal Circuit considered the four *Gibbs* factors—comity, judicial economy, convenience, and fairness.<sup>65</sup> Comity is the “recognition which one nation allows within its territory to the legislative, executive or judicial acts of another nation, having due regard both to international duty and convenience, and to the rights of its own citizens or of other persons who are under the protection of its laws.”<sup>66</sup> The court found no international duty to adjudicate foreign patents, no showing that foreign courts were inadequate to protect the plaintiff’s right, and no showing that other nations want U.S. courts to pass judgment on their patents.<sup>67</sup> Thus, comity did not support exercising supplemental jurisdiction.<sup>68</sup>

The court next considered judicial economy.<sup>69</sup> Judicial economy is the notion that the judiciary’s time and resources are limited and should be conserved to avoid duplication of effort.<sup>70</sup> The court made a blanket observation that U.S. courts lack the institutional competence to review foreign patent regimes.<sup>71</sup> Thus, U.S. courts would be likely to expend far more resources than a foreign court would in hearing patent claims involving patents issued by that nation.<sup>72</sup> Furthermore, since no judicial economy analysis was provided at the district court level, the court reasoned that the district court abused its discretion in exercising supplemental jurisdiction. Overall, considerations of judicial economy did not support the exercise of supplemental jurisdiction.<sup>73</sup>

Factors of convenience, or the ease by which U.S. courts can assess foreign patents, also did not support supplemental jurisdiction.<sup>74</sup> As the court noted, the need to obtain translations for evidence and experts on foreign patent law would be highly burdensome.<sup>75</sup> Furthermore, as with judicial economy, no analysis of convenience was provided at the district court level.<sup>76</sup>

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<sup>65</sup> See *Voda v. Cordis Corp.*, 476 F.3d 887, 900–04 (Fed. Cir. 2007).

<sup>66</sup> *Hilton v. Guyot*, 159 U.S. 113, 164 (1895).

<sup>67</sup> *Voda*, 476 F.3d at 901.

<sup>68</sup> *Id.* at 903.

<sup>69</sup> *Id.*

<sup>70</sup> BLACK’S LAW DICTIONARY 923 (9th ed. 2009).

<sup>71</sup> *Voda*, 476 F.3d at 903.

<sup>72</sup> *Id.*

<sup>73</sup> *Id.*

<sup>74</sup> *Id.* at 903–04.

<sup>75</sup> *Id.* at 904.

<sup>76</sup> *Id.*

Lastly, the court found that the fourth consideration, fairness, also cut against exercising supplemental jurisdiction.<sup>77</sup> Here, the issue of fairness relates to the act of state doctrine.<sup>78</sup> “[T]he act of state doctrine ‘requires that, in the process of deciding, the acts of foreign sovereigns taken within their own jurisdictions shall be deemed valid.’”<sup>79</sup> Under the court’s interpretation of this doctrine, it was barred from “inquiring into the validity of a foreign patent grant.”<sup>80</sup> Following this principle, it would be unfair to alleged infringers for the court to assess infringement issues when the patent itself may be invalid.<sup>81</sup>

In reaching its conclusion, the court also reviewed various patent law treaties that could potentially be determinative.<sup>82</sup> Treaties considered by the court<sup>83</sup> include the Paris Convention for the Protection of Industrial Property (“Paris Convention”)<sup>84</sup> and the agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS”).<sup>85</sup> The court noted, “[A]ll treaties made . . . under the authority of the United States, shall be the supreme [L]aw of the [L]and.”<sup>86</sup> However, beyond this mandate, the court failed to find any treaty provision that was particularly on point or dispositive.<sup>87</sup> Instead, the court merely admonished that “we must scrutinize such an exercise [of supplemental jurisdiction] with caution.”<sup>88</sup>

Considering all of the *Gibbs* factors, the *Voda* court concluded that the district court abused its discretion pursuant to § 1367(c) and held that *Voda* should not have been granted leave to amend his complaint to include the claims of infringement of his foreign patents.<sup>89</sup>

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<sup>77</sup> *Id.*

<sup>78</sup> *Id.*

<sup>79</sup> *Id.* (quoting *W. S. Kirkpatrick & Co. v. Evtl. Tectonics Corp., Int’l*, 493 U.S. 400, 409 (1990)).

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *Id.* at 898–900.

<sup>83</sup> *Id.* at 898–99.

<sup>84</sup> Paris Convention for the Protection of Industrial Property, *done* July 14, 1967, 21 U.S.T. 1583 [hereinafter Paris Convention]. The United States ratified Articles 13 through 30 on February 28, 1970. *Id.* at 1676. The United States later ratified Articles 1 through 12 of the Paris Convention on May 8, 1973. Paris Convention for the Protection of Industrial Property, *done* July 14, 1967, 24 U.S.T. 2140.

<sup>85</sup> Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, *done* Apr. 15, 1994, 1867 U.N.T.S. 3.

<sup>86</sup> *Voda*, 476 F.3d at 898 (quoting U.S. CONST. art. VI, cl. 2) (internal quotation marks omitted).

<sup>87</sup> *See id.* at 898–900.

<sup>88</sup> *Id.* at 900.

<sup>89</sup> *Id.* at 904–05.

## II. CRITICISMS OF *VODA*

The decision issued by the *Voda* court has been met with harsh criticism. Arguments against the *Voda* opinion were made by Judge Newman in her dissenting opinion<sup>90</sup> and by numerous commentators on various grounds.<sup>91</sup> While no critic has yet provided a clear set of rules as an alternative to the *Voda* holding,<sup>92</sup> several colorable arguments have been made based on the court's questionable statutory construction of § 1367 and its dubious application of the *Gibbs* factors.<sup>93</sup> Some have also contested the court's interpretation of the act of state doctrine.<sup>94</sup> Arguments can also be made that the court's assessment of the treaty provisions were unpersuasive.<sup>95</sup> This Part outlines the various criticisms that have been made as well as highlights certain flaws in the *Voda* opinion that have yet to be addressed.

### A. 28 U.S.C. § 1367

The most glaring flaw in the court's analysis is that its construction of § 1367 confuses the power to exercise supplemental jurisdiction and the discretionary authority to refuse to do so.<sup>96</sup> As critics have pointed out, pursuant to § 1367, a district court's denial of supplemental jurisdiction is discretionary, not compulsory.<sup>97</sup> It is well recognized that § 1367(a) grants a district court the express authority to exercise supplemental jurisdiction.<sup>98</sup> However, according to § 1367(c) the district court also has the *discretion* to refuse to exercise such power.<sup>99</sup>

The distinction between the power to exercise supplemental jurisdiction and the discretionary authority to refuse to do so is readily apparent in the plain language of the statute.<sup>100</sup> Subsection (a) reads, “[T]he district courts shall have

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<sup>90</sup> *Id.* at 905–17 (Newman, J., dissenting).

<sup>91</sup> *See, e.g.*, Chan, *supra* note 38, at 29–30 (criticizing the court's holding “that the § 1367(c) discretionary balancing test is actually an integral part of the § 1367(a) standard”); Roth, *supra* note 38, at 540–41 (criticizing the court's interpretation of treaty language and its “all-or-nothing approach” to the *Gibbs* factors).

<sup>92</sup> *See, e.g.*, Chan, *supra* note 38, at 50–51; Roth, *supra* note 38, at 541–42.

<sup>93</sup> Chan, *supra* note 38, at 29–30; Roth, *supra* note 38, at 540–41.

<sup>94</sup> *Voda*, 476 F.3d at 914–15 (Newman, J., dissenting).

<sup>95</sup> *See* discussion *infra* Part II.D.

<sup>96</sup> Chan, *supra* note 38, at 29.

<sup>97</sup> *Id.*

<sup>98</sup> *See* FREER, *supra* note 61, at 219.

<sup>99</sup> *Id.*

<sup>100</sup> *See* 28 U.S.C. § 1367 (2006).

supplemental jurisdiction over all other claims that are so related to claims in the action.”<sup>101</sup> Subsection (c) reads, “The district courts may decline to exercise supplemental jurisdiction over a claim under subsection (a).”<sup>102</sup> Note that Subsection (a) uses mandatory language, “shall.”<sup>103</sup> Conversely, Subsection (c) uses permissive language, “may.”<sup>104</sup> Based on this reading, the district court was well within its authority to exercise supplemental jurisdiction and forego further analysis under Subsection (c).

The court in *Voda* also applied the wrong standard of review for § 1367(c). The standard of review under Subsection (a) is de novo review,<sup>105</sup> while the standard of review under Subsection (c) is an abuse of discretion.<sup>106</sup> Although the court gave lip service to the “abuse of discretion” standard, the actual analysis undertaken seems closer to that of a de novo review.<sup>107</sup> The majority opinion does little to acknowledge that the district court’s decision can be supported by both precedent and substantial policy reasons. Instead, the court performs its own analysis of supplemental jurisdiction based on the *Gibbs* factors.<sup>108</sup> Admittedly, the court notes that a “district court’s discretion . . . is not unfettered”<sup>109</sup> and that the “district court’s order contained no § 1367(c) analysis.”<sup>110</sup> However, it cannot be said that the district court had abused its discretion by not undertaking a § 1367(c) analysis after it had rightfully asserted supplemental jurisdiction under § 1367(a). The *Voda* court’s statutory construction of § 1367(c) is disturbing. Based on the court’s interpretation, the test for supplemental jurisdiction under Subsection (c) is no longer discretionary and must always be applied.<sup>111</sup> Even more unsettling is the notion “that this supposedly discretionary test should *almost always* come out one way.”<sup>112</sup>

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<sup>101</sup> *Id.* § 1367(a)

<sup>102</sup> *Id.* § 1367(c)

<sup>103</sup> *Id.* § 1367(a); *see also* Chan, *supra* note 38, at 29.

<sup>104</sup> 28 U.S.C. § 1367(c); *see also* Chan, *supra* note 38, at 29.

<sup>105</sup> *Voda v. Cordis Corp.*, 476 F.3d 887, 892 (Fed. Cir. 2007); *see also* Chan, *supra* note 38, at 29.

<sup>106</sup> *Voda*, 476 F.3d at 897; *see also* Chan, *supra* note 38, at 29.

<sup>107</sup> *Voda*, 476 F.3d at 897–905.

<sup>108</sup> *Id.* at 900–04.

<sup>109</sup> *Id.* at 897.

<sup>110</sup> *Id.* at 898.

<sup>111</sup> *See id.* at 897–98.

<sup>112</sup> Chan, *supra* note 38, at 29.

## B. *Gibbs Factors*

The court's analysis of § 1367(a) based on the *Gibbs* factors was troubling for several reasons. First, the analysis was overly general and did not address the particular facts alleged in *Voda*.<sup>113</sup> Second, the court's view of judicial economy was notably myopic and failed to account for various costs.<sup>114</sup> Third, the court considered too few scenarios in its assessment of fairness.<sup>115</sup> Fourth, the issues of convenience were too hastily deemed insurmountable.<sup>116</sup> Lastly, the court's analysis of comity should have taken into account whether certain foreign nations choose to exercise jurisdiction over U.S. patents.<sup>117</sup>

### 1. *Overly Broad Analysis*

The court's analysis was overly general and not specific to the facts alleged in *Voda*.<sup>118</sup> This generalized approach is contrary to the accepted interpretation that the *Gibbs* factors should be applied to the *facts* of a particular case.<sup>119</sup> Nowhere in the analysis does the court take into account the specifics of the claims alleged or attempt to compare the foreign and the domestic patents to evaluate the extent of the differences among them.<sup>120</sup> The court never considered any particular differences between U.S. patent law and the patent laws of the United Kingdom, Canada, France, Germany, or the EPO—the institutions that issued the foreign patents held by *Voda*.<sup>121</sup> The court never considered the fact that all the foreign patents alleged in the complaint stem from the same PCT application.<sup>122</sup> And the court never considered that at least some of the alleged foreign patents required no translations whatsoever.<sup>123</sup> Without wrestling with these facts, the court hastily concluded that it was ill-equipped to understand the foreign patents and their underlying jurisprudence. Instead, the court's holding reads as a blanket rule that under no circumstances would U.S. courts have the competence to evaluate foreign patents.<sup>124</sup>

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<sup>113</sup> See *Voda*, 476 F.3d at 900–04; discussion *infra* Part II.B.1.

<sup>114</sup> See Roth, *supra* note 38, at 541; discussion *infra* Part II.B.2.

<sup>115</sup> See *Voda*, 476 F.3d at 904; discussion *infra* Part II.B.3.

<sup>116</sup> See Chan, *supra* note 38, at 26–27; discussion *infra* Part II.B.4.

<sup>117</sup> See discussion *infra* Part II.B.5.

<sup>118</sup> See *Voda*, 476 F.3d at 900–04.

<sup>119</sup> Roth, *supra* note 38, at 540.

<sup>120</sup> *Voda*, 476 F.3d at 898–904.

<sup>121</sup> See *id.*

<sup>122</sup> See *id.*

<sup>123</sup> See *id.*

<sup>124</sup> See *id.* at 904–05.

The court's broad analysis may in part be attributed to the record before it. For example, the court noted that "[n]one of the parties or amicus curiae have demonstrated that the British, Canadian, French, or German governments are willing to have our courts exercise jurisdiction over infringement claims based on their patents"<sup>125</sup> and that "[t]he district court did not articulate any . . . judicial economy analysis."<sup>126</sup> Nevertheless, the court made no attempt to limit its holding to the facts before it and seemingly closed the door on all future attempts to exercise supplemental jurisdiction over foreign patents. The quoted language suggests that the court may have been willing to consider particular analyses of judicial economy or fairness if they were admitted into the record at the district court level. However, it would be very difficult for future litigants to challenge the precedent set by the broad sweeping analysis in *Voda*.

## 2. *Myopic View of Judicial Economy*

The court's analysis of judicial economy was disturbingly myopic.<sup>127</sup> While it is true that choosing to hear foreign patent claims would increase the expenditures of judicial resources for a particular case, the court failed to account for many other costs associated with the judicial process.<sup>128</sup> For example, while the court's ruling may "make litigation more efficient in the United States by decreasing the patent infringement claims[,] . . . it might subsequently increase litigation worldwide" and result in unnecessary or inefficient use of judicial time and resources.<sup>129</sup> Furthermore, the court also "failed to recognize that it would be much more convenient and less costly for the plaintiff, as a U.S. citizen, to litigate his case in the United States, rather than to litigate it in a foreign country."<sup>130</sup> As Judge Newman wrote in her dissent, the court should not "ignore the consumption of private as well as judicial resources in duplicative litigation between the same parties in five countries, in three languages, with five sets of lawyers and the other trappings and burdens of trial."<sup>131</sup> The majority opinion in *Voda* considered only the judicial costs associated with the case before it and not the cumulative effect of

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<sup>125</sup> *Id.* at 901.

<sup>126</sup> *Id.* at 903.

<sup>127</sup> See Roth, *supra* note 38, at 541 (describing the court's "all-or-nothing" approach).

<sup>128</sup> *Id.*

<sup>129</sup> *Id.*

<sup>130</sup> *Id.*

<sup>131</sup> *Voda*, 476 F.3d at 911 (Newman, J., dissenting).

U.S. district courts never being allowed to exercise supplemental jurisdiction over foreign patents.

### 3. *Incomplete Analysis of Fairness*

The court's analysis of fairness was also notably skewed. Considerations of "fairness" necessitate the question: fairness to whom? The Supreme Court in *Gibbs* allowed for a broad interpretation of the "fairness" factor by merely noting that courts should consider the "fairness to litigants."<sup>132</sup> Presumably, the Supreme Court intended for courts to compare the benefits and burdens that exercising supplemental jurisdiction would impose to *all* parties before the court. Judge Newman writes that "fairness is an important aspect of discretionary rulings, and fairness to both sides must be considered."<sup>133</sup> However, the court in *Voda* considered fairness only in the context of a narrow situation—when an alleged infringer is being sued for infringement of a foreign patent that is actually invalid.<sup>134</sup>

What critics have yet to note is that, while the court's concern for alleged infringers is certainly sound, it considers only one party in one particular situation in a myriad of potential scenarios. For example, assuming that the foreign patent is valid, it would certainly be unfair to require the plaintiff to enforce his rights in several different nations—a situation that implicates considerations of convenience and judicial economy as well. There may also be situations where an alleged infringer would actually prefer for the district court to exercise supplemental jurisdiction. An alleged infringer could conceivably prefer to settle the entire dispute in one forum rather than to subject itself to the hassles of litigating across the globe. One reason for this preference may be to prevent the plaintiff from having the option of conducting extensive forum shopping. Forum shopping is a well-recognized issue in the realm of international patent law that several international organizations have attempted to address.<sup>135</sup> Yet another reason is that, despite having activities in other nations, the accused infringer has the most judicial resources in the United States and would prefer to focus its litigation efforts here rather than abroad.

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<sup>132</sup> *United Mine Workers of Am. v. Gibbs*, 383 U.S. 715, 726 (1966).

<sup>133</sup> *Voda*, 476 F.3d at 913 (Newman, J., dissenting).

<sup>134</sup> *See id.* at 904 (majority opinion).

<sup>135</sup> Henrique Choer Moraes, *Dealing with Forum Shopping: Some Lessons from the SECURE Negotiations at the World Customs Organization*, in *INTELLECTUAL PROPERTY ENFORCEMENT: INTERNATIONAL PERSPECTIVES* 159, 160–61 (Xuan Li & Carlos M. Correa eds., 2009).

The *Voda* court failed to take such scenarios into account.<sup>136</sup> The result was a fairness analysis that was lopsided and incomplete. Based on the court's broad holding, it seems that district courts would never have the discretion to exercise supplemental jurisdiction over foreign patents—even at the behest of the litigants.<sup>137</sup> The court in *Voda* should have taken a more holistic view when evaluating “fairness to the litigants.”

#### 4. *Overly Hasty Analysis of Convenience*

The factor of convenience was too quickly dismissed by the court. In assessing convenience, the court once again explained that it would be too burdensome and costly to obtain and translate foreign patents and other documents.<sup>138</sup> As Judge Newman pointed out, both the Canadian and British patents before the court are in English, as is the prosecution history at the EPO.<sup>139</sup> While not all cases may be so fortunate as to have foreign documents that are predominately in English, Judge Newman's observation does indicate that the court, at least with respect to *Voda*'s claims, was too broad in its holding. The analysis of convenience also relates back to the concern of judicial economy that U.S. courts lack the institutional competence to assess foreign patents.

The court also failed to recognize that U.S. patent law has had a long practice of assessing international considerations even while upholding the territorial nature of patents.<sup>140</sup> For example, U.S. patent law grants patentees the benefits of their earlier foreign filing date pursuant to the PCT.<sup>141</sup> In assessing claim construction or infringement, U.S. courts have also turned to foreign prosecution histories to make the relevant decisions.<sup>142</sup> Contrary to what the *Voda* opinion suggests, it is not true that U.S. courts lack the competence to assess foreign patent regimes. Even if foreign patent law was arguably more complex, “The complexity of patent law does not evict the district court from its discretionary authority.”<sup>143</sup>

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<sup>136</sup> See *Voda*, 476 F.3d at 904.

<sup>137</sup> See *id.* at 904.

<sup>138</sup> *Id.*

<sup>139</sup> *Id.* at 913 (Newman, J., dissenting).

<sup>140</sup> Holbrook, *supra* note 27, at 706–07.

<sup>141</sup> *Id.* at 707.

<sup>142</sup> *Id.* at 716–17.

<sup>143</sup> *Voda*, 476 F.3d at 912 (Newman, J., dissenting).

5. *Analysis of Comity Should Have Considered Other Nations' Practices and Expressive Norms*

The analysis of comity should have taken into account whether foreign nations ever exercise jurisdiction over U.S. patents. At its core, comity is rooted in the notion of reciprocity, or an exchange of courtesies between nations.<sup>144</sup> Thus, a complete analysis of comity would have required the *Voda* court to account for the practice of other nations and the level of respect that they afford U.S. patents. For example, it may be discovered that a certain foreign nation routinely assesses the validity or infringement of U.S. patents.<sup>145</sup> If that were the case, it would be difficult to argue that doing the same to patents originating from that nation serves as a violation of reciprocity or affronts the nation's sovereignty.

One ground on which the *Voda* opinion has yet to be criticized is based on the notion that patents can act as a reflection of a nation's social norms. Arguments have been made that patents and their corresponding intellectual property regimes can reflect "a specific belief or attitude of the state."<sup>146</sup> Under TRIPS, member states can deem subject matter ineligible for patentability on the basis of morality.<sup>147</sup> Inventions that tend to trigger the most moral implications are those of "suicide machines" and attempts to patent human genes.<sup>148</sup> Taking this cultural dynamic into account, the mere grant of a patent can be viewed as a moral endorsement of the technology disclosed in the patent.<sup>149</sup> Thus, it is potentially offensive for U.S. courts to pass judgment on the social norms and determinations of morality of a foreign nation. Such an argument certainly implicates comity and supports the *Voda* court's decision not to exercise supplemental jurisdiction over foreign patents. However, no mention of these expressive norms was raised by the *Voda* court.<sup>150</sup>

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<sup>144</sup> See DAVID J. BEDERMAN, INTERNATIONAL LAW FRAMEWORKS 181–82 (2d ed. 2006).

<sup>145</sup> The Netherlands routinely hears cases involving patents foreign to their intellectual property regime. See *supra* note 25 and accompanying text.

<sup>146</sup> Timothy R. Holbrook, *The Expressive Impact of Patents*, 84 WASH. U. L. REV. 573, 591 (2006).

<sup>147</sup> *Id.* at 599.

<sup>148</sup> See *id.* at 602.

<sup>149</sup> See *id.* at 599.

<sup>150</sup> See *Voda v. Cordis Corp.*, 476 F.3d 887, 900–04 (Fed. Cir. 2007).

### C. *Conflicting Views of the Act of State Doctrine*

The *Voda* decision has also been criticized for its interpretation of the act of state doctrine.<sup>151</sup> Generally stated, the act of state doctrine provides that “the courts of one country will not sit in judgment on the acts of the government of another done within its own territory.”<sup>152</sup> The doctrine is “best thought of as a prudential rule of judicial self-restraint or choice-of-law rule, which results in certain claims being dismissed on their merits.”<sup>153</sup> While the doctrine is well established in Anglo–American common law, it has not been adopted by many other nations.<sup>154</sup> In fact, “most other nations in the world reject the doctrine.”<sup>155</sup>

The court in *Voda* presumptively states that, pursuant to the act of state doctrine, U.S. courts are barred from ever inquiring into the validity of a foreign patent.<sup>156</sup> This conclusion seems reasonable because U.S. patents are issued by the government under Article I, Section 8, Clause 8 of the Constitution.<sup>157</sup> However, Judge Newman has made colorable arguments that this interpretation is not so clear-cut. In her dissent, she argued that the grant of a patent is not an act of state.<sup>158</sup> According to Judge Newman, an act of state occurs when the “governmental action is a significant public act” and “is directed to the public interests of the nation” and not merely “a private effort to enforce a private claim.”<sup>159</sup> In other words, “Not every governmental action is an act of state, and not every ministerial activity carries the political and international implications of that usage.”<sup>160</sup> Thus, a patent is not an act of state because “patent validity and infringement are legal and commercial issues” that involve “commercial dispute[s] between private parties involving private patent rights.”<sup>161</sup>

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<sup>151</sup> *Id.* at 914–15 (Newman, J., dissenting).

<sup>152</sup> *Underhill v. Hernandez*, 168 U.S. 250, 252 (1897).

<sup>153</sup> BEDERMAN, *supra* note 144, at 206.

<sup>154</sup> *Id.* at 207.

<sup>155</sup> *Id.*

<sup>156</sup> *See Voda*, 476 F.3d at 904–05.

<sup>157</sup> U.S. CONST. art. I, § 8, cl. 8.

<sup>158</sup> *Voda*, 476 F.3d at 914 (Newman, J., dissenting).

<sup>159</sup> *Id.*

<sup>160</sup> *Id.*

<sup>161</sup> *Id.* at 915.

From a functional perspective, Judge Newman's argument is easy to understand. After all, the commercial aspect of patents is well recognized.<sup>162</sup> Some scholars have even gone so far as to suggest that it is a misconception that governments should bear the costs of enforcing intellectual property regimes.<sup>163</sup> The acquisition of, enforcement of, and benefits derived from patents or other forms of intellectual property are overwhelmingly driven by private parties and private concerns.<sup>164</sup> However, from a legal standpoint, Judge Newman's position is far less sturdy. Judge Newman cites scattered case law in her opinion to suggest that patents have not been viewed as acts of state in American jurisprudence.<sup>165</sup> For example, *Mannington Mills, Inc. v. Congoleum Corp.*<sup>166</sup> "rejected the theory that 'the mere issuance of patents by a foreign power constitutes either an act of state . . . or an example of governments' compulsion.'"<sup>167</sup> In *Forbo-Giubiasco S.A. v. Congoleum Corp.*,<sup>168</sup> the court chided that "it cannot be said that a determination by an American court that a private company failed to present relevant information to a foreign patent office could interfere with our government's conduct of foreign affairs."<sup>169</sup>

Curiously missing from both the dissenting and majority opinion are citations to *Alfred Dunhill of London, Inc. v. Republic of Cuba*<sup>170</sup>— a Supreme Court case addressing whether certain acts of a foreign government are considered commercial in nature and thus not within the purview of the act of state doctrine.<sup>171</sup> There, Cuba owned and operated a cigar business for

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<sup>162</sup> See Henning Grosse Ruse-Khan, *Re-delineation of the Role of Stakeholders: IP Enforcement Beyond Exclusive Rights*, in INTELLECTUAL PROPERTY ENFORCEMENT: INTERNATIONAL PERSPECTIVES, *supra* note 135, at 43, 46–47.

<sup>163</sup> Xuan Li, *Ten General Misconceptions About the Enforcement of Intellectual Property Rights*, in INTELLECTUAL PROPERTY ENFORCEMENT: INTERNATIONAL PERSPECTIVES, *supra* note 135, at 14, 28–31.

<sup>164</sup> *Id.* at 40–41.

<sup>165</sup> *Voda*, 476 F.3d at 914–15 (Newman, J., dissenting) (citing *Banco Nacional de Cuba v. Sabbatino*, 376 U.S. 398, 427–49 (1964); *Mannington Mills, Inc. v. Congoleum Corp.*, 595 F.2d 1287, 1293–94 (3d Cir. 1979); *Forbo-Giubiasco S.A. v. Congoleum Corp.*, 516 F. Supp. 1210, 1217 (S.D.N.Y. 1981)). These cases are relatively old and of questionable precedential value, none having been cited frequently.

<sup>166</sup> *Mannington Mills*, 595 F.2d at 1287.

<sup>167</sup> *Voda*, 476 F.3d at 914 (Newman, J., dissenting) (quoting *Mannington Mills*, 595 F.2d at 1293–94).

<sup>168</sup> *Forbo-Giubiasco*, 516 F. Supp. at 1210.

<sup>169</sup> *Voda*, 476 F.3d at 914 (Newman, J., dissenting) (quoting *Forbo-Giubiasco*, 516 F. Supp. at 1217) (internal quotation marks omitted).

<sup>170</sup> *Alfred Dunhill of London, Inc. v. Republic of Cuba*, 425 U.S. 682 (1976).

<sup>171</sup> See Andrew D. Patterson, *The Act of State Doctrine Is Alive and Well: Why Critics of the Doctrine Are Wrong*, 15 U.C. DAVIS J. INT'L L. & POL'Y 111, 125–28 (2008).

profit.<sup>172</sup> The Supreme Court held that those activities were purely commercial in nature and were not protected under the act of state doctrine.<sup>173</sup>

Substantial literature has been written on the Court's holding in *Alfred Dunhill of London* and the status of the act of state doctrine as it relates to commercial activity.<sup>174</sup> However, it is generally accepted that there is no commercial activity exception to the act of state doctrine.<sup>175</sup> Thus, while Judge Newman's arguments relating to the act of state doctrine are colorable, they do little to damage the majority opinion's holding. Unlike the *Voda* court's application of § 1367 or the *Gibbs* factors,<sup>176</sup> where it was apparent that the court failed to consider certain issues or scenarios, the court's analysis of the act of state doctrine is far less vulnerable to attack.

#### D. Treaty Analysis Reflects the Lack of Dispositive Authority

While the *Voda* opinion can be criticized on numerous grounds, the court's struggle over the sensitive issue before it is not unsympathetic. The lack of any dispositive authority to decide the question undoubtedly created great difficulties for the court. This silence in authority is most evident in the court's analysis of various patent related treaties.<sup>177</sup> The *Voda* court was not only unable to resolve the issue of supplemental jurisdiction over foreign patents, but also drew somewhat conflicting conclusions.<sup>178</sup> For example, while the Paris Convention "clearly expresses the independence of each country's sovereign patent systems," it "contains no express jurisdictional-stripping statute" that prohibits the exercise of supplemental jurisdiction in a case like *Voda*.<sup>179</sup> Similarly, "nothing in . . . the Agreement on TRIPS contemplates or allows one jurisdiction to adjudicate patents of another."<sup>180</sup> But, as stated by Judge Newman, "No treaty bars such [exercise of jurisdiction by a national court]."<sup>181</sup> The opposing conclusions drawn by the majority and dissenting

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<sup>172</sup> *Alfred Dunhill of London*, 425 U.S. at 685.

<sup>173</sup> *Id.* at 705–06.

<sup>174</sup> *E.g.*, Patterson, *supra* note 171; Sigmund Timberg, *Sovereign Immunity and Act of State Defenses*, 55 TEX. L. REV. 1 (1976); Joseph B. Frumkin, Comment, *The Act of State Doctrine and Foreign Sovereign Defaults on United States Bank Loans: A New Focus for a Muddled Doctrine*, 133 U. PA. L. REV. 469 (1985).

<sup>175</sup> See BEDERMAN, *supra* note 144, at 209.

<sup>176</sup> See *Voda v. Cordis Corp.*, 476 F.3d 887, 897–904 (Fed. Cir. 2007).

<sup>177</sup> See *id.* at 898–900.

<sup>178</sup> *Id.* (analyzing the language of the Paris Convention and TRIPS).

<sup>179</sup> *Id.* at 899.

<sup>180</sup> *Id.*

<sup>181</sup> *Id.* at 916 (Newman, J., dissenting).

opinions can arguably be construed as a silence in the language of the treaties and indicates a lack of dispositive authority on which to resolve the issue before the court.

The *Voda* court was in a remarkably difficult situation. Even if the court wanted to grant supplemental jurisdiction over foreign patents, it did not know how to limit its holding in a way that would not offend the *Gibbs* factors. The court ran the risk of creating dangerous precedent that would invite patentees to include foreign patent claims in all future patent infringement suits. Such a radical departure from the traditional notions of patent territoriality, even for the sake of patent law harmonization, would do more harm than good.

### III. STRUCTURING A RULE FOR SUPPLEMENTAL JURISDICTION OVER FOREIGN PATENTS

The various criticisms and commentary on the *Voda* opinion have all, to varying degrees, been rooted in the concerns of territoriality or the harmonization of patent law.<sup>182</sup> Critics view the *Voda* opinion as obstructing the trend toward streamlining procedural and substantive patent law in different nations.<sup>183</sup> Many commentators have argued that *Voda* should have been decided differently and that clear guidelines should be established to determine when a court might exercise supplemental jurisdiction over foreign patent claims.<sup>184</sup> Thus far, no such guidelines have been proposed.<sup>185</sup>

#### A. *Current Proposals Are Inadequate*

The existing proposals to handle the issue of supplemental jurisdiction over foreign patents are either general policy principles or ad hoc methods of evaluation.<sup>186</sup> For example, one author recommends that there should be a further increase in the extraterritorial reach of national law.<sup>187</sup> Such an expansion of extraterritoriality has been called for by many scholars and would

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<sup>182</sup> E.g., Chan, *supra* note 38, at 29–30; Roth, *supra* note 38, at 540–41.

<sup>183</sup> Roth, *supra* note 38, at 540; *see also* Chan, *supra* note 38, at 4–7.

<sup>184</sup> Chan, *supra* note 38, at 29–30, 48–49; *see also* Roth, *supra* note 38, at 541–42.

<sup>185</sup> *But see supra* note 92 and accompanying text.

<sup>186</sup> Chan, *supra* note 38, at 29–30; Jacob A. Schroeder, Note, *So Long As You Live Under My Roof, You'll Live by . . . Whose Rules?: Ending the Extraterritorial Application of Patent Law*, 18 TEX. INTELL. PROP. L.J. 55, 57 (2009).

<sup>187</sup> Melissa Feeney Wasserman, *Divided Infringement: Expanding the Extraterritorial Scope of Patent Law*, 82 N.Y.U. L. REV. 281, 309 (2007).

advance several beneficial policy concerns.<sup>188</sup> However, such a broad principle does little to aid district courts when they are presented with another claim alleging infringement or invalidity of a foreign patent. It does not provide a bright-line rule or even a set of factors with which to assess the facts of a case before the court. Still others have advocated for rules that conform to strict territoriality and suggested eliminating extraterritoriality of national law altogether.<sup>189</sup> Such arguments are also based in policy considerations but would do little to promote the harmonization of patent law.

The proposal for an ad hoc method of evaluating when to exercise supplemental jurisdiction over foreign patents is unlikely to offer courts more guidance than the general policy declarations. Such a method is not significantly different from what the appellate court in *Voda* engaged in and would allow courts to construe facts however broadly or narrowly to reach a particular result. It would also be difficult to justify a decision permitting an exercise of supplemental jurisdiction over a foreign patent when the holding and analysis in *Voda* were so broadly construed. The lack of predictability associated with a frameless ad hoc analysis also speaks against the adoption of this method. Ultimately, the suggestions thus far do not provide the set of clear guidelines that have been called for by scholars.

#### *B. An Incremental Step Toward Patent Law Harmonization Is Desirable*

Considering the complexity of the issue at hand, it is not surprising that a suitable rule has yet to be presented. Presumably, any rule proposed would be subject to the *Voda* court's construction of § 1367 and would have to pass muster under the four *Gibbs* factors of comity, fairness, convenience, and judicial economy.<sup>190</sup> A rule that can provide an incremental step toward the international harmonization of patent law would also be desirable. It would be easy to argue that, for the sake of harmonization, courts should simply apply a blanket rule permitting supplemental jurisdiction over foreign patent claims under any situation. However, such a sudden break from the traditional notions of territoriality is simply not realistic.<sup>191</sup> As Ron Marchant, Chief Executive of

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<sup>188</sup> Schroeder, *supra* note 186, at 86.

<sup>189</sup> Curtis A. Bradley, *Territorial Intellectual Property Rights in an Age of Globalism*, 37 VA. J. INT'L L. 505, 584–85 (1997).

<sup>190</sup> See *Voda*, 476 F.3d at 897–98, 900–04.

<sup>191</sup> See *Patent Law Harmonization: What Happened?*, *supra* note 24, at 19.

the Intellectual Property Office of the United Kingdom, noted “[i]t is not yet the time” for such extensive integration of patent law regimes.<sup>192</sup>

While the benefits of harmonizing patent law internationally are numerous,<sup>193</sup> any changes made should be discrete and manageable. In 2001, several nations began negotiations for a draft of the Substantive Patent Law Treaty.<sup>194</sup> Although substantial progress had already been made in creating uniform standards of patent law through TRIPS, the PCT, and other treaties, the negotiations were unsuccessful and came to a close in 2005.<sup>195</sup> WIPO reported that “[f]urther consideration of [substantive patent law harmonization] would have to take account of certain existing parameters, such as the fact that the international patent system is not functioning at its best, in terms either of handling increasing numbers of patent applications, nor of the quality of granted patents.”<sup>196</sup> Thus, while commendable strides have been made to harmonize intellectual property regimes across the globe, it would be a great mistake to conclude that the territorial nature of patents is no longer relevant. In the context of exercising supplemental jurisdiction over foreign patents, an appropriate rule would be one that grants courts the power to do so, but limits such power in clear, predictable ways.

#### IV. THE PROPOSED RULE: SUPPLEMENTAL JURISDICTION WITH LIMITATIONS

This Comment proposes a rule containing a set of factors for dealing with the issue of supplemental jurisdiction over foreign patents that is clear-cut and easy to apply. This rule is intended to present an incremental step toward harmonizing patent law that is readily manageable, does not offend the *Gibbs* factors, and serves many other policy goals.

Under the proposed rule, supplemental jurisdiction over foreign patents should be applied only when all of the following factors are satisfied:

- (1) The foreign patents were issued from the same PCT application as the U.S. patent over which original jurisdiction is asserted; and

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<sup>192</sup> *Id.* at 18 (quoting Ron Marchant, Chief Executive, Intellectual Property Office of the United Kingdom) (internal quotation marks omitted).

<sup>193</sup> *See id.* at 18; *One Global Patent System? WIPO's Substantive Patent Law Treaty*, GRAIN (Aug. 4, 2003), <http://www.grain.org/e/109>.

<sup>194</sup> *Patent Law Harmonization: What Happened?*, *supra* note 24, at 18.

<sup>195</sup> *Id.*

<sup>196</sup> *Id.* at 19.

- (2) The court inquires only into infringement claims and does not question the validity of the foreign patent; and
- (3) The burden falls on the patentee seeking supplemental jurisdiction over foreign patents to educate the court on the relevant foreign patent laws.

#### A. *PCT Commonality*

Supplemental jurisdiction should be granted only when the allegedly infringed foreign patent was issued from the same PCT application as the U.S. patent over which original jurisdiction is being asserted. The PCT allows a patentee to file one application that could result in a set of patents in the various designated nations.<sup>197</sup> The general requirements for filing a PCT application are as follows: the patentee must be a resident or national of a PCT contracting state; the application must be in English if the United States Patent and Trademark Office (“USPTO”) is the designated receiving office; the patentee indicates that the application is intended to be an international application; and at least one contracting state where the patentee wishes to obtain a patent is designated.<sup>198</sup> Unsurprisingly, the ability to file in multiple nations with one application is highly beneficial for the patentee. Many patentees use a PCT application as a way to “buy . . . time within which to decide upon countries of interest for filing in at a later date. The PCT process allows the applicant to temporarily reserve their right to file for patents in over 100 different contracting countries of the PCT.”<sup>199</sup> It is important to note that the PCT application in no way leads to a “global patent.”<sup>200</sup> The PCT has the effect of initiating separate prosecution procedures in each of the designated countries. Any patent issued from the PCT application is still territorially limited to that nation’s patent regime.<sup>201</sup>

##### 1. “*Same Case or Controversy*”

Requiring “PCT commonality” with a U.S. patent before exercising supplemental jurisdiction over a foreign patent is effective because it

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<sup>197</sup> See MUELLER, *supra* note 11, at 540–41.

<sup>198</sup> U.S. PATENT & TRADEMARK OFFICE, FILING A NEW INTERNATIONAL APPLICATION UNDER THE PATENT COOPERATION TREATY (PCT) 2 (2010), available at <http://www.uspto.gov/patents/process/file/efs/guidance/indexing-pct-new-appl.pdf>.

<sup>199</sup> *Id.*

<sup>200</sup> Hallenborg et al., *supra* note 10, at 65.

<sup>201</sup> MUELLER, *supra* note 11, at 540–41.

accomplishes three goals. First, it ensures that the alleged foreign patent relates to the original claim of the case, the U.S. patent, and is “part of the same case or controversy.”<sup>202</sup> This requirement serves as a quick and easy way for the court to determine if there is some “nexus” between the foreign patent and the U.S. patent. Furthermore, such a rule would not leave any uncertainties for the litigants in determining whether they can successfully assert supplemental jurisdiction—either the foreign and the U.S. patents came from the same PCT application or they did not.

Litigants could arguably show that a foreign patent is “part of same case or controversy” even if it did not issue from the same PCT application as the U.S. patent. For example, under the Paris Convention, an applicant that has already filed a patent application in her country can, within twelve months, file a separate application in a foreign country for the same invention and still preserve priority.<sup>203</sup> Thus, a litigant could argue that two patents issued in different countries are “part of the same case or controversy” because they are linked by the Paris Convention in the manner described above.

However, allowing such added flexibility to determine if two patents are “part of the same case or controversy” is not preferred. Allowing litigants to proffer other evidence of a “nexus” between the patents would inevitably lead to some form of a “balancing test” that would be less predictable. Moreover, the court would have to perform an analysis on the similarities of the two technologies disclosed in the patents. Engaging in such an analysis just to establish jurisdiction, before even reaching the merits of the case, is precisely the waste of judicial resources that troubled the *Voda* court. While the “PCT commonality” rule is predictable and easy to apply, the “balancing test” alternative is too vulnerable to the myriad of evidence that the opposing parties can submit to the court.

## 2. *Translations Are Available*

The second goal accomplished by the “PCT commonality” rule is to reduce concerns of judicial economy and convenience as they relate to translation costs. The International Bureau (“IB”) “translates all abstracts and titles of

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<sup>202</sup> 28 U.S.C. § 1367(a) (2006).

<sup>203</sup> *What Is Meant by Priority Date?*, WORLD INTELL. PROP. ORG., [http://www.wipo.int/sme/en/faq/pat\\_faqs\\_q9.html](http://www.wipo.int/sme/en/faq/pat_faqs_q9.html) (last visited Feb. 12, 2012). Priority is used to establish the novelty of a particular invention in relation to other applications or prior art. *What Is the Difference Between a Filing Date and a Priority Date?*, PATENT LENS, <http://www.patentlens.net/daisy/patentlens/2343.html> (last visited Feb. 17, 2012).

PCT applications into English and French, and all . . . reports into English.”<sup>204</sup> These translations are conducted to “enhance the patent system’s disclosure function by making the technological information in PCT applications accessible in languages other than those in which the original documents were filed.”<sup>205</sup> For the purposes of supplemental jurisdiction over foreign patents, the “PCT commonality” rule will be vastly more convenient because English versions of certain relevant documents are already available. The IB’s translations would effectively help to reduce litigation costs. Additionally, the IB translations can serve as a common ground or starting point from which the parties can assess the foreign patents. While courts can allow litigants to contest the IB’s translations, the “PCT commonality” rule would likely lessen the number and extent of disputes over translations with which the *Voda* court was concerned.

### 3. *Incentive To File PCT Application*

Lastly, the “PCT commonality” rule creates further incentives for patentees to file PCT applications. If patentees know that they can obtain protection for their foreign patents in U.S. courts only if the foreign and U.S. patents stemmed from a common PCT application, the patentees will be more inclined to file for patents through this method. Statistics on PCT applications show that this form of patent filing is already very common.<sup>206</sup> In 2010, PCT applications from the United States represented roughly twenty-seven percent of all applications filed in this manner.<sup>207</sup> The USPTO was also ranked as the second most commercially attractive office in which to file a PCT application.<sup>208</sup> Creating further incentives to use the PCT application can only help to promote the harmonization of international patent law.

#### B. *Only Assess Infringement*

The second rule in exercising supplemental jurisdiction over foreign patents is to limit the court’s assessment to infringement only. Accordingly,

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<sup>204</sup> WORLD INTELLECTUAL PROP. ORG., PCT: THE INTERNATIONAL PATENT SYSTEM: YEARLY REVIEW 40 (2011) [hereinafter WIPO, YEARLY REVIEW], available at [http://www.wipo.int/export/sites/www/pct/en/activity/pct\\_2010.pdf](http://www.wipo.int/export/sites/www/pct/en/activity/pct_2010.pdf).

<sup>205</sup> *Id.*

<sup>206</sup> *See id.* at 11.

<sup>207</sup> *See id.* at 60.

<sup>208</sup> *See id.* at 32. The European Patent Office was ranked as the most commercially attractive office in which to file a PCT application. *See id.*

U.S. courts will be banned from inquiring into the validity of a patent issued by a foreign sovereign. This rule serves less to limit the number of cases where supplemental jurisdiction will be exercised, but more to respect the considerations of comity and the act of state doctrine.

Judge Newman's arguments that the issuance of a patent is a commercial activity are not sufficiently persuasive. While she did make colorable arguments, the inescapable fact remains that patents are issued by sovereign governments and supported by substantial public concerns.<sup>209</sup> Therefore, it cannot truly be said that patents are exceptions from the act of state doctrine. However, even accepting Judge Newman's argument, the predominant interpretation of the act of state doctrine is that there is no commercial activity exception.<sup>210</sup> Thus, to ensure that the proposed rule is palatable, it is imperative that U.S. courts do not entertain arguments that foreign patents are invalid.

Commentators disagree somewhat on the extent to which comity protects foreign patents from domestic judicial review.<sup>211</sup> The *Voda* court appeared to assert that any assessment of foreign patents is offensive, regardless of whether it is infringement or validity that is in question.<sup>212</sup> Some commentators, however, argue that it is only assessments of validity that are inappropriate.<sup>213</sup> The latter view is correct. To rule that a foreign patent is invalid proclaims that the foreign institution, the patent office, is incompetent and improperly issued a patent under the relevant foreign laws. This implication is undeniably disrespectful to the foreign nation's sovereignty. On the other hand, to rule that a particular litigant has infringed a foreign patent involves different considerations entirely. Here, the question is whether a private party's private activities necessitate relief or remedy for another private party. No doubt is cast on the legitimacy of the foreign sovereign's institutions. Thus, the proposed "infringement only" rule is an acceptable way to limit the exercise of supplemental jurisdiction over foreign patents.

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<sup>209</sup> See discussion *supra* Part II.C.

<sup>210</sup> See BEDERMAN, *supra* note 144, at 209.

<sup>211</sup> Compare Graeme B. Dinwoodie, *Developing a Private International Intellectual Property Law: The Demise of Territoriality*, 51 WM. & MARY L. REV. 711, 795 (2009) ("The process of recognition and enforcement [of a U.S. court decision in a foreign country] allows the foreign government to give the judgment as much or as little effect as it wishes."), with Kendra Robins, Note, *The Extraterritorial Patent Enforcement and Multinational Patent Litigation: Proposed Guidelines for U.S. Courts*, 93 VA. L. REV. 1259, 1276 ("[T]he extraterritorial application of U.S. patent law intrudes on the sovereignty of foreign states.").

<sup>212</sup> See *Voda v. Cordis Corp.*, 476 F.3d 887, 902–03 (Fed. Cir. 2007).

<sup>213</sup> Chan, *supra* note 38, at 35.

*C. The Burden To Educate the Court Falls on the Patentee Asking the Court To Exercise Supplemental Jurisdiction over the Foreign Patents*

The final prong of the proposed set of rules is that the burden of educating the court about foreign patent regimes should fall on the party that is asking the court to exercise supplemental jurisdiction over the foreign patents. U.S. courts should not be hesitant to apply foreign law,<sup>214</sup> so long as they have been sufficiently informed by the litigants. This is especially true for the Federal Circuit “given its expertise in the area of patent law.”<sup>215</sup> Allocating this burden to the patentee negates many of the issues of judicial economy or judicial expenditures that troubled the *Voda* court. Furthermore, it is not unfair because the patentee would “have every incentive to educate the court.”<sup>216</sup> After all, it is the patentee who wishes to use U.S. courts to settle disputes over her foreign patents.

Imposing this burden of education on the patentee is feasible and advantageous because (1) foreign patent law is not so complex as to be incomprehensible, (2) any concerns of fairness between the litigants are not severe, and (3) it promotes the policy goal of exposing the Federal Circuit to the workings of foreign patent regimes.

*1. Foreign Patent Law Is Not So Complex as To Be Incomprehensible*

First, contrary to the majority opinion in *Voda*, foreign patent laws are not so complex and different from U.S. patent law that domestic courts will be unable to understand and make proper rulings on them.<sup>217</sup> While the particular nuances of patent law regimes vary from nation to nation, “many of the fundamental concepts that underlie patent protection have reached a certain level of coherence and general recognition. So the [U.S.] courts would have a baseline familiarity with the concepts of the law.”<sup>218</sup> The convergence of patent law regimes has made great progress. Even in 1997, Judge Newman made the telling observation that “on review of specific cases that have been litigated in countries in addition to the United States, it seems to me the differences in result and in analysis are no greater than the differences among

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<sup>214</sup> Holbrook, *supra* note 21, at 2180–81.

<sup>215</sup> *Id.* at 2181.

<sup>216</sup> *Id.*

<sup>217</sup> See *Voda v. Cordis Corp.*, 476 F.3d 887, 912 (Fed. Cir. 2007) (Newman, J., dissenting).

<sup>218</sup> Holbrook, *supra* note 21, at 2180.

the judges of the Federal Circuit.”<sup>219</sup> There certainly may be situations when particular doctrines of foreign patent law are exceedingly complex. Under these situations, if the patentee fails to educate the court in a satisfying manner, the court could then choose not to rule on that particular issue or patent. However, the blanket rule in *Voda* that foreign patent law is too complex and dissimilar from domestic law is blatantly false. “Although a country’s particular application of those principles may vary from the United States’s, the basic concepts are quite similar.”<sup>220</sup>

## 2. *Fairness Between Parties Is Not an Acute Concern*

Even if one agrees that the burden of education should rest solely on the patentee, there may still be some concern regarding fairness or large discrepancies in the resources available to the litigating parties. After all, researching and understanding foreign law is, at the very least, going to increase attorney’s fees for both the patentee and the accused infringer. However, recognizing a few points will eliminate these concerns.

First, both the patentee and the accused infringer will necessarily have some exposure to or understanding of the foreign patent law regime.<sup>221</sup> The patentee would be asking the court to exercise supplemental jurisdiction over foreign patents only if he held patents in those nations to begin with. For foreign patents to issue, the patentee will invariably have undergone the foreign patent prosecution procedure and almost certainly have sought legal representation in those nations. It is also safe to assume that the patentee intends to engage or is already engaging in commercial activities related to the patented device in the foreign nation. In doing so, the patentee has likely gained some familiarity with the foreign patent regime.

The accused infringer also necessarily has some understanding of or has legal resources in the foreign patent regime.<sup>222</sup> To be accused of infringement, the defendant must have conducted some activity in the foreign nation that could be construed as an act of infringement. For example, the defendant may be accused of selling or making the patented device in the foreign country without authorization. For this accusation to be true, the accused infringer

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<sup>219</sup> Pauline Newman, *On Global Patent Cooperation*, 8 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 3, 6 (1997).

<sup>220</sup> Holbrook, *supra* note 21, at 2181.

<sup>221</sup> *Id.*

<sup>222</sup> *Id.*

likely has some level of commercial activity and legal representation established in the foreign nation.

Second, determining whether to include claims of foreign patent infringement can ultimately be viewed as a cost–benefit analysis. The associated cost is the attorney’s fees accrued while educating the court on foreign laws. The associated benefit is the convenience of having multiple patent disputes settled in one forum without having to traverse the globe. Nothing forces the patentee to seek supplemental jurisdiction over his foreign patents in a U.S. court. If the patentee is more comfortable litigating in another country, if he feels that a foreign jurisdiction would give him a more favorable outcome, or if he has more legal resources there, he is free to bring suit in the foreign court.

Admittedly, the defendant is at a disadvantage in determining where the plaintiff will choose to bring suit.<sup>223</sup> However, this dynamic is no different than the usual forum shopping that takes place among litigants in state and federal courts in the United States.<sup>224</sup> Furthermore, if a defendant is drastically uncomfortable with a foreign forum, it stands to reason that he may prefer to resolve the issue before a U.S. court.

### *3. It Is Beneficial for the Federal Circuit To Learn About Foreign Patent Regimes*

Exercising supplemental jurisdiction in this limited fashion, where litigants are forced to educate the courts on the relevant foreign law, is also desirable because it incrementally exposes domestic courts, particularly the Federal Circuit, to foreign patent regimes.

Gaining a better understanding of foreign law is almost always beneficial. As Justice Ginsburg once asked, “Why shouldn’t we look to the wisdom of a judge from abroad with as much ease as we would look to a law review article written by a professor?”<sup>225</sup> The use of foreign law in deciding domestic cases has garnered substantial debate at the Supreme Court.<sup>226</sup> According to Justice Ginsburg, the failure of the Supreme Court to consider foreign sources has

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<sup>223</sup> See *Forum Shopping*, LEGAL INFO. INST., [http://topics.law.cornell.edu/wex/forum\\_shopping](http://topics.law.cornell.edu/wex/forum_shopping) (last updated Aug. 19, 2010).

<sup>224</sup> See *id.*

<sup>225</sup> Deborah Jones Merritt & Wendy Webster Williams, *Transcript of Interview of U.S. Supreme Court Associate Justice Ruth Bader Ginsburg, April 10, 2009*, 70 OHIO ST. L.J. 805, 819–20 (2009).

<sup>226</sup> See *id.* at 819.

resulted in its diminishing influence in the international community.<sup>227</sup> “[Y]ou will not be listened to if you don’t listen to others.”<sup>228</sup>

Justice Ginsburg’s words parallel a sentiment that has appeared in copyright literature.<sup>229</sup> In copyright law, courts have struggled with whether to apply foreign law in issues of copyright infringement.<sup>230</sup> Copyrights, like patents, are territorial instruments and no “global copyright” exists.<sup>231</sup> In *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*,<sup>232</sup> a U.S. newspaper republished Russian newspaper articles without obtaining consent.<sup>233</sup> The Russian newspaper brought suit in the Second Circuit for copyright infringement and presented the court with a delicate choice of law question.<sup>234</sup> Surprisingly, the court did not follow the conventional rule that the choice of law is the law of the place of infringement.<sup>235</sup> Instead, the court held that the appropriate choice of law was the “law of the place with the most significant relationship to the parties and the transaction.”<sup>236</sup> As a result, the Second Circuit applied Russian copyright law to resolve the case before it.<sup>237</sup> In support of this outcome, commentators have advocated that “[n]ational courts should . . . be free to decide an issue in an international case using different substantive copyright rules that reflect not only a single national law, but rather the values of all interested systems (national and international) that may have a prescriptive claim on the outcome.”<sup>238</sup> In a similar fashion, the Court of Appeals for the Federal Circuit should be willing to apply foreign patent law to address the international implications that accompany international patent cases such as *Voda*.

The need to confront and understand foreign law is particularly important in the field of patent law. Patent law stands out as one field of law where deliberate efforts have been made to harmonize legal standards at the

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<sup>227</sup> See *id.* at 820.

<sup>228</sup> *Id.*

<sup>229</sup> See Graeme B. Dinwoodie, *A New Copyright Order: Why National Courts Should Create Global Norms*, 149 U. PA. L. REV. 469, 530–31 (2000).

<sup>230</sup> See *id.*

<sup>231</sup> U.S. COPYRIGHT OFFICE, INTERNATIONAL COPYRIGHT RELATIONS OF THE UNITED STATES 1 (2010), available at <http://www.copyright.gov/circs/circ38a.pdf>.

<sup>232</sup> *Itar-Tass Russ. News Agency v. Russ. Kurier, Inc.*, 153 F.3d 82 (1998).

<sup>233</sup> *Id.* at 84–85.

<sup>234</sup> See *id.* at 88–92.

<sup>235</sup> *Id.* at 92–94.

<sup>236</sup> Dinwoodie, *supra* note 229, at 536.

<sup>237</sup> *Itar-Tass*, 153 F.3d at 92–94.

<sup>238</sup> Dinwoodie, *supra* note 229, at 476.

international level.<sup>239</sup> The United States can better engage in treaty negotiations if its legal culture develops an understanding for the nuances and underlying policies that drive foreign patent law. This development is especially desirable considering the great economic and innovative interests at stake. There is nothing to suggest that the Federal Circuit cannot learn and apply foreign law without affording it great respect and deference.<sup>240</sup> In doing so, the Federal Circuit may even be able to use foreign laws to help inform and improve U.S. patent law.

## V. THE *GIBBS* FACTORS APPLIED TO THE PROPOSED RULE

The *Voda* court applied the four *Gibbs* factors as the benchmark test for whether the district court had abused its discretion to exercise supplemental jurisdiction pursuant to § 1367(c).<sup>241</sup> Thus, the proposed rule would likely have to pass muster under the same four factors of comity, judicial economy, convenience, and fairness. While several of the following points have already been mentioned in Part IV, it bears reiterating to demonstrate that the proposed rule would survive under each of the *Gibbs* factors.

First, notions of comity would not be offended because the U.S. court would assess only the acts of the private parties as they relate to infringement. Full respect would be afforded to the presumed validity of the foreign patent.<sup>242</sup>

Next, judicial economy would also be well served. The court would not have to expend resources to determine if an alleged foreign patent satisfies some “nexus” test because the “PCT Commonality” requirement is a bright-line rule.<sup>243</sup> The third prong of the “new” rule would also ensure that it is the litigants that bear the costs of understanding and educating the courts on foreign patent law.<sup>244</sup>

Third, concerns about the convenience of obtaining and translating foreign documents would not be high.<sup>245</sup> The “PCT Commonality” requirement

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<sup>239</sup> See Holbrook, *supra* note 21, at 2180.

<sup>240</sup> See *id.* at 2186.

<sup>241</sup> *Voda v. Cordis Corp.*, 476 F.3d 887, 900–04 (Fed. Cir. 2007).

<sup>242</sup> See discussion *supra* Part IV.B.

<sup>243</sup> See discussion *supra* Part IV.A.1.

<sup>244</sup> See discussion *supra* Part IV.C.

<sup>245</sup> See discussion *supra* Part IV.A.2.

ensures that some of the relevant documents would already be available in English through the IB translations.<sup>246</sup>

Lastly, it would be reasonably fair to the litigants to exercise supplemental jurisdiction because both the patentee and the accused infringer would necessarily have some exposure to the patent law regime of the foreign nation.<sup>247</sup>

### CONCLUSION

As commerce and innovation continue to make the world smaller, efforts to curtail the territorial nature of patents will inevitably arise. The issue of exercising supplemental jurisdiction over foreign patents is but one of the challenges that U.S. courts will face. The court in *Voda* erred when it applied a faulty construction of § 1367(c) and, in an overly broad *Gibbs* analysis, foreclosed the exercise of supplemental jurisdiction over foreign patents.

The Court of Appeals for the Federal Circuit should be ready to confront international implications in patent cases and be willing to learn about and apply foreign patent law. However, supplemental jurisdiction over foreign patents should not be allowed in a blanket fashion. Instead, courts should apply a more cautious, incremental approach. Supplemental jurisdiction should be allowed, but only if:

- (1) The foreign patents were issued from the same PCT application as the U.S. patent over which original jurisdiction is asserted; and
- (2) The court inquires only into infringement claims and does not question the validity of the foreign patent; and
- (3) The burden falls on the patentee seeking supplemental jurisdiction over foreign patents to educate the court on the relevant foreign patent laws.

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<sup>246</sup> See discussion *supra* Part IV.A.2.

<sup>247</sup> See discussion *supra* Part IV.C.2.

Unless all three conditions of this rule are satisfied, the court should deny supplemental jurisdiction. The proposed rule would help the Federal Circuit Court of Appeals promote the harmonization of patent law, better refine domestic patent law, ensure fairness among the litigants, and preserve respect for foreign nations and their institutions.

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