

## Declaratory Judgments in Patent Litigation

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### Abstract

Consistent with the trend in recent years, intellectual property law cases figured prominently on the October 2013 docket of the U.S. Supreme Court. Of the ten intellectual property law cases decided by the U.S. Supreme Court in the October 2013 term, six related to patent law. *Medtronic Inc. v. Mirowski Family Venture, LLC* was the first of the six patent cases heard and decided by the Court during the term. The Court delivered its opinion on January 22, 2014. The issue in the case related to the burden of proof in a declaratory judgment suit filed against a patentee by a patent licensee seeking to forestall a potential patent infringement action. The District Court held that the patentee bore the burden of proving infringement. On appeal, the United States Court of Appeals for the Federal Circuit reversed the judgment of the District Court. The Federal Circuit Court ruled that a patentee bears the burden of proof in most infringement cases; but when the patentee is a defendant in an action for a declaratory judgment and is precluded from asserting an infringement counterclaim, the party seeking the declaratory judgment bears the burden of proof. In a unanimous opinion, the U.S. Supreme Court reversed the judgment of the Federal Circuit Court. The Supreme Court held that the burden of proof remains with the patentee. This paper presents an analysis of the Supreme Court's opinion and its implications.

## I. Introduction:

Consistent with the trend in recent years, intellectual property law cases figured prominently on the October 2013 docket of the U.S. Supreme Court. Of the ten intellectual property law cases decided by the U.S. Supreme Court in the October 2013 term, six related to patent law. Following is a brief description of the six cases.

*Medtronic Inc. v. Mirowski Family Venture, LLC*<sup>1</sup> was the first of the six patent cases heard and decided by the Court during the term. The Court delivered its opinion on January 22, 2014. The issue in the case related to the burden of proof in a declaratory judgment suit filed against a patentee by a patent licensee seeking to forestall a potential patent infringement action. The Supreme Court held that the burden of proving infringement remains with the patentee even if the patentee is forestalled from asserting an infringement counterclaim by virtue of the fact that the licensee continues to pay the royalty amounts, albeit under protest.

The Court delivered its opinion in *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*<sup>2</sup> on April 29, 2014. The case concerned the appropriate standard for awarding attorneys' fees under 35 U.S.C. § 285. The Court held that the exceptionality of a case was to be judged on the basis of the factual and legal substance of a party's case or the absence of good faith evidenced by the manner in which it was litigated. The Court also replaced the prevailing "clear and convincing evidence" standard of proof by a "preponderance of the evidence" standard.

Also decided on April 29, 2014 was *Highmark v. Allcare Health Management System*.<sup>3</sup> The case concerned the standard of review to be used on appeal from a district court's finding that a case was exceptional under 35 U.S.C. § 285. The Court held that a district court's finding was to be judged by the more deferential "abuse of discretion" standard rather than the Federal Circuit Court's prevailing "*de novo*" standard.

In *Nautilus, Inc. v. Biosig Instruments, Inc.*<sup>4</sup>, decided on June 2, 2014, the Supreme Court considered the nature of the definiteness requirement under 35 U.S.C. § 112(b). The Court held that it was not sufficient that the claim be capable of being construed and that it be free of ambiguity incapable of resolution. In the Court's holding, the

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<sup>1</sup> *Medtronic, Inc. v. Mirowski Family Venture, LLC*, 134 S.Ct. 843.

<sup>2</sup> *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 134 S.Ct.1749 (2014).

<sup>3</sup> *Highmark v. Allcare Health Management System*, 134 S.Ct.1744 (2014).

<sup>4</sup> *Nautilus, Inc. v. Biosig Instruments, Inc.*, 572 U.S. \_\_\_\_ (2014). Available at: [www.supremecourt.gov/opinions/13pdf/13-369\\_1idf.pdf](http://www.supremecourt.gov/opinions/13pdf/13-369_1idf.pdf).

definiteness provision required that the patent claim read along with the specification and prosecution record should “inform those skilled in the art about the scope of the invention with reasonable certainty.”<sup>5</sup>

The Court also issued its opinion in *Limelight Networks, Inc. v. Akamai Technologies, Inc.*<sup>6</sup> on June 2, 2014. The case concerned induced infringement under 35 U.S.C. § 271. The question at issue was whether a defendant could be held liable for induced infringement when several parties had collectively performed different steps of a method patent. The Court held that direct infringement could only occur if all the steps of a claimed method were performed by a single party. When different steps were performed by different parties, there could be no direct infringement. And in the absence of direct infringement, there could be no induced infringement.

The most widely publicized patent case of the term was *Alice Corp. v. CLS Bank Int'l*,<sup>7</sup> because of its possible consequences for software patents. The Court issued its opinion on June 19, 2014. The case involved the patentability of claims in respect of a computer-implemented financial settlement process. The Court held that in the absence of an element of invention, an abstract idea is not patentable merely on the basis that it is implemented by the generic use of a computer.

The U.S. Supreme Court's opinions in each of these cases will have significant effect on patent law and practice in the United States. This essay presents an analysis of the Court's opinion and its implications in the first of the patent cases mentioned above, that is, *Medtronic Inc. v. Mirowski Family Venture, LLC*.

This essay has been structured as follows: After the present introduction, part II sets out the relevant provisions of law relevant to the topic of declaratory judgments in patent law cases; part III presents a brief mention of a few significant cases decided by the United States Supreme Court and the United States Court of Appeals for the Federal Circuit up to 2007 specifically relating to declaratory judgments in patent law cases; part IV presents an explanation of the United States Supreme Court judgments in the *Medtronic* case, and its precursor, *Medimmune, Inc. v. Genentech, Inc.*,<sup>8</sup> and part V is a brief conclusion.

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<sup>5</sup> *Id.*, at internal page 11.

<sup>6</sup> *Limelight Networks, Inc. v. Akamai Technologies, Inc.*, 572 U.S. \_\_\_\_ (2014). Available at: [www.supremecourt.gov/opinions/13pdf/12-786\\_664.pdf](http://www.supremecourt.gov/opinions/13pdf/12-786_664.pdf).

<sup>7</sup> *Alice Corp. v. CLS Bank Int'l*, 573 U.S. \_\_\_\_ (2014). Available at: [www.supremecourt.gov/opinions/13pdf/13-298\\_7lh8.pdf](http://www.supremecourt.gov/opinions/13pdf/13-298_7lh8.pdf).

<sup>8</sup> *Medimmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007).

## II. Some of the Relevant Provisions of Law Relevant to Declaratory Judgment in Patent Litigation:

At the outset, it will be useful to mention some of the relevant provisions of law involved. The Declaratory Judgments Act was enacted in 1934. It is embodied in 28 U.S. Code § 2201 (a).<sup>9</sup> The federal question jurisdiction of the federal courts in the United States is embodied in 28 U.S. Code § 1331.<sup>10</sup> Jurisdiction is vested in the federal courts in all patent-related cases. This provision is embodied in 28 U.S. Code 1338 (a).<sup>11</sup> Title 35 of the United States Code embodies patent law in the United States.<sup>12</sup> The provision for patent infringement is set out in 35 U.S. Code § 271.<sup>13</sup>

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<sup>9</sup> The relevant part of the Section reads:

28 U.S. Code § 2201 – Creation of remedy

(a) In a case of actual controversy within its jurisdiction, except with respect to Federal taxes other than actions brought under section 7428 of the Internal Revenue Code of 1986, a proceeding under section 505 or 1146 of title 11, or in any civil action involving an antidumping or countervailing duty proceeding regarding a class or kind of merchandise of a free trade area country (as defined in section 516A(f)(10) of the Tariff Act of 1930), as determined by the administering authority, any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.

<sup>10</sup> The Section reads:

28 U.S. Code § 1331 – Federal question

The district courts shall have original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States.

<sup>11</sup> The relevant part of the Section reads:

28 U.S. Code § 1338 (a)

The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights, and trademarks. No State court shall have jurisdiction over any claim for relief arising under any Act of Congress relating to patents, plant variety protection, or copyrights...

<sup>12</sup> The law has been enacted pursuant to Section 8, Clause 8 of the U.S. Constitution whereby Congress is vested with the power “[t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”

### III. Some of the Significant Pre-2007 Cases Relating to Declaratory Judgments in Patent Litigation:

Following are a few relevant major rulings of the United States Supreme Court and the United States Court of Appeals for the Federal Circuit relating to declaratory judgments in patent litigation suits, prior to the Supreme Court's judgment in *Medtronic*.

In *Altwater v. Freeman*,<sup>14</sup> the U.S. Supreme Court upheld the maintainability of a counterclaim by a patent licensee seeking a declaration that the patent at issue was invalid even though the licensee continued to make royalty payments pursuant to a court injunction. The Court's opinion stated:

Unless the injunction decree were modified, [footnote omitted] the only other course was to defy it, and to risk not only actual but treble damages in infringement suits....It was the function of the Declaratory Judgment Act to afford relief against such peril and insecurity....And certainly the requirements of case or controversy are met where payment of a claim is demanded as of right and where payment is made, but where the involuntary or coercive nature of the exaction preserves the right to recover the sums paid or to challenge the legality of the claim.<sup>15</sup>

In *C.R.Bard, Inc. v. Schwartz*,<sup>16</sup> the U.S. Court of Appeals for the Federal Circuit held that a declaratory judgment action could be brought by a patent licensee even though the patent license had not been terminated, where the licensee had a "reasonable apprehension of an infringement suit."<sup>17</sup>

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<sup>13</sup> Sub-section(a) of 35 U.S.C. § 271 reads:

35 U.S.C. § 271 – Infringement of patent

(a) Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

<sup>14</sup> *Altwater v. Freeman*, 319 U.S. 359 (1943).

<sup>15</sup> *Id.*, at 365.

<sup>16</sup> *C.R.Bard, Inc. v. Schwartz*, 716 F.2d 874 (Fed.Cir.1983).

<sup>17</sup> *Id.*, at 880.

The “reasonable apprehension of an infringement suit” test set out in *Bard* was subsequently followed in a series of decisions by the Federal Circuit Court.<sup>18</sup>

In *Cardinal Co. v. Morton International, Inc.*,<sup>19</sup> the U.S. Supreme Court ruled that a finding of patent non-infringement does not by itself constitute a reason for vacating a declaratory judgment of patent invalidity.

In *Gen-Probe Incorporated v. Vysis, Inc.*,<sup>20</sup> the Federal Circuit Court distinguished and refined its ruling in *Bard*. In *Bard*, although the license had not been terminated, the licensee had committed a material breach of the license agreement and the patent-holder had filed a suit for recovery of the contracted royalty. In *Gen-Probe*, the licensee had not committed any breach of the license agreement when it filed its declaratory judgment suit, and remained in good standing while prosecuting its lawsuit. In these circumstances, the Federal Circuit Court held that there was no reasonable apprehension of suit, and therefore no actual controversy between the parties. Thereby, the Court held that an action under the Declaratory Judgment Act could not be maintained.

#### IV. The Judgments of the United States Supreme Court in *Medimmune* and *Medtronic*:

The most significant cases relating to declaratory judgments in the context of patent litigation are the *Medimmune* and *Medtronic* cases decided by the United States Supreme Court in 2007 and 2014 respectively. Following is a brief explanation of the Supreme Court’s opinions in the two cases:

##### A. *Medimmune, Inc. v. Genentech, Inc.*<sup>21</sup>:

The Supreme Court here considered the scope of the Case or Controversy Clause of Article III of the U.S. Constitution in the context of declaratory judgments in patent litigation.<sup>22</sup>

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<sup>18</sup> See, e.g., *The Goodyear Tire & Rubber Company v. Releasomers, Inc.*, 824 F.2d 953 (Fed.Cir.1987), and *Arrowhead Industrial Water, Inc. v. Ecolochem, Inc.*, 846 F.2d 731 (Fed.Cir.1988)

<sup>19</sup> *Cardinal Chemical Co., v. Morton International, Inc.*, 508 U.S.83 (1993).

<sup>20</sup> *Gen-Probe Incorporated v. Vysis, Inc.*, 359 F.3d 1376 (Fed.Cir.2004).

<sup>21</sup> *Medimmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007).

Medimmune entered into a patent license agreement with Genentech regarding the manufacture of specified medication drug. Genentech was the patentee and Medimmune was the licensee. During the subsistence of the agreement, Genentech claimed that Medimmune's drug Synagis was covered by a patent held by Genentech and therefore called upon Medimmune to pay royalty under the patent license agreement. Medimmune disputed the validity and enforceability of Genentech's patent, and further contended that in any event Synagis did not infringe the claimed patent. Nevertheless, fearing the possible onerous consequences of refusing to pay royalty Medimmune made the demanded royalty payments under protest and filed a declaratory-judgment suit. The District Court dismissed Medimmune's suit on the basis of a decision<sup>23</sup> of the U.S. Court of Appeals for the Federal Circuit. The Federal Circuit precedent had held that a patent licensee who complied with the terms of the license agreement could not challenge the patent's validity, enforceability, or scope as the act of compliance removed any "reasonable apprehension"<sup>24</sup> of an infringement action, which in turn defeated the case or controversy requirement of Article III of the U.S. Constitution. Relying on the same precedent, the Federal Circuit affirmed the District Court. By a majority opinion, the Supreme Court reversed the judgment of the Federal Circuit Court of Appeals.

The Court first addressed a preliminary point regarding the dispute. Genentech had contended that Medimmune merely disputed the validity of Genentech's patent and not the fact that its product infringed the patent and that the license required Medimmune to pay the royalty irrespective of the patent's validity. The Court rejected Genentech's contentions as both points had been clearly disputed in Medimmune's pleadings.

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<sup>22</sup> The Case or Controversy Clause is embodied in Article III, Section 2, Clause 1 of the U.S. Constitution. It reads as follows:

The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority; -- to all cases affecting ambassadors, other public ministers and consuls; -- to all cases of admiralty and maritime jurisdiction; -- to controversies to which the United States shall be a party; -- to controversies between two or more states; -- between a state and citizens of another state; between citizens of different states; -- between citizens of the same state claiming lands under grants of different states, and between a state, or the citizens thereof, and foreign states, citizens or subjects.

<sup>23</sup> In *Gen-Probe Inc. v. Vysis, Inc.*, 359 F.3d 1376 (2004).

<sup>24</sup> *Id.*, at 1381.



Genentech also contended that Medimmune had not disputed the contract in the lower courts and thereby it had waived its right to do so. However, this was contrary to the record as the argument had in fact been raised in Medimmune's brief before the Federal Circuit Court.

The Court then addressed the question of jurisdiction. The Court noted that there was no gainsaying that there was a genuinely disputed issue between the parties. The essential question was whether Medimmune's continuing payment of royalty causes the Article III-mandated case or controversy between the parties to cease. The Court noted that several of its own precedents had held that where an individual is confronted with the threat of governmental action, the fact that the individual takes steps to obviate the risk of prosecution, does not defeat the right to maintain a declaratory judgment action. Lower court had recognized the maintainability of declaratory judgment suits even where the threatened action was by a private party. The Court then cited its own precedent in *Altwater v. Freeman*.<sup>25</sup> This was a patent case involving private parties, where the Court had recognized the maintainability of a declaratory judgment suit in which plaintiff continued to make royalty payments in compliance with a court injunction while seeking a declaration that the patent in question was invalid. In the *Gen-Probe* case, the Federal Circuit Court had distinguished *Altwater* on the ground that the royalty payments had been made pursuant to a court injunction. The Supreme Court, however, rejected the distinction because *Altwater* had stated that if the plaintiff had refused to comply with the injunction, the consequence would have been infringement suits for damages. No mention had been made of any risk of governmental action. The Supreme Court then declined to accept the relevance of a judgment in an earlier case which had been decided before the enactment of the Declaratory Judgment Act and the upholding of its validity.

Genentech argued that the license agreement effectively protected Medimmune from an infringement action so long as it paid the stipulated royalties. If Medimmune were permitted to maintain the Declaratory Judgment action, it would transform the terms of the agreement. Medimmune would then continue to enjoy its contracted protection while at the same time seeking to nullify Genentech's right to institute an infringement action. The Court rejected this argument on two grounds. Firstly, Medimmune had contended that its product did not infringe Genentech's patent. Secondly, the fact that Medimmune had contracted to pay royalty on Genentech's

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<sup>25</sup> *Altwater v. Freeman*, 319 U.S. 359 (1943).



subsisting patents did not defeat its right to seek a declaration that the patents were invalid. Genentech invoked a common-law rule refusing to permit a contracting party to question the contract's validity even as it enjoyed the contract's benefits. The Court rejected this argument as Medimmune was not questioning the contract's validity but was merely seeking to ascertain its correct interpretation.

Finally, Genentech urged that the relief sought for under the Declaratory Judgment Act was discretionary, and that the Supreme Court should refuse to exercise this discretion in favor of Medimmune. The Court opined that the District Court was the appropriate forum for adjudicating this question.

The Supreme Court held that Medimmune could maintain its declaratory judgment suit even as it complied with the terms of its license agreement with Genentech. The Court reversed and remanded the judgment of the Federal Circuit Court of Appeals.

Following the Supreme Court's judgment in *Medimmune*, the Federal Circuit Court held in *SanDisk Corp. v. STMicroelectronics*<sup>26</sup> that jurisdiction under the Declaratory Judgments Act could be validly invoked when an allegation of patent infringement had been made in the course of negotiation.

B. *Medtronic, Inc. v. Mirowski Family Ventures, LLC*.<sup>27</sup>

The plaintiff Medtronic was the licensee in respect of patents relating to certain health-related devices. Defendant Mirowski was the owner of the patents. The patent agreement had a clause stating that if Mirowski believed that a Medtronic product infringed a Mirowski patent, and notified Medtronic of such infringement, Medtronic could pay the necessary royalty. If, however, Medtronic disputed Mirowski's assertion, then Medtronic could pay the royalty provisionally and at the same time challenge the

<sup>26</sup> *SanDisk Corp. v. STMicroelectronics*, 480 F.3d 1372 (Fed.Cir.2007). The opinion states:

We hold only that where a patentee asserts rights under a patent based on certain identified ongoing or planned activity of another party, and where that party contends that it has the right to engage in the accused activity without license, an Article III case or controversy will arise and the party need not risk a suit for infringement by engaging in the identified activity before seeking a declaration of the legal rights.

Two other significant decisions relating to declaratory judgments issued by the Federal Circuit Court post-*Medimmune* were in *Teva Pharm. USA v. Novartis Pharm. Corp.* 482 F.3d 1330 (Fed. Cir. 2007), and *Sony Electronics, Inc. v. Guardian Media Technologies, Ltd.*, 497 F.3d 1271 (Fed. Cir. 2007).

<sup>27</sup> *Medtronic, Inc. v. Mirowski Family Ventures, LLC*, *supra* note 1

validity of Mirowski's assertion by a declaratory judgment suit. If Medtronic failed to do either, Mirowski could terminate the license and sue for infringement. A later modification of the agreement provided that the payment of royalty pending the outcome of the declaratory judgment suit would be placed in an escrow account.

Subsequently, a dispute arose along the lines envisaged by the patent agreement. Mirowski notified Medtronic that some of its products violated claims in Mirowski's patents. Medtronic denied this and sought to test the validity of Mirowski's assertion by means of a Declaratory Judgment suit. In the suit Medtronic urged that the products in question did not infringe any of Mirowski's patents, and that the patents were invalid. In the meantime, it paid the demanded royalty into an escrow account.

The District Court placed the burden of proving infringement upon the defendant/patentee, that is, Mirowski. Upon a finding that Mirowski had not proven infringement, the Court held for Medtronic. Upon appeal, the U.S. Court of Appeals for the Federal Circuit held that the burden of proving non-infringement lay with the plaintiff/licensee, that is, Medtronic. Upon Medtronic's petition, the U.S. Supreme Court granted certiorari on the question of the burden of proof.

In an opinion authored by Justice Breyer, the Supreme Court first dealt with a jurisdictional question raised by an amicus. It was contended that the Federal Circuit did not have subject-matter jurisdiction in this case because if Medtronic would continue to manufacture the products in question without paying royalty and without a declaratory judgment in its favor, Mirowski would have to file a suit for breach of contract, and not for patent infringement. The Court noted the acknowledged jurisdiction of the federal district courts in matters relating to patent law and the Federal Circuit Court's exclusive appellate jurisdiction over such matters. The Court also accepted the contention that the Declaratory Judgment Act did not extend the jurisdiction of the federal courts, and that the crucial question to be examined was the nature of the suit that was sought to be precluded by the plaintiff in the declaratory judgment suit. However, the Court did not accept the contention that the nature of such suit in the present case would be for a breach of contract, but rather opined that it would be a patent infringement action. On that basis, the Court upheld the jurisdiction of the Federal Circuit Court.

The Court then turned to the question at issue regarding the burden of proof. The Court's based its opinion on a two-step analysis. First, relying upon settled precedents, the Court noted: (i) the patentee usually bears the burden of proof in a patent

infringement action; (ii) the Declaratory Judgment Act is only procedural and does not alter a substantive element; and (iii) the burden of proof is a substantive element. On that basis, the Court held that in the present action, the burden of proof should remain with the patentee/defendant, that is, Mirowski.

The Court then considered the practical implications of holding otherwise. If plaintiff/Medtronic was denied the declaratory judgment in its favor, and if it persisted in manufacturing the allegedly infringing product, the defendant/Medtronic would have to file a patent infringement action. In such a suit, Medtronic would certainly bear the burden of proof. It is conceivable that Mirowski could lose that suit because it failed to carry its burden of proof. In such an event, the result would be confusion among all concerned in respect of the parties' rights regarding the patented products.<sup>28</sup> Thus, the declaratory judgment in such a situation would continue to leave open the question of the exact legal rights of the parties. Furthermore, in a case such as the present one, the licensee denying infringement would be hard put to carry the burden since it cannot know the exact grounds on which the patentee is claiming infringement. Finally, citing its earlier judgment in *Medimmune, Inc. v. Genentech, Inc.*,<sup>29</sup> the Court stated that shifting the burden would defeat the purpose of the Declaratory Judgment Act as it would present the plaintiff/licensee with the difficult choice of either giving up its rights or incurring the risk of a suit.

The Supreme Court disagreed with the correctness of the grounds on which the Federal Circuit Court had based its judgment. In the Court's opinion, the Federal Circuit's reliance on *Schaffer v. Weast*<sup>30</sup> was misplaced. Although the Supreme Court had noted in *Schaffer* that the ordinary default rule required the plaintiff to bear the burden of proof, *Schaffer* did not involve a declaratory judgment suit. Furthermore, in *Schaffer*, the Court had recognized that there are exceptions to the rule. The instant case presented one such exception. The Federal Circuit had limited its holding to a case such as the present one where the patentee was forestalled from bringing an infringement

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<sup>28</sup> The Court relied on Section 28(4) (1980) of *The Restatement (Second) of Judgments* to support its statement about the shifting of the burden of proof.

<sup>29</sup> *Medimmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 137 (2007).

<sup>30</sup> *Schaffer v. Weast*, 546 U.S. 49 (2005).

counterclaim because of the licensee's continuing adherence to the terms of the agreement. The Supreme Court noted that such situations are common when a licensee is accused of infringement, and that such a situation had in fact arisen in the earlier *Medimmune* case where the Court upheld the constitutional validity of a declaratory judgment suit. Moreover, merely restricting the applicability of a rule does not by itself validate it. An amicus had urged that placing the burden of proof on the patentee would invest the licensee with the leverage to push the patentee into filing a patent infringement suit. The Court dismissed the argument because such an action could only be sustained in cases of genuine dispute. The public interest was evenly weighed in favor of a properly working patent system on the one hand and the refusal to countenance the abuse of a patent right on the other.

For these reasons, the Supreme Court reversed the Federal Circuit's judgment.

## V. Conclusion:

The United States Supreme Court decided six patent cases in its October 2013 term. This is in line with the increasing importance of intellectual property and the growing recognition of its role in the economic prosperity of nations.<sup>31</sup> The United States Supreme Court reversed the judgment of the United States Court of Appeals in five of the six patent cases. This raises interesting issues about the exclusive jurisdiction of Federal Circuit Court in respect of appeals in patent cases.<sup>32</sup> In a perceptive law review article in the Yale Law Journal, Peter Lee has pointedly highlighted the differences in perceptions between the specialist Judges of the Federal Circuit Court and the Justices of the United States Supreme Court, and the recent "holistic" view of the Supreme Court in patent cases as against the more "formalistic" approach of the Federal Circuit Court. The *Medimmune* and *Medtronic* cases are reflective of this trend.

The Supreme Court's judgment in *Medtronic* is clearly more beneficial for licensees vis-à-vis patent holders. Any expressed statement by a patent holder that its patent is being infringed by a licensee's product could trigger a declaratory judgment suit, so long as the licensee continues to abide by the terms of the license. The patentee would

bear the burden of making good its stance. The licensee need not feel pressured into accepting the patentee's demands, without recourse to a remedy, or risk losing its rights under the license.

As a practical matter, from the viewpoint of the patentee, one consequence of this could be an attempt to deter a declaratory judgment suit by inserting a clause in the license agreement which invests the patentee with the right to terminate the agreement upon institution of such a suit. Of course, the validity of such a clause will inevitably be called into question and will be a subject of judicial determination. It could also be in the interest of both licensees and patentees to mutually provide for alternative modes of dispute resolution.

In any event, the *Medtronic* judgment reconfigures the negotiating positions of patent licensees and patent-holders and is sure to have a significant impact on the shaping of patent licensing agreements in the years to come.

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<sup>31</sup> See, e.g., America Invents Act, H.R.1249, 112<sup>th</sup> Cong. Section 18: “

Increasingly our nation has an information based economy, and the key to such an economy is intellectual property such as patents, copyrights and trademarks. Studies establish that intellectual property drives this economy to the tune of 5 trillion dollars, accounting for half of all U.S. exports and employing nearly 18 million workers.

<sup>32</sup> The U.S. Court of Appeals for the Federal Circuit was constituted in 1982. The stated rationale was:

to bring about uniformity of decisions in certain critical areas of the law without the need for Supreme Court review to resolve conflicts between circuits. To this end, the Federal Circuit was given exclusive jurisdiction over appeals from all district courts in cases which arise under the patent laws...A particular need was seen in the field of patents where instability in the law was having a detrimental effect on an important segment of our society, the industrial and business community.

Bennett, Marion T. *The United States Court of Appeals for the Federal Circuit: A History, 1982-1990*, at xi (1991) Washington, D.C.: The U.S. Judicial Conference Committee on the Bicentennial of the Constitution of the United States, 1991.

## 特許訴訟における宣言的判決

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### 要 約

知的財産法の訴訟は近年の傾向として、アメリカ合衆国最高裁の2013年10月訴訟事件一覧表に現れた。アメリカ合衆国最高裁が判決を下した、10事例の知的財産法の訴訟のうち、6事例は特許法に関するものであった。*Medtronic Inc. v. Mirowski Family Venture, LLC*は6つの特許法の訴訟で最初に審理が行われ、2013年から2014年の期間で判決が下されたものである。法廷は2014年1月22日にその見解を言い渡した。その宣言的判決訴訟の立証責任に関する問題は、潜在的な特許権侵害訴訟を出し抜こうとする、特許実施者によって、特許権所有者に反対するものとして申告された。地区の裁判所は、特権所有者が立証責任的な侵害を負うと考えた。上訴では、アメリカ合衆国連邦巡回区控訴裁判所は、地区裁判所の判決を逆転した。連邦巡回区控訴裁判所は、特権実施者がほとんどの侵害事例において、立証責任を負うと制定した。しかしながら、特権実施者が宣言的判決の訴訟被告であり、侵害訴訟の反訴の主張を打ち切りにするところでは、宣言的判決を求める側が立証責任を負う。満場一致でアメリカ合衆国最高裁は連邦巡回区控訴裁判所の判決を逆転した。法廷は立証責任が特権実施者に留まるものとした。この論文では、最高裁判所の意見とその推断の分析を提供している。