

Keywords: Jury trial; declaratory judgment of invalidity

General: A declaratory judgment action for invalidity in which the patentee voluntarily does not seek a legal remedy (i.e., damages) is treated as an “inverted” patent infringement suit. Because the patentee could not have requested a jury trial in such situations, no right to jury trial exists in the declaratory judgment action.

In re Technology Licensing Corp.
76 U.S.P.Q.2d 1450 (Fed. Cir., 2005)
Decided September 12, 2005

I. Facts

Technology Licensing Corp. (TLC) sued Videotek, Inc. for infringement of 4 patents. Videotek sued its supplier, Gennum, to establish an indemnity right. Gennum then sued TLC for declaratory judgment of invalidity of TLC’s patents. TLC and Videotek then settled their dispute, leaving the suit between TLC and Gennum. In that suit, TLC had counterclaimed for infringement, and requested damages and injunctive relief. Following a motion by Gennum questioning TLC’s calculation of damages, the district court entered an order significantly reducing any damages TLC might collect, and TLC dropped its damages claim, leaving only the request for injunctive relief.

TLC requested a jury trial, and Gennum opposed the request, arguing that it had no right to a jury due to the absence of a legal remedy claim. The magistrate, looking to Supreme Court precedent, applied the ruling in *Tull v. United States*. *Tull* established a 2-part test: (1) the action must be compared to an analogous action brought in the courts of England during the eighteenth century, prior to the merger of equity and law; then (2) the remedy sought must be examined to determine whether it is legal or equitable in nature.

The second part of the test was straightforward inasmuch as the only remedy now sought by TLC was equitable in nature. However, because the underlying action was one for invalidity, the issue was unclear because the Federal Circuit’s own precedent in the case of *In re Lockwood* held that a patent infringement case brought by a patentee could be brought in either equity or law, depending upon the remedy sought.

The magistrate held that a declaratory judgment action for invalidity in which a counterclaim of infringement was filed is most closely analogous to an infringement action in which a defense of invalidity is made. In such cases, the right to a jury hinges upon the type of remedy sought by the patentee. Because the remedy sought here did not include a legal remedy, the magistrate denied the right to jury trial.

TLC sought a writ of mandamus to require a trial by jury.

II. Issues

- A. Did TLC lose its right to jury trial by dropping its legal claim to damages?
- B. Was the district court’s analogy of the case to an “inverted” infringement suit with an invalidity defense correct?

III. Discussion

- A. Yes. TLC argued that the case was similar to *Lockwood* (vacated by the Supreme Court on other grounds). In that case, the patentee also brought claims for legal and equity remedies, with a counterclaim for declaration of invalidity. The patentee had been forced to drop the legal remedy claims following a summary judgment ruling. The patentee was then allowed the right to a jury trial, although the only remaining remedy was in equity.

The court then distinguished this case on the basis that in *Lockwood* the legal remedy claim was not dropped voluntarily, but only due to the adverse summary judgment ruling. Here, TLC had voluntarily dropped its damages claim, and had thus forfeited its right to a jury trial.

- B. Yes. The court discussed a possible historical analogy of an action for declaratory judgment of patent invalidity called a writ of *scire facias*, which apparently influenced Newman in her dissent. TLC had argued that late 19th century cases maintained a right to jury trial in similar cases. The majority, however, reviewed the historical nature of the writ of *scire facias*, noting that it involved cases brought by the sovereign to cancel a patent obtained by fraud. The 19th century cases were similar, brought by the government for patent invalidity.

The court followed the magistrate's analysis, concluding that had TLC brought the case for infringement, with only the voluntary equity remedy claimed, there would have been no right to a jury trial, despite Gennum's defense or counterclaim of invalidity. The court concluded that the case should be analogized to an "inverted" infringement action, similarly without the right to a jury.

PSY
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