FEDERAL CIRCUIT PATENT LAW CASE UPDATE

In re Tech. Lic. Corp., misc dkt-765 (Fed. Cir. Sept. 12, 2005) (Per Curiam, J.)

In Gennum's declaratory judgment action against Technology Licensing Corporation (TLC) after TLC sued Gennum's customer (Videotek), the district court denied TLC's petition for a writ of mandamus to compel the district court to grant its request for a jury trial. TLC settled with Videotek, and after a damages ruling, decided to only seek injunctive relief. In this posture, the historical right to a jury trial did not apply. Judge Newman dissented, arguing to read the history differently.

Technology Licensing Corporation (TLC) asserted four patents against Videotek. Videotek sought indemnification from Gennum, Videotek's supplier for the relevant technology. Then Gennum filed a declaratory judgment action against TLC.

> Prior to the trial of the case involving Gennum and TLC, Gennum filed a motion in limine challenging TLC's formula for measuring damages. After a hearing, the district court entered an order that had the effect of significantly reducing the amount of damages TLC would be able to recover from Gennum if infringement were found. Following that order, TLC withdrew its claim for damages for past infringement and notified the district court that it would seek only injunctive relief against future infringement. Gennum then withdrew its request for a jury trial. TLC, however, maintained that it was still entitled to a trial by jury. Noting that Gennum was seeking to invalidate the patents, TLC argued that a declaratory judgment action to invalidate a patent is an action to which the right of trial by jury attaches, regardless of the type of relief sought by the patentee. The magistrate judge, however, ruled otherwise.

This lead TLC to file a petition for a writ of mandamus to compel the district court to grant its request for a jury trial.

> Although we, like the magistrate judge, consider the issue to be close, we concur in the analysis and conclusion reached by the magistrate judge that TLC was not entitled to a jury trial under our decisions and those of the Supreme Court. . . .
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> This case differs from [Tegal Corp. v. Tokyo Electron America, Inc., 257 F.3d 1331 (Fed. Cir. 2001)] in two respects. First, the accused infringer has raised invalidity as a separate claim, not as an affirmative defense. Second, the accused infringer is aligned as the third-party plaintiff, while the patentee is aligned as a third-party defendant and counterclaimant. The second distinction is unimportant. . . .
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> [T]he patentee has voluntarily abandoned its claim for damages and is proceeding only on a request for equitable relief. Thus, the declaratory judgment action in this case is an inverted form of an infringement action in which the patentee has sought only an injunction. In the historically analogous setting of a patent infringement suit with an invalidity defense, the case would therefore have been tried in an equity court, where neither party would be entitled to a jury. For that reason, as the magistrate judge correctly held, Lockwood's historical analysis dictates that TLC's decision to seek only an injunction meant that it lost its right to a jury on the related invalidity claims.

Judge Newman's dissent emphasized the irrelevancy of TLC's decision to seek only injunctive relief.

> Gennum seeks adjudication of both infringement and validity, both causes of action that carry the jury right. That right is not eliminated by TLC's waiver of recovery of damages for infringement, for legal as well as equitable issues remain to be litigated. Precedent makes clear that the waiver of damages does not remove all legal issues from the right to a jury; my colleagues err in holding that both validity and infringement lose the guarantee of the Seventh Amendment. Jury trial of Gennum's claim of invalidity is available as of right, whatever the requested remedy for infringement.

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