



TECHNOLOGY LAW UPDATE

In re Tech. Licensing Corp.

Misc. No. 765

Federal Circuit
Sept. 12, 2005

[I]f the patentee seeks only equitable relief, the accused infringer has no right to a jury trial, regardless of whether the accused infringer asserts invalidity as a defense [or] or as a separate claim.

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On September 12, 2005, the Federal Circuit denied TLC's petition for a writ of mandamus to compel the district court to grant TLC's request for a jury trial in a patent infringement suit where TLC dropped its damages claim and sought only injunctive relief. The Federal Circuit stated:

[A]t common law, allegations of patent infringement could be raised either in an action at law or in a suit in equity. The choice of forum and remedy, and thus of the method of trial, was left to the patentee. If the patentee sought only damages, he filed an action in a court of law. If he sought only to enjoin future acts of infringement, he could only bring a suit in equity.

The magistrate judge concluded that an action for a declaratory judgment of invalidity in which a counterclaim of infringement has been filed is most closely analogous to an action at common law for infringement in which a defense of invalidity was asserted. [B]ecause TLC was seeking only equitable relief, the court concluded that the action would have been brought in equity, and that no jury trial would have been available. . . . TLC petitioned this court 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. We therefore deny the petition for mandamus.

[Regarding] the right to a jury trial in patent cases, it is inconsequential whether the parties are aligned in the conventional manner (patentee as plaintiff and accused infringer as defendant and invalidity counterclaimant) or in the manner that results when the accused infringer initiates the action as a declaratory judgment (accused infringer as plaintiff and patentee as defendant and infringement counterclaimant). [A] patent infringement action with a counterclaim of invalidity "resembles nothing so much as a suit for patent infringement in which the affirmative defense of invalidity has been pled." [I]n such common law actions, the patentee could elect whether to proceed at law or in equity, based on the remedy sought, and the right to a jury would depend on the patentee's choice. [U]nder both English and American practice "it was the patentee who decided in the first instance whether a jury trial on the factual questions relating to validity would be compelled."

[Here,] the 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. . . . TLC's decision to seek only an injunction meant that it lost its right to a jury on the related invalidity claims. [T]he patentee [has] the right to elect a jury by seeking damages in an infringement action or counterclaim, and (2) the accused infringer or declaratory judgment counterclaimant is entitled to a jury trial only if the infringement claim, as asserted by the patentee, would give rise to a jury trial. Thus, if the patentee seeks only equitable relief, the accused infringer has no right to a jury trial, regardless of whether the accused infringer asserts invalidity as a defense [or] or as a separate claim