TECHNOLOGY LAW UPDATE

MedImmune, Inc. v. Genentech, Inc.

Nos. 04-1300, -1384

Federal Circuit
Oct. 18, 2005

The standards for determining jurisdiction in a declaratory judgment action of patent invalidity do not change when the declaration raises a Walker Process claim. A person not under reasonable apprehension of suit cannot overcome the absence of declaratory standing simply by challenging the patent prosecution and asserting fraud.

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On October 18, 2005, the Federal Circuit affirmed the district court's dismissal of MedImmune's suit seeking a declaration that U.S. Patent No. 6,331,415, which relates to human antibody production, is invalid and unenforceable. The Federal Circuit stated:

> MedImmune argues that the interference settlement between Genentech and Celltech was collusive and fraudulent, and that this provides an independent basis for standing to attack the ['415] patent, whether or not the case or controversy requirement of the Declaratory Judgment Act is met. . . . MedImmune argues that settling interferences "at least in part, to prevent an open fight over validity" of itself violates the Sherman Act. [But] the settlement of disputes such as priority in patent interferences is not a presumptive violation of antitrust law; such violation requires a showing of market power and other antitrust predicates. . . .
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> MedImmune [argued] that Genentech and Celltech colluded in the joint submission of their settlement agreement to the district court, and again in their joint submission of the court's judgment order to the [PTO] with the request that [U.S. Patent No. 4,816,397] be cancelled and the ['415 patent] application be granted. The district court dismissed these claims, holding that petitions for governmental action are immune under the Noerr-Pennington doctrine that permits collaboration among competitors to petition the government to take an action that may restrain competition, without incurring antitrust liability by the act of collaborating. . . . MedImmune's disagreement with the result of the priority settlement does not convert it into a presumptive violation of the antitrust laws, or grant MedImmune standing to require judicial review of the evidence and the conclusion reached in the settlement.
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> MedImmune also argues that antitrust violation arose in Genentech's prosecution of the ['415 patent] application after it was returned to ex parte examination. MedImmune states that the additional references that Genentech brought to the examiner's attention should have been presented earlier, that Genentech did not tell the examiner about certain patents under which Genentech was licensed, that Genentech made inconsistent arguments from those it made in an opposition to the ['397] patent in the European Patent Office, that Genentech cited so many references that the most important were "buried," and that Genentech did not tell the examiner about challenges to [the '415 patent] that Celltech had raised during the interference proceeding. Thus MedImmune states that the prosecution was fraudulent, and that enforcement of a fraudulently obtained patent violates the antitrust laws. [The] district court correctly held that the pleadings, which charged Genentech with inequitable conduct, not fraud, fell short of alleging a Walker Process [claim].
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> In addition, MedImmune's charge of fraud during ex parte patent examination does not establish standing to bring a declaratory action to invalidate a patent not involved in a case or controversy between the parties. The standards for determining jurisdiction in a declaratory judgment action of patent invalidity do not change when the declaration raises a Walker Process claim. A person not under reasonable apprehension of suit cannot overcome the absence of declaratory standing simply by challenging the patent prosecution and asserting fraud. There is neither statutory nor precedential authority for collateral attack on patent examination procedures, by a person who does not meet the requirements of declaratory judgment standing.

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