

State Actors Bringing Patent Lawsuits Are Subject to the Same Federal Patent Rules and Procedures As Other Litigants

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Board of Regents of the University of Texas Systems v. Boston Scientific Corporation, No. 2018-1700 (Fed. Cir. Sep. 5, 2019)

The accused infringer moved to dismiss or transfer under Fed. R. Civ. P. 12(b)(3) for improper venue because it lacked a regular and established place of business in Texas. The district court (the Western District of Texas) agreed, determining that venue was improper and transferring the case to the District of Delaware. The University of Texas appealed the transfer decision on the basis of state sovereignty because the Board of Regents is an arm of the state of Texas.

Judge Stoll wrote on behalf of the panel affirming the district court's decision. Although transfer orders are interlocutory, the Federal Circuit has appellate jurisdiction over a limited class of orders exempt from the final judgment rule under the collateral order doctrine. The basis for the patentee's challenge to the district court's transfer order, state sovereignty, falls within that limited class pursuant to Supreme Court precedent.

On the merits, the Federal Circuit determined that state sovereignty does not apply where a state acts solely as the plaintiff, nor do the Eleventh Amendment and Original Jurisdiction Clause support the position that a state has the right to bypass other federal venue rules when it engages in patent litigation as a plaintiff. Instead, the Eleventh Amendment applies to suits *against* the state, not to suits *by* the state. As there were no claims or counterclaims pending against the patentee, the patent infringement lawsuit is not affected by the Eleventh Amendment. Similarly, the Original Jurisdiction Clause does not support the notion that a state has the "affirmative right" to bring suit in any forum provided personal jurisdiction requirements are met. The patentee did not institute the proceeding as an original proceeding in the Supreme Court, and cannot shoehorn transfer between district courts into the Original Jurisdiction Clause. Finally, the court determined that states do not have inherent powers as state sovereigns to disregard rules governing patent infringement once they choose to file such suits in federal district court. In doing so, states voluntarily invoke the federal court's jurisdiction, and are bound by federal rules and procedures.

[A copy of the opinion can be found here.](#)

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