IP Alert: A Theory of Invalidity is Not Enough to Invalidate a Patent

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The U.S. Court of Appeals for the Federal Circuit affirmed on different grounds a lower court's dismissal for lack of jurisdiction under the Declaratory Judgment Act of AbbVie's lawsuit seeking a judgement of invalidity of MedImmune's U.S. Patent No. 6,248,516 (the '516 patent). AbbVie Inc. et al. v. MedImmune Ltd. (Fed. Cir. No. 17-1689), decided February 5, 2018. Our discussion of the oral arguments of the appeal here provides details of the dispute.

AbbVie contracted to pay royalties to MedImmune for the sale of certain antibodies until certain patents expired, and only one of those patents, the '516 patent, remained in force. AbbVie did not practice the invention of the '516 patent, however, and wished to terminate its royalty obligation early. To do so, AbbVie sued for a declaratory judgment of invalidity of the '516 patent, seeking to have it invalidated for double patenting over claims of a related, already expired patent. AbbVie only sought a declaration of invalidity and did not also seek a declaration that the invalidation of the '516 patent would terminate the remaining contractual obligations.

Although the appeal panel affirmed the lower court's decision, it did so on different grounds because it found error in the lower court's reasoning. The U.S. District Court for the Eastern District of Virginia had found a lack of actual case or controversy due to AbbVie's failure to demonstrate infringement, threat of infringement, or intent to infringe. The appeal panel found that reasoning insufficient to deny jurisdiction as AbbVie's claim did not turn on whether it infringed. Rather, the appeal panel relied on its view that the

fundamental disagreement of the parties was a contract dispute. The panel also noted that "[i]f properly presented, such a contractual dispute could confer declaratory-judgment jurisdiction." Slip opinion at 5.

Thus, the appeal panel found that AbbVie's declaratory judgment request was properly dismissed because "it would not resolve the entire case or controversy…but would merely determine a collateral legal issue governing certain aspects of their pending or future suits." Slip opinion at page 7, quoting Calderon v. Ashmus, 523 U.S. 740, 747 (1998). The panel found the AbbVie strategy was therefore an improper request for "piecemeal adjudication of defenses" that it might use in further litigation. Slip opinion at 6. The panel further opined that AbbVie should have sought a declaratory judgment of its contractual obligations in either a U.S. or U.K. court. Without such a step to resolve its underlying contract dispute, the court lacked jurisdiction to resolve the patent's validity.

Click here to download the decision in AbbVie Inc. et al. v. MedImmune Ltd.

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