



Accorda and TC Heartland: The Federal Circuit Addresses Jurisdiction In Hatch-Waxman Suits and Venue in Patent Infringement Suits

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The Federal Circuit recently granted district courts broad personal jurisdiction over Hatch-Waxman Act defendants in [Accorda Therapeutics, Inc. v. Mylan Pharmaceuticals, Inc.](#) and declined to narrow venue in patent infringement suits in [In re TC Heartland LLC](#).¹

In [Accorda](#), the Federal Circuit held that an ANDA filer could be sued for patent infringement in any judicial district in which the ANDA filer intends to market its ANDA products after approval. [Id.](#) at 10-11. Specifically, the Court allowed several patent holders to bring suit against Mylan in the District of Delaware even though Mylan is incorporated and has its principal place of business in West Virginia. [Id.](#) at 5.

Mylan moved to dismiss, arguing that the Fourteenth Amendment prevents the District of Delaware from exercising personal jurisdiction over Mylan because Mylan lacks minimum contacts with Delaware. Mylan also argued that the Court could only speculate on where it might sell its products in the future. In Mylan's view, speculative future conduct could neither meet the minimum contacts standard required for personal jurisdiction nor the case or controversy requirement of Article III. [See id.](#) at 10-15.

The Federal Circuit rejected Mylan's arguments and held that the District of Delaware had specific personal jurisdiction because Mylan intended to direct sales of its accused ANDA products into Delaware after obtaining FDA approval. [Id.](#) at 6-8. The panel reasoned that courts generally have the power to grant injunctions to prevent a defendant's reasonably certain future conduct, and that Mylan was reasonably certain to sell its products in Delaware because Mylan maintains a distribution network in Delaware. [Id.](#) at 10-15. The Court also viewed its ruling as consistent with the Hatch-Waxman Act, which allows courts to enjoin future sales. [Id.](#)

In reaching its conclusion, the Court distinguished [Zeneca Limited v. Mylan Pharmaceuticals, Inc.](#), No. 97-1477 (Fed. Cir. Apr. 1, 1999). In [Zeneca](#), the Federal Circuit held that Mylan's filing of an ANDA application with an FDA office in Maryland was not sufficient to grant the District of Maryland personal jurisdiction over Mylan. In one opinion, the court applied a "government contacts" exception to personal jurisdiction—i.e., merely petitioning a federal agency that is located in a particular forum does not subject a corporation to suit in that forum. The government contacts exception finds its roots in the First Amendment right to petition the government.

The Federal Circuit also declined to narrow venue in patent cases in [TC Heartland](#). The court rejected TC Heartland's proposal to limit patent suits to: (i) a defendant's home forum; or (ii) a forum where it both commits infringing acts and has a regular and established place of business. The court's opinion addressed the interaction between two venue statutes.

The patent venue (28 U.S.C. § 1400(b)) statute governs venue in patent suits. It allows suits to proceed where a corporation (i) resides or (ii) commits infringing acts and has a regular and established place of business. The court's decision focused on the definition of the word "resides" in the patent venue statute. The Supreme Court last interpreted the patent venue statute in 1957, when it held that the word "resides" refers only to the defendant's state of incorporation. [Fourco Glass Co. v. Transmirra Products Corp.](#), 353 U.S. 222 (1957).

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[Bryan J. Braunel](#)
Associate

In 1990, the Federal Circuit held that a second statute, the general venue statute, (28 U.S.C. § 1391) defines the word "resides" in the patent venue statute. The Federal Circuit based its holding on post-[Fourco](#) amendments to the general venue statute. The general venue statute states that a corporation "shall be deemed to reside ... in any judicial district in which such defendant is subject to the court's personal jurisdiction." 28 U.S.C. § 1391(c). See [VE Holding Corp. v. Johnson Gas Appliance Co.](#), 917 F.2d 1574, 1579 (Fed. Cir. 1990), cert. denied 499 U.S. 922 (1991).

TC Heartland argued that Congress intended for courts to again apply the definition of the word "resides" from [Fourco](#) to the patent venue statute when Congress amended the general venue statute in 2011. Congress amended the general venue statute to recite, among other things, that it governs venue "except as otherwise provided for by law." 28 U.S.C. § 1391(a). TC Heartland argued that, because the patent venue statute provides for venue in patent suits, the "except as otherwise provided for by law" language prevents courts from supplementing the definition of residence in the general venue statute with language from the general venue statute.

The Federal Circuit rejected this argument. First, the Federal Circuit reasoned that the general venue statute is the only law that defines the word "resides" in the patent venue statute. Therefore, the "except as otherwise provided for by law" language does not prevent the court from applying the definition of "resides" from the general venue statute.

Second, Congress added language to the general venue statute stating that the general venue statute defines residence "for all venue purposes." The Federal Circuit reasoned that Congress thereby intended for the general venue statute to define residence for many actions, including patent infringement actions. See 28 U.S.C. § 1391(c).

The Federal Circuit additionally ruled that the District of Delaware may exercise personal jurisdiction over TC Heartland because it shipped goods into Delaware through an established distribution channel, which the court held is sufficient for minimum contacts.

At oral argument, TC Heartland's attorney indicated that TC Heartland would seek *en banc* review so that the full court could consider whether [VE Holding](#) was wrongly decided.

After [TC Heartland](#), it seems that the scope of patent venue will likely be coextensive with the scope of personal jurisdiction. After [Accorda](#), many Hatch-Waxman Act defendants will likely be subject to suit in any state, assuming that the defendant intends to market its products in all states upon receiving FDA approval.

¹ All citations are to the publicly available versions of the opinions.

