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Federal Circuit Holds That Patent-Law Malpractice Claim Belongs Exclusively In Federal District Court and That Plaintiff Must Prove Inventions Are Patentable To Show Proximate Cause

Porter Wright partners Jim King and Bryan Faller won a successful appeal in *Davis v. Brouse McDowell, L.P.A.*, __ F.3d __, 2010 WL 698875 (Fed. Cir. 2010), the Federal Circuit's first precedential patent-law malpractice decision issued this year. The case involved an inventor who claimed that a partner of an Ohio-based law firm committed malpractice in prosecuting both domestic and foreign patent applications for her inventions. The district court granted summary judgment for the law firm and the partner, and the Federal Circuit affirmed.

The decision addressed two related questions unique to patent-law malpractice claims. The first involves the jurisdiction of federal courts to hear these claims. The Federal Circuit agreed with the district court that federal courts have exclusive jurisdiction under 28 U.S.C. § 1338 over legal malpractice actions that require resolution of a substantial question of federal patent law. Because the plaintiff in *Davis* alleged that she would have received U.S. patents "but for" the attorney's negligence, the Federal Circuit found that her claim necessarily raised a substantial question of federal patent law — that is, whether her inventions were patentable. The Federal Circuit accordingly held that the district court had exclusive subject-matter jurisdiction over the plaintiff's state-law malpractice case.

The second question was the application of the "case-within-a-case" doctrine under Ohio law to the issue of proximate cause. Based on the Ohio Supreme Court's decision in *Environmental Network Corp. v. Goodman Weiss Miller, L.L.P.*, 119 Ohio St.3d 209, 893 N,E,2d 173 (Ohio 2008), the Federal Circuit concluded that the case-within-a-case doctrine applies if the plaintiff's theory of recovery was that she would have received patents "but for" the defendants' alleged negligence. Since the plaintiff asserted that her inventions would have received patents in the U.S. were it not for the lawyer's malpractice, she necessarily had to prove that her inventions were patentable. "[T]o satisfy the causation prong of the malpractice standard Ms. Davis must prove, by a preponderance of the evidence, that she would have received patents on her inventions but for [her attorney's] alleged negligence in preparing and filing the applications." *Id.* at *5.

The Federal Circuit also concluded that a malpractice plaintiff must also do more than simply come forward with an expert's "naked conclusion" to prove patentability, or even survive summary judgment. *Id.* at *8. Instead, the plaintiff must produce evidence establishing that the U.S. Patent & Trademark Office would find the plaintiff's inventions patentable. The plaintiff in *Davis* failed to produce any such evidence, and thus the Federal Circuit affirmed the district court's entry of summary judgment in the defendants' favor.

For more information, contact:

Jim King
614.227.2051
jking@porterwright.com

Bryan Faller
614.227.2022
bfaller@porterwright.com

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