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# James Dabney: Defender Of Supreme Court Patent Precedent

By **Matthew Bultman**

*Law360, New York (June 12, 2017, 3:35 PM EDT)* -- From his office at Hughes Hubbard & Reed LLP in lower Manhattan one morning last week, James Dabney reviewed a recent decision from a federal judge in Virginia that he planned to send to students in his patent law course at Cornell University.

Hughes Hubbard attorneys (from left) Emma Baratta, James Dabney, John Duffy and Richard Koehl

The case involved Brunswick Corp., which wanted to transfer a patent suit from rival Cobalt Boats to Tennessee. Brunswick argued a U.S. Supreme Courtdecision last month limiting where patent lawsuits can be filed meant the Virginia court could not hear the case.

In TC Heartland v. Kraft Foods Group Brands, the justices undid the Federal Circuit's broad venue rule and reinstated 1957 Supreme Court precedent. While Brunswick hadn't contested the venue issue before, it said it should get a pass because TC Heartland was a change in the law. But the judge denied the request. One passage of the opinion, in particular, caught Dabney's attention.

"Based on the Supreme Court's holding in TC Heartland, [Fourco Glass v. Transmirra Products] has continued to be binding law since it was decided in 1957, and thus, it has been available to every defendant since 1957," the opinion said. "Brunswick's assumption that Fourco was no longer good law was reasonable but wrong, and it cannot be excused from its waiver by saying there was a change in the law."

"That passage is a very good illustration of the situation that exists in the United States today, in which you have a body of Supreme Court precedent and a body of Federal Circuit precedent, and the two are not always consistent with one another," Dabney said.

Conflict between Supreme Court and lower court precedent is right in Dabney's wheelhouse. It's the focus of the course he teaches at Cornell Law School, "Conflicts in Patent Law and Practice." And it's been at the heart of various Supreme Court cases he's won, including TC Heartland, a blockbuster ruling that many believe will reshape the patent litigation landscape.

“The history of the TC Heartland case, I think it shows the continuing importance of being familiar with Supreme Court patent precedent and having the fortitude to assert it when you believe that you’re correct,” he said.

TC Heartland concerned a federal venue statute, which states that a patent lawsuit may be filed where the defendant resides or has a regular and established place of business. In Fourco, the Supreme Court decided that “resides” meant the place of incorporation. But the Federal Circuit in 1990 adopted a more broad interpretation, one that essentially allowed patent lawsuits to be filed anywhere that a defendant does business.

In a unanimous decision May 22, the Supreme Court reinstated its old standard, saying Fourco remained good law.

The case marked the third time Dabney has won Supreme Court reversal of a Federal Circuit decision on the issue of patent law or procedure. One was in Holmes Group v. Vornado, a 2002 decision that overturned case law concerning the Federal Circuit’s appellate jurisdiction. The other was in 2007 in KSR v. Teleflex, when the justices decided the Federal Circuit had been applying too rigid a standard for determining whether a patent is obvious. The high court said the standard consistent with its precedent should be more expansive and flexible.

Jason Rantanen, a professor at the University of Iowa College of Law, once ranked KSR among the most important patent cases of all time. His colleague at the Patently-O law blog, Dennis Crouch, said in 2015 that KSR had become the most widely cited Supreme Court patent case.

TC Heartland is another that people will be talking about for a long time. The decision is expected to sharply limit patent owners’ ability to funnel cases to courts viewed as favorable to them. And many have celebrated it as a blow to patent trolls, entities that focus on licensing and litigating their patents rather than on making products.

“This means that patent trolls can no longer drag companies to distant and inconvenient forums that favor patent owners but have little connection to the dispute,” the Electronic Frontier Foundation, a nonprofit digital rights group, wrote in a blog post after the ruling.

But venue is also important in cases between competitors. Case in point: TC Heartland, a liquid sweetener company, challenged the rule after it was sued for patent infringement by Kraft in Delaware and unsuccessfully tried to have the case moved to Indiana, where it is based.

“Venue does matter for various reasons,” Dabney, who co-heads Hughes Hubbard’s intellectual property and technology practice group, said. “It’s not an accident that for most of our nation’s history, defendants have been protected against defending themselves in remote venues.”

Dabney has represented TC Heartland throughout the case, from the beginning stages in 2014 through the Supreme Court. This is somewhat unusual in an age where trial counsel often give way to specialists when the time comes for arguments at the high court.

From the outset, the company argued it didn’t have a presence in Delaware and that the district court was bound by the Fourco decision. After the district court rejected that argument, TC Heartland filed a mandamus petition with the Federal Circuit.

The appeals court came down hard in its April 2016 decision, even calling one of TC Heartland's arguments “utterly without merit or logic.” While that sort of harsh language could seem discouraging, Dabney said it actually bolstered their bid for Supreme Court review.

“Language like ‘utterly without merit or logic’ is language that then can be relied on in a petition for Supreme Court review to say, ‘There’s no sense waiting. They’re not going to change their mind,’” he said.

The Supreme Court agreed in December to hear the case. But the justices seemed to struggle at times with the idea of upending a rule that had been in place for almost three decades. During arguments, Justice Elena Kagan raised the question: “When 30 years of practice goes against you, what happens?”

Without hesitation, Dabney recalled the 2007 KSR case.

“I heard [retired Justice David Souter] say something like that in the KSR case,” he responded to Justice Kagan, emphasizing that “this court has again and again and again stood up for its authority to declare what the law is.”

And it did that again in TC Heartland.

If nothing else, Dabney said as a lawyer you want to be able to have confidence that there are rules and standards that are governing and that you can ground decisions in. It's discomfiting, he said, to think that the law could be in conflict.

“If I ever run out of energy [and] stop trying to educate and stand up for Supreme Court patent precedent, I’m hopeful that some of these decisions will be looked upon with [the view] that there was some positive effects there,” he said.

--Editing by Christine Chun and Aaron Pelc.

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