Does Federal District Court Have Exclusive Jurisdiction Over Legal Malpractice Claims Involving Patents?

By Jeffrey P. Lewis

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Under 28 U.S.C. § 1338(a), U.S. federal district courts are conferred exclusive jurisdiction over patent matters based upon the following language: "The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety protection and copyright cases." In *Christianson v. Colt Indus. Operating Corp.,* 486 U.S. 800, 809 (1998), the U.S. Supreme Court held that jurisdiction under § 1338(a) extends "only to those cases in which a well-pleaded complaint establishes either that federal patent law creates the cause of action or that the plaintiff's right to relief necessarily depends on resolution of a substantial question of federal patent law, in that patent law is a necessary element of one of the well-pleaded claims."

Does this provision mean that any malpractice claim that implicates patent law, even indirectly, must be brought in federal district court? The federal circuit court of appeals did not first consider this issue until October 2007 in *Air Measurement Techs., Inc. v. Akin Gump Strauss Hauer & Feld, L.L.P.,* 504 F.3d 1262, 1269 (Fed. Cir. 2007), wherein it held that the federal district court had exclusive jurisdiction to hear any malpractice claim "where success on malpractice claim required proof of patent infringement." What the federal circuit thinks about this issue is paramount in view of the fact that it has exclusive appellate jurisdiction over patent matters.

But the issue is not as simple as it would first appear. After all, other courts, including state courts, have reached a seemingly contrary conclusion. For example, in *New Tek Mfg., Inc. v. Beehner,* 751 N.W.2d 135, 144 (Neb. 2008), the Supreme Court of Nebraska found jurisdiction in state court in a case where the allegation was that a patent lawyer negligently advised his client, which resulted in the loss of a patent. As another example, in *Roof Technical Servs. v. Hill,* 679 F. Supp. 2d 749, 754 (N.D. Tex. 2010), a Texas federal district court found that it did not have subject matter jurisdiction over a legal malpractice claim where the patent law issue involved was "merely floating on the periphery."

A recent Ohio federal district court ruling illustrates some of the vagaries faced when confronted with the question of whether a malpractice case against a patent lawyer belongs in state court or federal district court. In *Tattletale Portable Alarm Systems, Inc. v. Calfee, Halter & Griswold LLP,* 2011 U.S. Dist. LEXIS 14250 (decided Feb. 14, 2011), a client brought suit against its patent lawyers and law firm in Ohio state court, alleging that they had "negligently failed to advise it of applicable patent maintenance fee deadlines, resulting in the loss of a valuable patent." The trial court dismissed the action on the basis that the federal district court had exclusive jurisdiction. An Ohio appeals court affirmed based upon the premise "that plaintiff's malpractice claim involved issues of whether the patent at issue actually had lapsed, and whether reinstatement of the patent should have been sought." Plaintiff then filed a new action in federal district court to assert the same claim.

The original action was filed in Ohio state court within the one-year statute of limitations applicable under Ohio law, but by the time the Ohio appeals court affirmed, the original statute of limitations had expired. This raised the question of whether plaintiff's claim was now time-barred because plaintiff had not filed suit in federal court within the initial one-year period or whether plaintiff's claim was saved by an Ohio statute that gives plaintiff a new one-year period in which to file suit in federal court.

Defendants responded to the complaint in the federal action by filing a motion to dismiss. They contended that the existence of exclusive federal jurisdiction over this claim was so clear that, based upon a rare exception to the statutory provision giving plaintiff a year to file in federal court following termination of its state lawsuit, plaintiff's claim should be time-barred because plaintiff should have known to file in federal court in the first instance.

In denying the motion to dismiss, the court notes that plaintiff had filed suit in state court before the federal circuit court of appeals "had first considered the implication for malpractice claims of 28 U.S.C. § 1338(a)'s grant of exclusive jurisdiction to the federal courts over matters concerning substantial issues of patent law." Moreover, the court notes that "the *Christianson* test inherently requires a case-by-case factual inquiry." As a result, the court refused to apply the narrow exception to the principle that a plaintiff has a year following dismissal from state court for lack of subject matter jurisdiction to file a new action in federal court.

What lessons does this case teach the practitioner? First and foremost, when considering the prosecution of a legal malpractice claim that implicates patent law, suit should be brought in federal court and should also be brought by writ of summons in state court to act as a "savings action." That way, should the federal court dismiss for lack of subject matter jurisdiction, there is no question that the statute of limitations has been tolled by the state action. Because the federal court in *Tattletale* refused to apply the limited exception to the one-year rule, plaintiff was not harmed by its failure to file in both courts initially. There was no guarantee, however, that the federal court would not apply the exception. Moreover, since 28 U.S.C. § 1338(a) also grants exclusive subject matter jurisdiction in federal court for plant variety protection and copyrights, there is at least an argument that legal malpractice actions that implicate those areas of the law also belong exclusively in federal court.

Finally, what is imponderable to this author is consideration of the consequences should the federal court in *Tattletale* have found that it did not have subject matter jurisdiction, meaning that neither court would accept the case. Try again in state court?