No. 07-956

In the
Supreme Court of the United States

BIOMEDICAL PATENT
MANAGEMENT CORPORATION,

Petitioner,

v.

STATE OF CALIFORNIA,
DEPARTMENT OF HEALTH SERVICES,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF FOR THE RESPONDENT IN OPPOSITION

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QUESTIONS PRESENTED

In December 1997, the California Department of Health Services (DHS, n/k/a California Department of Public Health) intervened in a federal district court lawsuit between one of its contractors and petitioner, Biomedical Patent Management Corporation, concerning purported patent infringement by DHS's contractor. Six months later, the lawsuit was dismissed without prejudice, on petitioner's motion, for improper venue. After the lawsuit was dismissed, this Court held that Congress exceeded its authority in attempting to abrogate the States' sovereign immunity under the Patent and Plant Variety Protection Remedy Clarification Act. *Florida Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank*, 527 U.S. 627 (1999). In 2006, petitioner filed a new suit against DHS alleging the same patent infringement that was at issue in the 1997 case.

1. Did DHS's intervention in the 1997 patent infringement case, which was dismissed without prejudice at a time when applicable law provided that states were not immune from patent infringement claims, operate to waive DHS's Eleventh Amendment immunity as to the 2006 lawsuit?

2. Can DHS be held to have constructively waived its Eleventh Amendment immunity in patent infringement cases because a separate arm of state government, the University of California, has sought to enforce its own patents in the federal courts?

LIST OF PARTIES

Petitioner is Biomedical Patent Management Corporation.

Respondent is the California Department of Public Health, which was formerly known as the California Department of Health Services (DHS). *See* Cal. Health & Safety Code § 20 (West Supp. 2008). For simplicity, this brief will refer to respondent as DHS.

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JURISDICTION

The judgment of the court of appeals was entered on October 23, 2007. The petition for writ of certiorari was filed on January 22, 2008. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATEMENT

1. In 1992, Congress enacted the Patent and Plant Variety Protection Remedy Clarification Act to "clarify" that states and state entities "are subject to suit in Federal court by any person for infringement of patents." Pub.L. 102-560, preamble, 106 Stat. 4230. The Act expressly provided that state entities could not rely on the Eleventh Amendment or any other immunities when sued for patent infringement:

> Any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his official capacity, shall not be immune, under the eleventh amendment of the Constitution of the United States or under any other doctrine of sovereign immunity, from suit in Federal court by any person . . . for

> infringement of a patent under section 271, or for any other violation under this title.

35 U.S.C. § 296 (2000).

Seven years later, this Court held in *Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank*, 527 U.S. 627 (1999), that Congress had exceeded its authority under the Constitution in attempting to abrogate state sovereign immunity in the Act. In a separate decision issued the same day, this Court also held that states may not be held to constructively waive their sovereign immunity. *Coll. Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666 (1999).

2. The incidents at issue in this lawsuit both predate and postdate this Court's decision in *Florida Prepaid* clarifying the availability of states' immunity defenses in patent infringement claims. Petitioner is the holder of United States patent number 4,874,693 (the "'693 patent"), entitled "Method for assessing placental dysfunction." Pet. App. 58a. Respondent, a state agency, operates a statewide prenatal screening program in California to identify certain genetic disorders and birth defects. Respondent has contracted with various third parties, including Kaiser Foundation Health Plan (Kaiser), to provide laboratory testing to pregnant women under this program. Petitioner contends that DHS's screening program infringes its patent. Pet. App. 57a-60a, 61a-65a, 70a-76a.

On August 28, 1997, Kaiser filed a lawsuit (the "1997 Lawsuit") against petitioner in the Northern District of California seeking a declaratory judgment that it had not infringed the '693 patent. DHS intervened and filed a Complaint in Intervention for Declaratory Judgment of Patent Invalidity and Non-Infringement. Pet. App. 66a-69a. In May 1998, the court dismissed without prejudice the 1997 Lawsuit on petitioner's motion, over DHS's opposition, for improper venue. Pet. App. 54a-55a.

Less than a week later, on May 12, 1998, petitioner filed a new lawsuit against DHS in the Southern District of California that alleged infringement of its '693 patent (the "1998 Lawsuit"). Pet. App. 61a-65a. In its answer, DHS asserted the affirmative defense of Eleventh Amendment immunity. *See* Pet. App. 30a-31a. In October 1998, petitioner moved for voluntary dismissal of the case without prejudice under Federal Rule of Civil Procedure 41(a)(2). *See* Pet. App 46a. In support, it cited a circuit split regarding the availability of Eleventh Amendment immunity defenses, including the Federal Circuit's decision in *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*, 148 F.3d 1343 (Fed. Cir. 1998), *rev'd*, 527 U.S. 627 (1999). *See* Pet. App. at 47a-48a. Petitioner sought, through dismissal, "to avoid costly and lengthy litigation when the Supreme Court may grant certiorari and *resolve a controlling legal issue in this case*." *See* Pet. App. 48a. Petitioner argued that a holding by this Court that Congress lacked authority to abrogate sovereign

immunity in patent infringement cases "'may moot this action.'" Pet. App. 48a (quoting petitioner's papers).

DHS opposed the motion for dismissal, based in part upon concerns that the action would be re-filed at a later date. However, the district court agreed with petitioner that action by this Court on the pending certiorari petitions could moot the case:

> Though DHS is correct that the Supreme Court has yet to actually grant certiorari in any of these cases, this court notes that the petitions are pending and that the issues *directly relate to a controlling issue in this case.* If DHS is entitled to immunity under the Eleventh Amendment, it will be unnecessary for this court to inquire into the scope of the '693 Patent.

Pet. App. 49a (emphasis added). Accordingly, on November 20, 1998, the court granted petitioner's motion to dismiss without prejudice. Pet. App. 53a.

Almost eight years later (and well after this Court's decision in *Florida Prepaid*), on February 2, 2006, petitioner filed a new lawsuit against DHS (the "2006 Lawsuit"), again claiming infringement of the '693 patent. Pet. App. 57a-60a. Inexplicably, petitioner filed the 2006 complaint in the district court of the Northern District of California, the very venue that petitioner had strenuously and successfully opposed in the 1997 Lawsuit. DHS moved to dismiss

the 2006 Lawsuit, citing its sovereign immunity and the Eleventh Amendment.

3. On June 9, 2006, the district court issued a Memorandum and Order granting DHS's motion to dismiss the 2006 Lawsuit. Pet. App. 29a-42a. The district court held that any waiver of the Eleventh Amendment by DHS in the 1997 Lawsuit did not extend to the 2006 Lawsuit because petitioner's voluntary dismissal rendered the 1997 Lawsuit a nullity. Pet. App. 34a-37a (citing, *inter alia*, *City of S. Pasadena v. Mineta*, 284 F.3d 1154 (9th Cir. 2002); *Graves v. Principi*, 294 F.3d 1350 (Fed. Cir. 2002)). The district court also rejected petitioner's argument that use of the federal courts by entirely separate state entities in unrelated patent litigation operated as a "general waiver of immunity" that would preclude DHS from raising an immunity defense in this case. Pet. App. 40a-41a. Accordingly, the district court entered judgment dismissing the action with prejudice. Pet. App. 43a.

4. Petitioner appealed to the court of appeals for the Federal Circuit. On October 23, 2007, the court of appeals issued a decision affirming the district court's judgment of dismissal. Pet. App. 1a-28a. The court of appeals held that DHS had waived its Eleventh Amendment immunity in the 1997 Lawsuit by voluntarily invoking the district court's jurisdiction. Pet. App. 7a. However, the court rejected petitioner's argument that any waiver in the 1997 Lawsuit carried over into subsequent lawsuits. Pet. App. 18a-23a. The court held "that a waiver generally does not

extend to a separate lawsuit, and that any waiver, including one effected by litigation conduct, must be 'clear.'" Pet. App. 22a-23a (applying *Tegic Communications Corp. v. Board of Regents of Univ. of Tex. Sys.*, 458 F.3d 1335 (Fed. Cir 2006) and *City of S. Pasadena*). The court of appeals also held that *Lapides v. Board of Regents of the University System of Georgia*, 535 U.S. 613 (2002), relied upon by petitioner, was distinguishable. Pet. App. 10a-13a. Finally, the court of appeals rejected petitioner's argument that the State of California had somehow generally waived its Eleventh Amendment immunity in all patent suits based on its conduct in patent litigation. Pet. App. 27a (citing *Coll. Sav. Bank*, 527 U.S. at 680).

ARGUMENT

The judgment of the court of appeals is correct and does not conflict with any decision of this Court or any court of appeals. Further review is unwarranted.

I.

REVIEW IS UNWARRANTED OF THE FEDERAL CIRCUIT'S HOLDING THAT DHS DID NOT WAIVE ITS ELEVENTH AMENDMENT IMMUNITY IN THE 2006 LAWSUIT BY INTERVENING IN THE 1997 LAWSUIT.

1. The court of appeals correctly held that DHS's intervention in the 1997 Lawsuit did not effect

a waiver of DHS's Eleventh Amendment immunity in the 2006 Lawsuit. The court of appeals applied a long-standing and uncontroversial general legal principle to reach this result: that dismissal of a lawsuit without prejudice leaves the parties as if the lawsuit had never been brought. 9 Charles Alan Wright & Arthur R. Miller, *Fed. Prac. & Proc.* § 2367, at 559 (2008) ("[A]s numerous federal courts have made clear, a voluntary dismissal without prejudice under Rule 41(a) leaves the situation as if the action never had been filed."). For this reason, a defendant may raise as a defense in any subsequent lawsuit "matters it waived in the earlier lawsuit." William W Schwarzer, et al., *Rutter Group Prac. Guide: Fed. Civ. Proc. Before Trial*, ¶ 16:383.5 (The Rutter Group 2007).

The circuits are not split on the applicability of the legal principle at issue. Rather, the principle that dismissal leaves the parties as if the earlier suit had not been filed has been universally cited and applied, including repeatedly in the very circuits that petitioner identifies as part of a purported circuit split. *See, e.g.*, *In re Piper Aircraft Distrib. Sys. Antitrust Litig.*, 551 F.2d 213, 219 (8th Cir. 1977) (effect of dismissal without prejudice is "to render the proceedings a nullity and leave the parties as if the action had never been brought"); *City of S. Pasadena v. Mineta*, 284 F.3d 1154, 1157 (9th Cir. 2002) (dismissal under Rule 41(a)(1) "'leaves the situation as if the action never had been filed'" (quoting 9 Wright & Miller, *supra*, § 2367)); *see also Sandstrom v.*

ChemLawn Corp., 904 F.2d 83, 86 (1st Cir. 1990) ("[A] voluntary dismissal under Fed.R.Civ.P. 41(a) wipes the slate clean, making any future lawsuit based on the same claim an entirely new lawsuit unrelated to the earlier (dismissed) action"); *Cabrera v. Municipality of Bayamon*, 622 F.2d 4, 6 (1st Cir. 1980); *Williams v. Clarke*, 82 F.3d 270, 273 (8th Cir. 1996); *Navellier v. Sletten*, 262 F.3d 923, 938 (9th Cir. 2001); *City of S. Pasadena*, 284 F.3d at 1157-58 (collecting cases).

The present case merely applies that general legal principle in a unique factual context. It is so unique that the parties and the courts below have identified only *one* published court of appeals decision that applied the general principle in analogous circumstances: *City of South Pasadena,* 284 F.3d 1154. There, the Ninth Circuit held that a state entity's waiver of Eleventh Amendment immunity in a case that was dismissed under Rule 41 did not carry over to a subsequently-filed case.

The precise question presented in *City of South Pasadena* was: "Is the State of California barred from invoking its sovereign immunity in federal court because it waived this immunity through participation in a predecessor lawsuit?" 284 F.3d at 1155. The City of South Pasadena had initially filed suit in January 1973, seeking an injunction against construction of a freeway pending completion of environmental studies. *Id.* The parties to the lawsuit, which included state entities, entered into a stipulation pursuant to which construction was delayed 25 years while the lawsuit was pending. *Id.* After the

environmental studies were completed, in 1998, the parties stipulated to dismissal of the 1973 lawsuit. *Id.* at 1156. The city then filed a new federal action that raised procedural and substantive challenges to the environmental studies at issue in the first suit. *Id.* The state raised the Eleventh Amendment as a defense to the new federal action. *Id.* The district court held that the state had waived its Eleventh Amendment immunity because the state had failed to assert its immunity in the first lawsuit, and that waiver carried over to the subsequent case. *Id.* The Ninth Circuit reversed, citing the principle that a Rule 41 dismissal leaves the parties as if the case had never been filed:

> The state's earlier immunity waiver only helps plaintiffs if it carries over to the current lawsuit. The city, however, voluntarily dismissed the 1973 action pursuant to Fed.R.Civ.P. 41(a)(1)(ii). This was the city's first voluntary dismissal, and it was therefore without prejudice. . . . Such a dismissal "leaves the situation as if the action never had been filed." . . . This means that "any future lawsuit based on the same claim [is] an entirely new lawsuit unrelated to the earlier (dismissed) action."

Id. at 1157 (internal footnote and citations omitted). Similarly here, DHS's failure to assert an Eleventh Amendment defense in the 1997 Lawsuit, which was dismissed without prejudice pursuant to Rule 41(a),

did not carry over as a waiver to the defense in the 2006 Lawsuit.[1]

There are any number of defenses that a party may raise that are not waived under similar circumstances, including personal jurisdiction and statutes of limitations. *Cf. Robinson v. Willow Glen Academy*, 895 F.2d 1168 (7th Cir. 1990) (holding that statute of limitations was not tolled during period in which original case was pending because voluntary dismissal of that case rendered it a nullity). The court of appeals' decision in the present case recognizes that a state's immunity to suit is not so fragile that it may be more easily waived than defenses commonly available to traditional defendants. *Cf. Wisconsin Dep't of Corr. v. Schact*, 524 U.S. 381, 394 (1998) (Kennedy, J., concurring) (noting that "in certain respects," Eleventh Amendment "immunity bears substantial similarity to personal jurisdiction requirements").

2. Relying on *Lapides v. Board of Regents of the University System of Georgia*, 535 U.S. 613 (2002), petitioner contends that the Federal Circuit reached the wrong result. In *Lapides*, this Court held that a state entity, the Board of Regents of the University

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[1] That the 1997 Lawsuit was dismissed by court order under Rule 41(a) rather than by stipulation (as occurred in *City of South Pasadena*) is irrelevant. *See City of S. Pasadena*, 284 F.3d at 1148 n.4 (explaining that the reasoning behind the general principle "applies with equal force" to dismissals under 41(a)(1) and 41(a)(2)).

System of Georgia, waived its immunity under the Eleventh Amendment by removing a state lawsuit to federal court.

As the Federal Circuit correctly held below, *Lapides* is inapposite. Pet. App. at 10a-13a. *Lapides* did not address whether a waiver of Eleventh Amendment immunity in one case, which is dismissed under Rule 41, carries over to a subsequently-filed new case raising the same or similar claims. Rather, in *Lapides*, a state sought to invoke the federal court's jurisdiction (through removal) and then defend against the same jurisdiction (through a motion to dismiss based on the Eleventh Amendment) *in the same case,* as this Court emphasized in its decision:

> It would seem anomalous or inconsistent for a State both (1) to invoke federal jurisdiction, thereby contending that the "Judicial power of the United States" extends *to the case at hand*, and (2) to claim Eleventh Amendment immunity, thereby denying that the "Judicial power of the United States" extends *to the case at hand*. And a Constitution that permitted States to follow their litigation interests by freely asserting *both claims in the same case* could generate unfair results.

535 U.S. at 619 (emphasis added). Thus, in *Lapides*, there was no intervening dismissal to "wipe[] the slate clean" between two separate lawsuits. *See Sandstrom*, 904 F.2d at 86.

Lapides is inapposite for another reason. In *Lapides*, this Court was careful to limit its holding to removal of "state-law claims, in respect to which the State has explicitly waived immunity from state-court proceedings." 535 U.S. at 617. *Lapides*, therefore, did not decide whether a state's removal of a *federal* claim (e.g., the patent claims here), as to which the state has *not* waived its sovereign immunity, would constitute a waiver of Eleventh Amendment immunity. The present case, in contrast, involves federal rather than state claims, as to which the State has not waived its immunity. While DHS briefed this separate argument below, the Federal Circuit did not reach it, making this case a particularly inappropriate vehicle for addressing the questions presented by petitioner.

Finally, petitioner argues that, under *Lapides,* waiver is required to avoid "inconsistency" and "unfairness." *Lapides,* however, did not announce a general rule of constructive waiver, under which waiver will be found whenever necessary to avoid perceived inconsistency or unfairness. Moreover, DHS has not engaged in inconsistent or unfair conduct. DHS intervened in the 1997 Lawsuit at a time when, under applicable law, it reasonably believed it had no immunity to patent claims because Congress had abrogated it. 35 U.S.C. § 296 (2000). By the time the second lawsuit was filed in May 1998, a recent series of appellate decisions had called into question whether Congress could validly abrogate states' immunity in trademark or copyright cases, and

therefore, at least potentially, in patent cases.[2] Given the developing potential for a favorable ruling with respect to patents, DHS asserted its Eleventh Amendment defense in the 1998 Lawsuit – and petitioner relied upon existence of that potential defense in successfully arguing for dismissal of that same lawsuit. *See* Pet. App. 30a-32a, 47a-50a. By the time the present lawsuit was filed in 2006, *Florida Prepaid* had held that states retained their immunity to patent claims notwithstanding Congress's attempt to abrogate that immunity. DHS raised its Eleventh Amendment immunity in the present case, at the first opportunity, by filing a motion to dismiss.

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[2] On December 5, 1997, the Third Circuit Court of Appeals issued its decision in *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board,* 131 F.3d 353 (3d Cir. 1997), *aff'd*, 527 U.S. 666 (1999), holding that Congress exceeded its authority in attempting to abrogate state immunity under the Trademark Remedy Clarification Act. On April 20, 1998, the Fifth Circuit held in *Chavez v. Arte Publico Press*, 139 F.3d 504 (5th Cir.), *revised and superseded,* 157 F.3d 282 (5th Cir.), *vacated*, 178 F.3d 281 (5th Cir. 1998), *reh'g en banc*, 180 F.3d 674 (5th Cir. 1999), that Congress exceeded its authority in attempting to abrogate state immunity under the Trademark Remedy Clarification Act and the Copyright Remedy Clarification Act. On May 4, 1998, the Federal Circuit held in *Genentech, Inc. v. Regents of the University of California,* 143 F.3d 1446 (Fed. Cir. 1998), *vacated,* 527 U.S. 1031 (1999), that the University of California had waived its Eleventh Amendment immunity in a patent case. On June 30, 1998, the Federal Circuit held in *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board,* 148 F.3d 1343 (Fed. Cir. 1998), *rev'd*, 527 U.S. 627 (1999), that Congress had authority to abrogate state immunity under the Patent and Plant Variety Protection Remedy Clarification Act.

While DHS has acted consistently, petitioner has not. In seeking dismissal of the second, 1998, lawsuit, petitioner advanced precisely the argument that it now seeks to disavow – that if this Court ruled favorably in *Florida Prepaid*, DHS would have a valid Eleventh Amendment Immunity defense. And, as a result of petitioner's making that argument, the circumstances changed: the district court granted the motion to dismiss because it agreed that a favorable Supreme Court decision on a "controlling issue in the case" could moot the case. Now petitioner seeks to argue exactly the opposite – that *Florida Prepaid* has no effect on this case because DHS waived its immunity for all time before *Florida Prepaid* even was decided. It is petitioner, rather than respondent, who is advancing inconsistent positions in this litigation in order to obtain an unfair litigation advantage.[3]

3. Petitioner contends, incorrectly, that the Federal Circuit's decision in this case created a nascent circuit split between the Federal Circuit on one side, and the Eighth and Ninth Circuits on the other side. Petitioner relies upon two inapposite bankruptcy cases to support the existence of this purported circuit split: *In re Rose*, 187 F.3d 926 (8th

[3] Presumably petitioner did not make its constructive waiver argument earlier (e.g., in the second lawsuit) because *Lapides* had not yet been decided. Accordingly, petitioner seeks to obtain for itself the benefit of an inapposite decision, *Lapides*, that was decided after the second lawsuit, while denying respondent the benefit of a controlling decision, *Florida Prepaid*, that was also decided after the second lawsuit.

Cir. 1999) and *In re Lazar*, 237 F.3d 967 (9th Cir. 2001). In *Rose*, the Eight Circuit applied "a well-established common law rule that submission of a proof of claim by a state" in a bankruptcy proceeding "'waive[s] any immunity which [the state] otherwise might have had respecting the adjudication of the claim.'" 187 F.3d at 929. The court of appeals expressly recognized the specialized context for its holding: "The case before this court does not present a general question of Eleventh Amendment immunity . . . for waiver has long been a factor in bankruptcy proceedings." *Id.*; *see also id.* at 930, n.8 ("[B]ankruptcy has long been considered a special area of the law.") In finding waiver, *Lazar* also applied this same bankruptcy-specific principle. 237 F.3d at 980. Petitioner's reliance on the Ninth Circuit's inapposite decision in *Lazar* is surprising given the Ninth Circuit's far more recent, and entirely apposite, decision in *City of South Pasadena*.[4]

Petitioner also cites the First Circuit's decision in *New Hampshire v. Ramsey*, 366 F.3d 1 (1st Cir. 2004),

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[4] Petitioner contends that *City of South Pasadena* was "rejected" by the Eighth Circuit in *Robinette v. Jones*, 476 F.3d 585 (8th Cir. 2007). Pet. at 20, n.7. However, *Robinette* does not mention *City of South Pasadena*, let alone "reject" it. Further, *Robinette* is inapposite: recognizing that the "finality requirement for issue preclusion has become less rigorous," the court applied collateral estoppel to certain claims that had been resolved on the merits prior to dismissal of an earlier suit. *Id.* at 589. The present case does not turn on the scope of collateral estoppel and its "finality" requirement.

as evidence of a circuit split. The Federal Circuit below correctly held that *Ramsey* was distinguishable. Pet. App. at 15a.

Waiver was found in *Ramsey* only after extensive inconsistent conduct, both pre- and post-dismissal, by a state entity that initially aggressively argued in favor of the federal forum against which it subsequently invoked its immunity. The state entity failed to raise its Eleventh Amendment immunity in the original district court action, and then *also* failed to raise the defense in the subsequent administrative hearing, 366 F.3d at 11, *and* initially failed to raise it in subsequent proceedings before the federal Secretary of Education, *id.* at 12. The state entity then raised its potential immunity defense in a supplemental memorandum submitted to a federal arbitration panel convened by the Secretary, but failed to raise the defense at oral argument and in its requested rulings of law, and the panel did not reach the issue. *Id.* The state entity then brought suit in federal district court seeking review of the arbitrator's decision, and raised the Eleventh Amendment as a defense to the arbitration proceeding. *Id.* at 13.

While the First Circuit did hold that the state entity had partially waived its Eleventh Amendment immunity on these facts, the court repeatedly explained that waiver did *not* occur solely as a result of the state entity's failure to raise the defense in the original court proceeding. *See* 366 F.3d at 16 ("This case goes well beyond a simple matter of failure to raise an immunity argument in earlier proceedings.");

id. at 17 ("To be clear, this case involves more than a simple failure by the state to raise Eleventh Amendment immunity in earlier proceedings."). Rather, the First Circuit found waiver through a combination of repeated and affirmative actions by the state entity. Chief among them was that the state entity had successfully obtained dismissal of the first action on the premise that the administrative proceeding was a proper forum – that is, the very administrative proceeding against which the state entity *then* sought to invoke its Eleventh Amendment immunity. *See* 366 F.3d at 16; *see also id.* at 17 ("[I]t involves a voluntary and calculated choice by the state to gain the advantage of dismissal of the 1998 federal action for injunctive relief by arguing that [certain administrative procedures and remedies] applied."). The state entity then participated in the administrative proceedings *without* objection, even though it knew that those proceedings were subject to judicial review. *Id.* at 17 (noting that state entered into such proceedings "without a whimper of protest."). This, too, factored into the First Circuit's holding. *Id.* at 18 ("[T]he state, having gained the advantage that it sought, is bound by the choice that it made.").

The present case does not involve repeated acceptance of the federal court's jurisdiction by DHS, both pre- and post-dismissal of a lawsuit. To the contrary, after dismissal of the 1997 Lawsuit, DHS consistently raised the Eleventh Amendment as a defense. And in this case, DHS did not argue for and obtain dismissal of a federal case on the basis of an

alternative forum, only to raise an Eleventh Amendment defense to that alternative forum after its dismissal argument proved successful. In fact, petitioner, not DHS, sought and obtained dismissal of the earlier (1997 and 1998) lawsuits. And it is petitioner, not DHS, that made an argument to obtain dismissal that it now seeks to disavow in order to obtain a litigation advantage.

In sum, review of the present case is unwarranted. The Federal Circuit's decision is entirely consistent with *City of South Pasadena,* the one appellate case that is even remotely on point. There is no circuit split to warrant this Court's review. That the issue is unlikely to recur is confirmed by lack of published appellate decisions that are on point. Because there is no circuit split and the issue is unlikely to recur, the Petition should be denied.

II.

REVIEW IS UNWARRANTED OF WHETHER THE UNIVERSITY OF CALIFORNIA'S ENFORCEMENT OF ITS PATENT RIGHTS EFFECTED A WAIVER OF SOVEREIGN IMMUNITY BY OTHER STATE ENTITIES IN UNRELATED CASES.

1. The court of appeals correctly rejected petitioner's argument that DHS has lost its right to assert an Eleventh Amendment defense to patent infringement cases because a separate state entity, the University of California, has defended its patent

rights in unrelated federal cases. Pet. App. at 27a. In *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*, 527 U.S. 666 (1999), this Court rejected a related argument: that a state may be held to waive its sovereign immunity where (1) Congress provides unambiguously that a state will be subject to suits if it engages in specified federally regulated conduct, and (2) a state voluntarily elects to engage in that conduct. *See id.* at 679. Of significance, this Court reiterated that "'[c]onstructive consent is not a doctrine commonly associated with the surrender of constitutional rights.'" *Id.* at 681 (quoting *Edelman v. Jordan*, 415 U.S. 651, 673 (1974)). Rather, waiver requires the "'intentional relinquishment or abandonment of a known right or privilege.'" *Id.* at 682 (quoting *Johnson v. Zerbst*, 304 U.S. 458, 464 (1938)).

Petitioner seeks not only to reverse *College Savings Bank* a mere eight years after it was decided, but to advance a far more expansive theory of liability than the Court rejected in that case. What petitioner seeks is a rule of law under which a state may be held to have *involuntarily* waived its sovereign immunity for an entire class of litigation – patent litigation – *without any Congressional action whatsoever*. Such a rule cannot be squared with the ongoing respect for state sovereignty that is central to the structure and application of the federal Constitution. *See Alden v. Maine,* 527 U.S. 706, 713 (1999) ("[T]he States' immunity from suit is a fundamental aspect of the sovereignty which the States enjoyed before the

ratification of the Constitution, and which they retain today.").

Petitioner casts its argument as a logical extension of *Lapides*. Again, however, *Lapides* did not announce a general rule of constructive waiver whenever necessary to avoid perceived inconsistency or unfairness. And, while petitioner may contend that it is unfair for states to be able to sue without being sued, that one-sidedness is a feature of the state's sovereign immunity, which is not unique to patent law. "In the sovereign-immunity context . . . '[e]venhandedness' between individuals and States is not to be expected: '[T]he constitutional role of the States sets them apart from other employers and defendants.'" *Coll. Sav. Bank*, 527 U.S. at 685-86 (citation omitted).

Finally, it would be particularly inappropriate to consider or adopt a rule of constructive waiver in the present case because there is no allegation that DHS has used the federal courts to enforce its own patent rights. Rather, petitioner alleges only that the University of California, a completely separate state entity, has done so. Under the California Constitution, the Regents of the University of California (a corporation), are separately established as a public trust "with full powers of organization and government." Cal. Const. art. IX, § 9(a). Petitioner has cited no authority pursuant to which the conduct of the University of California in completely unrelated litigation may be properly imputed to DHS, because there is none. *See People ex rel. Lockyer v. Superior*

Court, 19 Cal. Rptr. 3d 324, 337 (Cal. Ct. App. 2004) ("[S]tate agencies, in the ordinary course of their duties, are distinct and separate governmental entities.").[5]

2. Review is unwarranted because, as even petitioner concedes, there is no circuit split on this issue to justify this Court's intervention. *See* Pet. at 26 (recognizing that "there is no circuit conflict on this question"). Instead, petitioner seeks to advance in this Court a position that has not been adopted by a single court of appeals.[6]

3. Review also should be denied because, as petitioner concedes, the issues raised here are unlikely to recur. Petitioner states: "[I]t is not clear that another case presenting this question will arise even in the Federal Circuit," and acknowledges that "[t]his case may therefore be the *only* vehicle for resolving the issue." Pet. at 26-27. The present case

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[5] Relatedly, amici curiae argue that, as a result of sovereign immunity, states have unfair bargaining power with respect to patent rights. DHS is hardly positioned to respond to this allegation given that it is not claimed to be a holder of patents, let alone an active enforcer of such rights. This argument should be developed and litigated, if at all, in a case involving a state entity that has a patent portfolio that it actively defends.

[6] Petitioner seeks to explain the absence of a circuit split on the ground that all patent cases develop through the Federal Circuit. However, it is certainly not the case that all *immunity* cases come up through the Federal Circuit. Further, petitioner has not even identified any federal district court decisions that support the position it seeks to raise here.

has many aspects that make it unique, and therefore an inappropriate vehicle for this Court's consideration, including the intervening change in the law represented by *Florida Prepaid*.

CONCLUSION

The Petition for Writ of Certiorari should be denied.

Dated: March 21, 2008

Respectfully submitted,

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