No. 11-1118

IN THE
SUPREME COURT OF THE UNITED STATES

JERRY W. GUNN, INDIVIDUALLY, WILLIAMS SQUIRE & WREN, L.L.P., JAMES E. WREN, INDIVIDUALLY, SLUSSER & FROST, L.L.P., WILLIAM C. SLUSSER, INDIVIDUALLY, SLUSSER, WILSON & PARTRIDGE, L.L.P., AND MICHAEL E. WILSON, INDIVIDUALLY,
Petitioners

v.

VERNON F. MINTON
Respondent

On Petition for Writ of Certiorari
To The Supreme Court of Texas

SUPPLEMENTAL BRIEF OF RESPONDENT

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SUPPLEMENTAL BRIEF OF RESPONDENT

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I. Recent decisions indicate that the Attorneys' fear is not justified and the *Minton* decision will not lead to all state claims involving embedded federal issues being swept into federal court.

The Attorneys have continued to argue that the precedent set by *Minton v. Gunn,* 355 S.W.3d 634 (Tex. 1022), *Air Measurement Technologies, Inc. v. Akin, Gump, Strause, Hauer & Feld, LLP,* 504 F.3d 1262 (Fed. Cir. 2007) and *Immunocept v. Fulbright & Jaworski, L.L.P.,* 504 F.3d 1281 (Fed. Cir. 2007) will lead to all embedded federal issues being swept into federal courts without any empirical data in support. Plus, this argument ignores the different treatment afforded to patent law under federal jurisdiction, which is recognized in such cases as *Singh v. Duane Morris, LLP,* 538 F.3d 334 (5th Cir. 1997).

Recently, the First District Court of Appeals of Texas, seated in Houston, declined to apply the standard set in *Minton* to a legal malpractice case based upon an underlying antitrust claim. In *In re Haynes and Boone, LLP,* the court of appeals stated, "Because there is no nexus between the 'arising under' standard and the question of whether federal courts have jurisdiction over the embedded federal antitrust issues, we reject relators' suggestion that the *Grable* standard provides the appropriate frame of analysis." Appendix A, *In re Haynes and Boone, LLP,* 2012 WL 3068787, No. 01-12-00341-CV, *3 (Tex.App.—Houston [1st Dist.], July 26, 2012).

In re Haynes and Boone is a successor to the decision of *RX.com, Inc. v. O'Quinn,* 766 F.Supp.2d 790 (S.D. Tex 2011), which remanded the case to state court after it was removed to federal court. It is also a case upon which the Attorneys have relied in their arguments to the Texas Supreme Court and to this Court.[1] Interestingly, the real parties in interest in that case, RX.com and its founder Joe S. Rosson, filed an *amici curiae* brief in *Minton v. Gunn* at the Texas Supreme Court. That brief argued that applying federal jurisdiction in the *Minton* case would "impermissibly sweep into federal court and divest Texas courts of numerous Texas state law legal malpractice cases arising from federal court litigation," and "would seriously and fundamentally disturb the balance of federal and state judicial responsibilities." See, Brief of Amici Curiae RX.Com, Inc. and Joe S. Rosson, p. 4. That fear was directly proven to be unjustified in their own case when the Texas Supreme Court's decision in *Minton* was not applied because the case did not involve underlying patent litigation.

The *Haynes and Boone* decision reasons that U.S.C. § 1331 and U.S.C. § 1338 are distinguishable:

> *Minton* is procedurally distinguishable from the Federal Circuit precedents[2] because it involved Texas state courts deciding whether a legal malpractice claim arose under federal patent law, not to determine whether a federal

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[1] *See*, Petition for Writ of Certiorari, p. 23.

[2] Referring to *Air Measurement Technologies, Inc. v. Akin Gump Strauss Hauer & Feld, LLP,* 504 F.3d 1262, 1272 (Fed. Cir. 2007) and *Immunocept, LLC v. Fulbright & Jaworski, LLP,* 504 F.3d 1281 (Fed. Cir. 2007).

> court could exercise jurisdiction over the claim, but to determine whether the state courts were forbidden from exercising jurisdiction over the claim. In contrast to section 1331, which merely describes an affirmative grant of power for federal courts to exercise jurisdiction over cases 'arising under' federal law, section 1338(a) both grants power for federal courts to exercise jurisdiction over cases 'arising under' patent law and also has a converse effect on the jurisdiction of state courts, which are specifically forbidden from exercising jurisdiction over the same scope of claims.

App. at *4. Congress has highlighted this difference in the U.S. Code to emphasize the importance that has been placed on the uniformity of federal patent law, and which makes patent law a unique area of law in that it is subject only to the exclusive jurisdiction of federal courts.

The concurrence in the *Haynes and Boone* decision further notes that *Minton* is inapplicable to that case because *Minton* involves a legal dispute of federal patent law, not just a factual dispute. Note 2 of the concurrence by Justice Brown notes:

> In *Minton,* there was a factual dispute regarding the applicability of the experimental use exception to the on-sale bar to patentability of the invention. The court of appeals' opinion reveals that there was also,

> however, a legal dispute. *Minton v. Gunn,* 301 S.W.3d 702, 709 (Tex.App.—Fort Worth 2010), *rev'd on other grounds* 355 S.W.3d 634 (Tex. 2011) (noting that dispute was 'predominately one of fact'). In the court of appeals, the parties disagreed on the standard that applies for determining when testing is sufficient to constitute an experimental use. The plaintiff contended that 'experimental use is supported by any testing needed to convince the inventor that the invention is capable of performing its intended purpose in its intended environment.' *Id.* at 712 n. 46. The court of appeals disagreed and held that the testing must relate to a claimed feature of the patented invention. Applying this standard, the court of appeals concluded that the testing evidence offered by the inventor did 'not, as a matter of law, support experimental use.' *Id.* at 712. Because the court of appeals affirmed a no-evidence summary judgment on this basis, the disputed legal issue was critical to the ultimate issue in the case.

App. A at *8, FN 2. *Minton* involves a substantial and disputed question of federal patent law that goes beyond the application of law to facts and which warrants the specialized knowledge of a federal court judge familiar with patent law.

Justice Brown points out that *Minton* is an "expressly limited holding." *In re Haynes and Boone,* *8. The Texas Supreme Court's decision in this case cautions that all cases will have to meet the standards set by *Grable* in order to show that an embedded federal patent law issue warrants exclusive federal law jurisdiction. *Minton,* 355 S.W.3d at 646.

The Attorneys' "sky is falling" approach is not convincing. They have overstated the risk that the Texas Supreme Court's decision will lead to all kinds of embedded federal questions being swept into federal court. Furthermore, it is not the *Minton* decision, nor the *Air Measurement Technologies* decision, nor the *Immunocept* decision, that has led to the increase in legal malpractice claims overall or in patent and intellectual property cases in particular cited by the Attorneys in their reply.[3] Those increases could be due to multiple factors, including the economic downturn and the increase in the potential value of patents in technology-related fields. *See Embedded Federal Questions, Exclusive Jurisdiction and Patent-Based Malpractice Claims,* 51 William & Mary L. Rev. 1237, 1240 fn. 18 (2009) In any event, there is certainly no "flood" of cases being swept into federal court. Congress wants patent issues being decided in federal court that meet this jurisdictional standard. Any legislation overturning the reasoning used in *Air Measurement* and *Immunocept,* or *Grable & Sons Metal Prods., Inc. v. Darue Eng'g & Mfg.,* 545 U.S. 308 (2005) and *Christianson v. Colt Indus. Operating Corp.,* 486 U.S. 800 (1988), was noticeably absent from the recently-passed America Invents Act, the first major act of

[3] Reply Brief in Support of Petition for Writ of Certiorari, pp. 2-3.

patent law in more than fifty years. Finally, Congress recently had the opportunity to cure Petitioner's alleged fears and to restrict federal court jurisdiction relating to patents. But, instead of restricting federal court jurisdiction, Congress actually expanded federal court jurisdiction. The America Invents Act expresses Congress' intent to further strengthen exclusive federal jurisdiction over patent law claims by including counterclaims. *See* Brief in Opposition, pp. 20-21.

Rather than causing a landslide of such cases into federal court, the Texas Supreme Court's decision joins the multiple other decisions by both federal and state courts in correctly applying this Court's decisions in *Grable* and *Christianson* to find that exclusive federal jurisdiction applies where a disputed, substantial issue of federal patent law is an essential element of the plaintiff's claim.

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CONCLUSION

This Court should deny the Petition for Writ of Certiorari because the only disputed issue in this case is the application of the experimental use exception to the on-sale bar doctrine and it is both a legal and factual dispute. Application of exclusive federal jurisdiction here does not disturb the delicate balance of state and federal interest, has not lead to all embedded federal issues being swept into federal court, nor will it result in disturbing the body of Texas legal malpractice law.

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Respectfully submitted,

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