No. 13-43

IN THE

# Supreme Court of the United States

MAERSK DRILLING USA, INC.,
*Petitioner*,
v.
TRANSOCEAN OFFSHORE DEEPWATER DRILLING, INC.,
*Respondent*.

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

## *AMICUS CURIAE* BRIEF OF THE MINISTRY OF FOREIGN AFFAIRS OF DENMARK IN SUPPORT OF PETITIONER


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## INTEREST OF *AMICUS CURIAE* [1]

This brief is submitted on behalf of the Ministry of Foreign Affairs of Denmark. As a matter of public policy, the Ministry submits *amicus curiae* briefs only in cases where compelling state interests are at stake. This is such a case. The Federal Circuit – by applying U.S. patent law to conduct that occurred entirely within Scandinavia – made an unwanted and unprecedented intrusion into the regulation of conduct within foreign sovereigns' own territory.

Denmark has a substantial interest in the orderly administration of patent laws within its borders. Through its patent laws, Denmark has sought to create a stable, predictable legal framework for Danish companies such as Maersk A/S and other companies doing business in Denmark. Accordingly, Denmark expects foreign nations to respect its sovereign authority to regulate conduct on its own soil, just as it respects the sovereign authority of foreign nations to regulate conduct on their own soil.

Denmark also has a significant interest in maintaining strong commercial ties with the United States. In 2012, the United States was Denmark's largest trading partner outside of the European Union, with total bilateral trade in goods and services approaching $18 billion. Denmark wants to foster a legal environment that promotes trade between the two nations.

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[1] No counsel for a party authored this brief in whole or in part, and no party or counsel for a party made a monetary contribution intended to fund the preparation or submission of this brief. No one other than *amicus curiae* or its counsel made a monetary contribution to the preparation or submission of this brief. *Amicus curiae* timely notified all parties of its intent to file this brief, and consent to file was granted by all parties.

## ARGUMENT

### I. THE FEDERAL CIRCUIT'S DECISIONS VIOLATE INTERNATIONAL COMITY PRINCIPLES LONG RECOGNIZED BY THIS COURT.

The Federal Circuit's decisions violate well-established principles of international comity by extending the reach of 35 U.S.C. § 271(a) to conduct that takes place purely within the territory of foreign countries. This extraterritorial application of U.S. patent law infringes on the authority of other sovereigns, causes a conflict of laws, and injects uncertainty into commercial relations.

Sensitive to these undesirable consequences, the Court has long applied a presumption against the extraterritorial operation of U.S. law. *See Rose v. Himley*, 8 U.S. (4 Cranch) 241, 279 (1808) (holding that "the legislation of every country is territorial" and "the pacific rights of sovereignty must be exercised within the territory of the sovereign"). The Court recently reaffirmed that the presumption serves "to protect against unintended clashes between our laws and those of other nations which could result in international discord." *Kiobel v. Royal Dutch Petroleum Co.*, 133 S. Ct. 1659, 1664 (2013) (citing *EEOC v. Arabian American Oil Co.*, 499 U.S. 244, 248 (1991)). *See also Sosa v. Alvarez-Machain*, 542 U.S. 692, 761 (2004) (Breyer, J., concurring) ("[N]otions of comity . . . lead each nation to respect the sovereign rights of other nations by limiting the reach of its laws and their enforcement."). Importantly, comity "helps the potentially conflicting laws of different nations work together in harmony – a harmony particularly

needed in today's highly interdependent commercial world." *F. Hoffmann-La Roche Ltd. v. Empagran S.A.*, 542 U.S. 155, 164 (2004).

In this case, the conflict of laws is not academic. The Federal Circuit's decisions extend U.S. patent law to conduct in countries where the corresponding patents actually have been declared invalid (Norway) or severely curtailed (the European Union). As a result, the decisions below interfere with sovereigns' application of their own patent laws within their own borders.

The decisions below offend comity principles in other respects as well. The decisions invite foreign countries to enforce their patent laws inside the territory of the U.S., regardless of whether the U.S. consents or whether any patent infringement even occurred in the territory of the enforcing state. Furthermore, the decisions create substantial uncertainty for businesses whose conduct in a particular country becomes subject to the inconsistent patent regimes of multiple countries.

Courts may not take it upon themselves to override these comity concerns. The policy judgment about whether to give a statute extraterritorial effect belongs to Congress. *Morrison v. National Australia Bank Ltd.*, 130 S. Ct. 2869, 2878 (2010). Here, Congress has not given a "clear indication" that 35 U.S.C. § 271(a) should apply extraterritorially. *Id.* To the contrary, the statute contains express territorial limits. *See* 35 U.S.C. § 271(a) (referring to "whoever without authority makes, uses, offers to sell, or sells any patented invention, *within the United States* or imports *into the United States* any patented invention" (emphasis added)).

This Court must "ensure that the Judiciary does not erroneously adopt an interpretation of U. S. law that carries foreign policy consequences not clearly intended by the political branches." *Kiobel*, 133 S. Ct. at 1664. By granting certiorari, this Court also has an opportunity to reduce the commercial uncertainty that an overbroad assertion of U.S. patent law has caused.

## II. THE FEDERAL CIRCUIT'S DECISIONS UPSET INTERNATIONAL UNDERSTANDINGS ABOUT THE TERRITORIAL NATURE OF PATENT LAWS.

The principle of territoriality is a feature not only of U.S. patent law, but also of Danish patent law, European patent law, and international agreements regarding intellectual property rights. Indeed, this Court has stated that the presumption against extraterritoriality "applies with particular force in patent law," because "foreign law may embody different policy judgments about the relative rights of inventors, competitors, and the public in patented inventions." *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 454-55 (2007) (internal quotation omitted).

Denmark's policy judgments are reflected in the Danish Patent Act. This Act applies to conduct within – and *only* within – the territory of Denmark. *See* Consolidated Act No. 108 of Jan. 24, 2012, § 3(2), (containing the phrase "*her i landet*," which translates to "in this country"). Thus, under Danish law, a deal concluded between two companies in the United States could not entail an infringement of a Danish patent where no infringing activity occurs on Danish soil.

In an effort to make patent protection more uniform throughout Europe, Denmark has ratified the European Patent Convention. The Convention allows for the grant of a European patent that may be enforced in all the Contracting States. *See* arts. 3, 168, OJ EPO 1973. The Contracting States, by definition, have consented to this framework. But they have not consented to enforcement within their borders of foreign patents issued outside the framework – such as patents issued by non-party the United States.

Moreover, both Denmark and the United States have ratified international agreements that reflect the principle of territoriality. The World Trade Organization's Agreement on Trade Related Aspects of Intellectual Property Rights, for example, requires that "Members shall ensure that enforcement procedures . . . are available *under their law* so as to permit effective action against any act of infringement of intellectual property rights." Art. 41, Apr. 15, 1994, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (emphasis added). In addition, the Paris Convention for the Protection of Industrial Property – which is administered by the World Intellectual Property Organization – presupposes that the grant and protection of patent rights are subject to the exclusive competence and legislation of individual member states. *See, e.g.*, Art. 2 ("National Treatment for Nationals of Countries of the Union"), Mar. 20, 1883, 21 U.S.T. 1583, 828 U.N.T.S. 305. No international agreement recognizes the extraterritorial application of patent rights granted on the basis of national legislation.

In light of the territoriality principle that is well-established in patent systems around the world, Danish companies have come to understand that their

conduct in Denmark is subject only to Danish and European patent regimes. Until the Federal Circuit issued the unprecedented decisions below, Danish companies had no reason to believe that their conduct in Denmark (or elsewhere in Europe) would be regulated by U.S. patent law – particularly where, as here, their conduct did not result in any violation of U.S. patent law on U.S. soil. The decisions below therefore upset the settled expectations of the international business community.

## CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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