

Sovereign Immunity and Patents: Here Be Dragons!

James R. Major, D.Phil., Esq.
Associate, Lucas & Mercanti, LLP



Why Are We Here?

- Allergan, Inc. assigned patents covering RESTASIS[®] to a Native American tribe
- The Tribe purported to license some rights back to Allergan while retaining others
- In *inter partes* review proceedings, the Tribe asserted tribal immunity

The Prerogative Power (1 of 2)

- Put *very* simply, when can a U.K. government minister act without parliamentary consent?
- Issuing passports, sure, but . . .
- What about Brexit (invoking Article 50 of the Treaty of Lisbon)?

The Prerogative Power (2 of 2)

- *Miller's Case* (2017): the U.K. Supreme Court loosely defines the Royal prerogative
- Three categories:
 - the Sovereign's constitutional prerogatives;
 - the Prerogative executive powers; and
 - the legal prerogatives of the Crown

The Legal Prerogative of the Crown

- “[T]he Crown can do no wrong”
- “[T]he Crown is not bound by statute save where by express words or necessary implication”
- This is the source of modern sovereign immunity

Three Types of Immunity

- *State* immunity of foreign nations based on federal law and comity
- *Sovereign* immunity of the states in federal court based on the Eleventh Amendment
- *Tribal* immunity of Native American tribes based on federal common law

Sovereign Immunity Principles

- A sovereign entity must expressly waive the immunity
- A court has no jurisdiction over a *defendant* sovereign entity but . . .
- A sovereign entity waives the immunity if filing suit as a plaintiff

Redux: Why Are We Here? (1 of 2)

- Challengers of unasserted patents have no “case or controversy” in federal courts . . .
- But *inter partes* review proceedings in the Patent Office have no such requirement
- *Coviden*: the Eleventh Amendment bars such proceedings against *state* actors

Redux: Why Are We Here? (2 of 2)

Does Native American tribal immunity extend to patent proceedings?

Back to *Allergan* (1 of 3)

- The Patent Office requests *amici* briefs on the applicability of tribal immunity to proceedings
- Fifteen briefs submitted, including mine (in a personal capacity)
- My brief argued that the licensing agreement was really an assignment back to Allergan

Back to *Allergan* (2 of 3)

- The Tribe requested discovery from the Board as to the “impartiality” of the proceedings
- Two days later, the Board denied the request
- The Board cited the equivalent of ABA Model Rule 8.2 (no false or reckless statements regarding the integrity of a judge)

Back to *Allergan* (3 of 3)

- What will happen next?
- Your guess is as good as mine!

Immunity and Patents 2.0

- Could Allergan and the Tribe have drafted a different licensing agreement?
- Did Allergan and the Tribe make any strategic errors?
- Perhaps there is an alternative way to structure future arrangements?

Thank You!



James R. Major, D.Phil.

Associate, Lucas & Mercanti, LLP

(212) 661-8000

jmajor@lmiplaw.com