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The authors explore the latest development in the continuing saga of the effect of *Gunn v. Minton* on the patent bar.

Judge O'Malley's Escape Hatch Will Not Always Work!

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The authors have written on the continuing saga of the effect of *Gunn v. Minton*, 133 S. Ct. 1059, 105 U.S.P.Q.2d 1665 (2013), on the patent bar twice before: ''Should the Patent Bar Try to Get *Gunn v. Minton* Legislatively Overruled?,'' 90 PTCJ 3129, 9/11/15, and ''Has Judge O'Malley Shown Us How to Dodge the *Gunn*?,'' 91 PTCJ 646, 1/8/16. In the latter we discussed Federal Circuit Judge Kathleen M. O'Malley's opinion in *State of Vermont v. MPHJ Technology Investments, LLC*, 803 F.3d 635, 116 U.S.P.Q.2d 1595 (Fed. Cir. 2015), and speculated that it had ''shown members of the patent bar how to dodge the *Gunn* [i.e., get malpractice actions against members of the patent bar decided in federal rather than state courts], at least in the situations that are of general concern to the patent bar as a whole—as opposed to the situations that are of concern only to the specific members of the patent bar whose personal careers are at stake.'' 91 PTCJ at 646.

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Now, however, a still more recent opinion suggests that Judge O'Malley's escape hatch will not always work—even in situations that are unquestionably of general concern to the patent bar as a whole—and that what is really needed is, as the authors argued initially, the legislative overruling of *Gunn v. Minton*.

What Happened in *Solar Dynamics, Inc. v. Buchanan Ingersoll & Rooney*

The opinion considered here is *Solar Dynamics, Inc. v. Buchanan Ingersoll & Rooney, P.C.*, 2017 BL 37530, 211 So. 3d 294 (Fla. Dist. Ct. App., Feb. 8, 2017). Solar Dynamics Inc. had hired Buchanan Ingersoll & Rooney, P.C. (''BIR'') to obtain a patent for it, which BIR did. However, after the attorney-client relationship tanked, Solar sued BIR for malpractice in a Florida state trial court, alleging that the ''patent was inadequate to protect Solar's idea and design from infringement by competitors.'' In response, BIR successfully moved to dismiss, citing 28 U.S.C. § 1338(a) (2015) (''No State court shall have jurisdiction over any claim for relief arising under any Act of Congress relating to patents . . . .'').

Solar appealed, citing *Gunn v. Minton* and arguing that ''the malpractice claim is a pure state law matter that does not raise a substantial question of federal law.'' *Solar Dynamics*, 2017 BL 37530, at *1. Stunningly, the Florida intermediate appellate court affirmed the dismissal of Solar's state court action.

The Florida appellate court stated the problem as follows:

> This case involves the confluence of federal and state law. Specifically, we must determine whether a Florida trial court has subject matter jurisdiction to decide, *vel non*, issues related to a patent's scope, validity, or infringement; the resolution of such issues necessarily would form the basis for a legal malpractice action. [*Id.* at *2.]

It started by recognizing that, under 28 U.S.C. § 1338(a), ''federal courts exercise exclusive jurisdiction over 'any civil action arising under any Act of Congress relating to patents.'' *Id.* However, it then recognized that the Supreme Court held long ago in *New Marshall Engine Co. v. Marshall Engine Co.*, 223 U.S. 473, 478 (1912), that exclusive jurisdiction does not extend to ''all questions in which a patent may be the subject-matter of the controversy.'' *Id.* . The court then stated, plaintively, that ''[f]inding the line of demarcation . . . is bedeviling.'' *Id.*

As the authors of this article did in their previous article, the appellate court zeroed in on the third and fourth prongs of the test set forth in *Gunn v. Minton*: whether the Federal question was ''substantial'' and whether the federal question was ''capable of resolution in federal court without disrupting the federal-state balance approved by Congress.'' *Id.* at *3. The Florida state court distinguished *Gunn* as follows:

> Notably, unlike *Gunn*, we are not faced with the question of whether Solar's legal malpractice claim belongs in federal court. . . . Under *Gunn*, for a typical ''case within a case'' claim of malpractice, a state court is competent to proceed. Certainly, *Gunn* rejected the notion that Congress intended to move all state legal malpractice claims related to patents into federal court. Yet, it does not necessarily follow that state courts, in the first instance, have jurisdiction to decide core issues of patent law. After all, *Gunn* involved a legal malpractice claim that followed on the heels of an unsuccessful federal patent infringement suit. Minton's legal malpractice action stemmed directly from that suit. Recall that Minton claimed that Gunn committed malpractice by not raising an argument in a federal case concerning the patent's validity. That alleged failure created the ''case'' that a state trial court could address in the subsequent malpractice case.
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> In contrast, by proceeding directly with a malpractice case, Solar effectively asks the state trial court to rule in the first instance upon the scope, validity, or infringement of its patent. As framed, Solar's complaint for malpractice necessarily requires a decision in the state court that the patent was inadequate to protect Solar from infringement by competitors. Solar avoids a critical step; it fails to create the first ''case'' needed to provide the context for a subsequent legal malpractice claim. And the unfortunate result for federal oversight of patent law, if Solar is correct, is that a state court will make core decisions related to a federally-issued patent. [*Id.* at *4.]
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> Although Solar's complaint is carefully couched as a matter of legal malpractice, the complaint necessarily invites the trial court to make initial determinations as to the patent's scope, validity, or infringement. These issues are best decided in a federal court lawsuit between Solar and an alleged infringer. *See Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 808-09 (1988) (holding that § 1338(a) jurisdiction inures when a complaint establishes 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'). [*Id.* at *5-6.]
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> Solar is not foreclosed from having its day in court. The trial court dismissed the case, without prejudice, anticipating that Solar could pursue an infringement action in federal court. A ruling in that appropriate forum could well tee-up the necessary ''case within a case'' properly addressed to a state court. We cannot countenance Solar's efforts to invoke a state court ruling on core federal issues relating to the scope, validity, or infringement of its patent. [*Id.* at *7.]

Why We Think that *Solar v. BIR* Is Not the Solution

The fulcrum of the Florida appellate court's opinion is that Solar should have sued a competitor for patent infringement in a federal court in order to get a determination of the validity, enforceability and/or scope of the claims in its patent from a federal court before suing BIR for malpractice in the Florida trial court. However, the core of Solar's complaint about BIR's representation is that ''the issued patent [that BIR obtained] was inadequate to protect Solar's idea and design from infringement by competitors'' because the claims were either invalid or unenforceable or because the claims weren't broad enough to be infringed by what Solar's competitors were doing. So, how could Solar have sued one of those competitors after having taken that position in the Florida malpractice action without running the risk of having the federal infringement action dismissed summarily and being sanctioned for filing a frivolous lawsuit? And, even if that didn't happen, what confidence could the Florida state court thereafter place in the Federal court's holdings on validity, enforceability and/or infringement given that, by the time that Solar filed the infringement suit, it was arguably in Solar's best interests to lose that suit in order to prove the necessary predicate for its subsequent malpractice action against BIR?

In *Gunn v. Minton*, Gunn's law firm presumably did its level best to win the prior infringement suit, but there would be no such assurance in the subsequent infringement suit that the Florida appellate court was postulating.

Of course, perhaps the Florida appellate court wasn't *really* talking to Solar when it said that ''Solar is not foreclosed from having its day in court.'' *Solar Dynamics*, 2017 BL 37530 at *7. Perhaps what it really meant was that other, similarly situated patentees were not foreclosed from having their days in court so long as, like Minton, they sued for patent infringement in federal court first and sued their patent attorneys for malpractice in the appropriate state court only after having lost that predicate action. However, is it really good policy to encourage patentees who have concluded in good faith that, due to their patent attorney's misconduct, suing for patent infringement would be hopeless to, nevertheless, bring the hopeless patent infringement actions?

Moreover, there are cases presenting bona fide issues of patent law that simply *can't* be resolved in an infringement action. A reasonably common example of such cases is cases in which the value of patent assets needs to be determined in divorce actions or in disputes over the value of patents forming parts of decedents' estates. *See, e.g.*, *Langenbeck v. Langenbeck*, No. 05-99-801-CV, Doc. No. 74 (Tex. App. Dallas, Jan. 23, 2001); and *Berger v. Berger*, 713 P.2d 695, 698 (Utah 1985).

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A Question

While the Florida appellate court's suggestion that what a party in Solar's position needs to do is to sue someone for patent infringement (in order to get a judgment from a federal court that its patent is invalid, unenforceable, or not infringed) before suing its patent attorney for malpractice in a state court makes no sense to us, we wonder whether state courts anxious to avoid having to decide hard-core patent issues would be satisfied by the judgment of the Federal Article I judges on the Patent Trial and Appeal Board as a result of an inter partes review petition filed by the party in Solar's position. Such a proceeding would, of course, not decide the infringement question, but it could certainly decide many validity questions and what the panel said in deciding the validity questions might well have collateral estoppel effect in deciding the unenforceability and infringement questions.

What Really Needs to Be Done

The Florida appellate court's opinion says that ''[s]tate courts, in the first instance, are certainly suited to assess the patent issues [present in malpractice actions against patent lawyers].'' *Solar Dynamics*, 2017 BL 37530, at *3. The authors of this article (both of whom are hard-core patent lawyers) say ''Nuts!'' to that. State courts are very badly suited to assess the patent issues in those malpractice actions against patent lawyers that turn on hard-core patent issues. This is so, they contend, because the judges on those courts overwhelmingly have little or no experience with, or knowledge of, patent law.

The Florida court also said that ''[t]hese issues [the scope, validity and enforceability of Solar's patent] are best decided in a federal court lawsuit between Solar and an alleged infringer.'' *Id.* at *5-6. The authors agree whole-heartedly with that statement, not only in this case, but in all malpractice actions against patent attorneys turning on hard-core patent issues. However, it is their conclusion that the only decent way to get that result is to amend the statute—just as they asserted in their first article concerning *Gunn v. Minton*.