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## Accepting an Exception to the "Government Contacts Exception" of the District of Columbia's Long-Arm Statute

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Schiefelbein: Accepting an Exception to the "Government Contacts Exception" of

# ACCEPTING AN EXCEPTION TO THE "GOVERNMENT CONTACTS EXCEPTION" OF THE DISTRICT OF COLUMBIA'S LONG-ARM STATUTE

## I. INTRODUCTION

Personal jurisdiction over a defendant is one of the most fundamental procedural requirements for adjudicating a lawsuit in any court.<sup>1</sup> Absent personal jurisdiction, a court will not have the power to entertain a plaintiff's claim(s) against a defendant.<sup>2</sup> Hence, the lawsuit will be deemed improper before that court, and it will be dismissed on procedural grounds.<sup>3</sup>

Within the last five decades, the personal jurisdiction calculus has undergone extensive change.<sup>4</sup> From its indoctrination in *Pennoyer v. Neff*<sup>5</sup> to

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1. See JACK H. FRIEDENTHAL ET AL., CIVIL PROCEDURE, § 3.1, at 94-95 (2d ed. 1993). Personal jurisdiction is defined as the power that a court has over a person or property in order to adjudicate a plaintiff's claim(s) against that person. *Id.* In addition to personal jurisdiction, a court must also have subject matter jurisdiction which is defined as the power to hear certain types of claims. *Id.* See also FLEMING JAMES, JR. ET AL., CIVIL PROCEDURE, § 1.16, at 37-8 (4th ed. 1992) (defining personal and subject matter jurisdiction and the requirements of each). While personal jurisdiction over a non-resident defendant is usually acquired through the employment of a long-arm statute, see *infra* section II.B.1., subject matter jurisdiction is based on a variety of criteria depending on whether the particular court is state or federal. See, e.g., 28 U.S.C. § 1331 (1988) (authorizing federal question subject matter jurisdiction); 28 U.S.C. § 1332 (1988) (authorizing federal diversity subject matter jurisdiction); and 28 U.S.C. § 1367 (1988) (authorizing federal supplemental jurisdiction of state claims). For a general discussion of both personal jurisdiction and subject matter jurisdiction, see DAVID CRUMP ET AL., CIVIL PROCEDURE 63-267 (1992).

2. See FRIEDENTHAL ET AL., *supra* note 1, § 3.1, at 94-95; JAMES ET AL., *supra* note 1, § 1.16, at 37-38.

3. FED. R. CIV. P. 12(b)(2) (authorizing a motion to dismiss for lack of personal jurisdiction). See FRIEDENTHAL ET AL., *supra* note 1, § 5.24, at 301 (stating that claims which are defective for jurisdictional purposes can be challenged under the Federal Rules of Civil Procedure).

4. See FRIEDENTHAL ET AL., *supra* note 1, §§ 3.10-3.12, at 120-41 (tracing the modern day refinements to the personal jurisdiction calculus); CRUMP ET AL., *supra* note 1, at 63-143 (documenting the history of the personal jurisdiction calculus through comment and case law); James S. Cochran, Note, *Personal Jurisdiction and the Joinder of Claims in the Federal Courts*, 64 TEX. L. REV. 1463, 1463 (1986) (noting some of the evolutionary aspects of personal jurisdiction).

5. 95 U.S. 714 (1877). *Pennoyer* was the first case that set forth what has been termed the "physical presence rule." The rule allows a court to assert personal jurisdiction over a non-resident defendant provided that the non-resident defendant was either physically present or the non-resident's property was physically located in the particular state when service was processed. *Id.* at 722. However, as society became more advanced, the controversies grew correspondingly, and the ability to serve process on an individual became increasingly difficult as travel became more extensive.

its two-pronged “minimum contacts” test developed in *International Shoe Co. v. Washington*,<sup>6</sup> the theory of personal jurisdiction has progressed into one of the most widely commented-on doctrines in civil procedure today.<sup>7</sup> While the Supreme Court has fashioned much of the basic theory of personal jurisdiction, several variations of this basic theory have been employed by both state and federal enactments of long-arm statutes and the judicial gloss interpreting those statutes.<sup>8</sup>

A specific example of such a variation can be seen in the District of Columbia. Unique to the District of Columbia is the “government contacts

*See McGee v. International Life Ins. Co.*, 355 U.S. 220, 222-23 (1957) (discussing the evolution of personal jurisdiction); *Hanson v. Denckla*, 357 U.S. 235, 250-51 (1958) (same). Multi-state disputes began to arise more frequently and as such, the simplistic “physical presence” rule became inadequate. *See McGee*, 355 U.S. at 222-23; *Hanson*, 357 U.S. at 250-51. Consequently, a more modernized jurisdiction rule was needed. *See McGee*, 355 U.S. at 222-23; *Hanson*, 357 U.S. at 250-51. The Supreme Court’s solution was the advent of the “minimum contacts” test. *See McGee*, 355 U.S. at 222-23; *Hanson*, 357 U.S. at 250-51. *See also infra* § II.A. (discussing the major cases in the evolution of the personal jurisdiction theory). For a more detailed historical analysis of the personal jurisdiction theory and of *Pennoyer*, see FRIEDENTHAL ET AL., *supra* note 1, §§ 3.2-3.3, at 95-99.

6. 326 U.S. 310 (1945). For a detailed discussion of the “minimum contacts” test, see *infra* section II.

7. *See, e.g.*, GEOFFERY C. HAZARD, JR. & JAN VETTER, PERSPECTIVES OF CIVIL PROCEDURE (1987); William VanDercreek, *Jurisdiction Over the Person - The Progeny of Pennoyer and the Future of Asahi*, 13 NOVA L. REV. 1287 (1989); Wendy Collins Perdue, *Sin, Scandal, and Substantive Due Process: Personal Jurisdiction and Pennoyer Reconsidered*, 62 WASH. L. REV. 479 (1987); Stanley E. Cox, *Would That Burnham Had Not Come to be Done Insane! A Critique of Recent Supreme Court Personal Jurisdiction Reasoning, An Explanation of Why Transient Presence Jurisdiction Is Unconstitutional, and Some Thoughts About Divorce Jurisdiction in a Minimum Contacts World*, 58 TENN. L. REV. 497 (1991); R. Lawrence Dessem, *Personal Jurisdiction After Asahi: The Other (International) Shoe Drops*, 55 TENN. L. REV. 41 (1987); Stewart Jay, *Minimum Contacts as a Unified Theory of Personal Jurisdiction: A Reappraisal*, 59 N.C. L. REV. 429 (1981); Patrick J. Borchers, *The Death of the Constitutional Law of Personal Jurisdiction: From Pennoyer to Burnham and Back Again*, 24 U.C. DAVIS L. REV. 19 (1990); David A. Sonenshein, *The Error of a Balancing Approach to the Due Process Determination of Jurisdiction over the Person*, 59 TEMP. L.Q. 47 (1986); Daan Braveman, *Interstate Federalism and Personal Jurisdiction*, 33 SYRACUSE L. REV. 533 (1982); Martin H. Redish, *Due Process, Federalism, and Personal Jurisdiction: A Theoretical Evaluation*, 75 NW. U. L. REV. 1112 (1981); *Developments in the Law State-Court Jurisdiction*, 73 HARV. L. REV. 909 (1960).

8. *See* FRIEDENTHAL ET AL., *supra* note 1, §§ 3.10-3.12, at 120-41; CRUMP ET AL., *supra* note 1, at 82-91. Long-arm or “single-act” statutes are enacted in order to prescribe certain types of conduct or events undertaken or caused by a non-resident that give rise to the forum’s power to assert personal jurisdiction over that non-resident. *See* FRIEDENTHAL ET AL., *supra* note 1, § 3.12, at 139; JAMES ET AL., *supra* note 1, § 2.6, at 63. For two examples of state long-arm statutes, see *infra* notes 93-94.

exception,"<sup>9</sup> a judicially created restraining device on the District of Columbia long-arm statute's jurisdictional authority.<sup>10</sup> Essentially, the exception works to limit the exercise of personal jurisdiction over a non-resident defendant that is otherwise available through the District of Columbia long-arm statute.<sup>11</sup> When applied, the government contacts exception prevents the District of Columbia from asserting personal jurisdiction over a non-resident defendant in those situations where that non-resident defendant's only contacts with the District of Columbia are those which are solely with the United States government or a governmental agency.<sup>12</sup> In such cases, the government contacts exception exempts that non-resident defendant's contacts with the national government or its agencies from the personal jurisdiction calculus, thereby thwarting the exercise of personal jurisdiction over that particular non-resident defendant.<sup>13</sup>

This so called government contacts exception is based upon two policy concerns: one constitutional and one prudential.<sup>14</sup> First, citizens have the right to freely access the government for purposes of petitioning the national government.<sup>15</sup> Because the District of Columbia is the situs of the national government, citizens who enter into it in order to access the nation's government should not be deterred by the fear of exposing themselves to the jurisdictional authority of the District of Columbia simply because they have exercised their constitutional right.<sup>16</sup> Second, if such "governmental contacts" were included

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9. The "government contacts exception" is also known as the "governmental contacts exception" or the "government contacts doctrine." This note will use the term "government contacts exception" for sake of uniformity throughout.

10. See Hilaire H. Butler, Note, *The Government Contacts Exception to the District of Columbia Long-Arm Statute: Portrait of a Legal Morass*, 36 CATH. U. L. REV. 745, 745 (1987).

11. *Id.*

12. *Id.*

13. *Id.*

14. See, e.g., *Neely v. Philadelphia Inquirer Co.*, 62 F.2d 873, 875 (D.C. Cir. 1932); *Layne v. Tribune Co.*, 71 F.2d 223, 224 (D.C. Cir. 1934).

15. See, e.g., *Neely*, 62 F.2d at 875; *Layne*, 71 F.2d at 224.

16. See, e.g., *Neely*, 62 F.2d at 875; *Layne*, 71 F.2d at 224. The *Neely* and *Layne* decisions, while not expressly referring to the First Amendment, have nevertheless been interpreted as relying on the First Amendment as the basis on which the first policy concern is premised. See *Rose v. Silver*, 394 A.2d 1368, 1373-74 (D.C. 1978).

[W]e did recognize that the government contacts principle had emerged with a First Amendment as well as a due process underpinning. We acknowledge, without holding, that [the] *Mueller Brass*, [*Neely*, and *Layne*] cases had a First Amendment gloss in that they protected one's right to petition the government for a redress of grievances, without fear of the threat of suit if their contacts were limited to asserting that constitutional right.

*Id.*

The First Amendment provides in pertinent part that: "Congress shall make no law . . . abridging the . . . right of the people peacefully to assemble, and to petition the Government for the redress

in the District of Columbia long-arm statute's personal jurisdiction calculus, the District of Columbia would quickly be transformed into a national judicial center based upon the citizenry's necessary and inevitable aggregate contacts with the nation's government.<sup>17</sup>

While both the courts of the District of Columbia and the federal courts of the District of Columbia Circuit agree on the existence of the government contacts exception, these two judicial bodies have by no means been consistent in their application of the exception.<sup>18</sup> The inconsistency surrounding the exception is primarily caused by the unresolved question of the scope of the exception.<sup>19</sup> Specifically, a tension has been generated by a series of inconsistent judicial decisions concerning whether the exception should be applied broadly, thereby encompassing all contacts that a non-resident defendant has with the national government or a governmental agency,<sup>20</sup> or whether the exception should be applied narrowly, thereby confining it only to those contacts that a non-resident defendant has with the national government or its agencies with respect to that non-resident defendant's First Amendment rights.<sup>21</sup>

In certain instances, this tension can lead to results that are conceivably antithetical to the two original policy concerns that had prompted the formulation of the government contacts exception. One specific example of this inequity is the result that is reached when the government contacts exception is applied to situations regarding tangential disputes involving patents, such as patent ownership.<sup>22</sup>

of grievances." U.S. CONST. amend. I.

17. See, e.g., *Neely*, 62 F.2d at 875; *Layne*, 71 F.2d at 224.

18. See *Butler*, *supra* note 10, at 746, 748-53 (stating that the government contacts exception has generated a great deal of controversy in the courts of the District of Columbia because the courts do not agree on the boundaries of the exception itself).

19. *Id.*

20. See, e.g., *Environmental Research Int'l, Inc. v. Lockwood Greene Eng'rs, Inc.*, 355 A.2d 808, 813-14 (D.C. 1976) (en banc) (holding that the government contacts exception applies to all contacts that a non-resident defendant has with the federal government or a governmental instrumentality). See also *infra* section III (discussing the government contacts exception, its controversies, and its present state of affairs).

21. See, e.g., *Rose v. Silver*, 394 A.2d 1368, 1373-74 (D.C. 1978) (holding that "the First Amendment provides the only principled basis" on which to apply the government contacts exception), *reh'g denied*, 398 A.2d 787 (D.C. 1979).

22. The inequities explored by this note may also arise in disputes involving the ownership of a copyright or a trademark. In fact, a situation similar to that explored in this note has arisen in the context of trademarks, specifically, the ownership of a trademark. See, e.g., *American Standard, Inc. v. Sanitary Wares Mfg. Corp.*, 3 U.S.P.Q.2d (BNA) 1637 (D.D.C. 1987). In *American Standard*, a dispute over the ownership of a trademark arose between a United States company, American Standard, and a Philippine company, Sanitary Wares, which had entered into a joint-venture agreement for the marketing of plumbing products. *Id.* at 1638. Sanitary Wares filed for the registration of a trademark in the Philippines which the two companies had planned to use in

A useful method to explore the intricacies of this injustice is through the employment of a hypothetical. For example:

Suppose *A*, a United States citizen, makes an agreement with *B*, a

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conjunction with each other's business. *Id.*

Once the trademark was registered in the Philippines, Sanitary Wares attempted to register the same mark in the United States. *Id.* American Standard opposed the registration of the mark in the United States Patent and Trademark Office (PTO) on federal trademark law grounds, claiming that it was the rightful owner of the mark. *Id.* However, the PTO dismissed the complaint and American Sanitary appealed to the District Court. *Id.*

In addition to the federal trademark opposition claim, American Standard also filed two common law claims alleging unfair competition and fraud. *Id.* at 1639. The District Court dismissed the federal trademark law claim and then examined whether the common law claims of unfair competition and fraud were properly before the court. *Id.* The court stated that since the federal claim was dismissed, both subject matter jurisdiction over the claims and personal jurisdiction over Sanitary Wares needed to be based on independent grounds. *Id.* The court found subject matter to exist under 28 U.S.C. § 1332, and personal jurisdiction to exist under the District of Columbia long-arm statute. *Id.* However, the court also noted the existence of the government contacts exception to the District of Columbia long-arm statute. *Id.* The court reasoned that since the only contacts that Sanitary Wares had with the District of Columbia was the filing of the trademark application in the PTO, and the PTO was a "governmental agency," the government contacts exception was applicable, thereby defeating jurisdiction. *Id.* at 1640.

Even though the above case demonstrates that the government contacts exception is applicable in the case of trademarks, there have, however, been no cases to date that have involved a copyright. Nevertheless, it would be possible for the exception to be applicable in that case as well. However, this note will limit its discussion to only patents and contacts with the Patent and Trademark Office.

Although it is beyond the scope of this note to analyze the government contacts exception in the context of copyrights and trademarks, it should be noted that additional considerations should be examined before analogizing the proposals in this note to the areas of copyright and trademarks. First, unlike trademark and copyright law, patent law differs in the scope of the rights granted to the owner of such intellectual property. For instance, patent law does not mandate that the owner of the patent manufacture the invention and place the invention on the market. *See Special Equip. Co. v. Coe*, 324 U.S. 370, 378 (1945) (holding that the suppression of an invention through a patent grant is not antithetical to federal patent law, and therefore is not illegal). A patent grant can be used solely for the suppression of the invention from the marketplace. *Id.* Thus, foreign owners of United States patents can receive a patent grant and never need to place the patented invention on the market, thereby effectively "shielding" them from suit by avoiding additional "contacts." Furthermore, by law, a trademark owner must have already used his or her mark in commerce within the United States or must show a bona fide intent to use his or her mark in commerce within six months from the date of registration. *See* 15 U.S.C. § 1051 (a)-(d) (1988). Thus, even though a putative trademark owner may not initially be able to gain personal jurisdiction over the alleged fraudulent owner, jurisdiction may be had within six months of the registration of that mark when that alleged owner must necessarily use his or her mark in commerce or face abandonment of that mark. *Id.* While this does not solve the government contacts inequities with respect to trademarks as is demonstrated in *American Standard*, waiting six months in the case of trademarks for the alleged owner to make additional "contacts" with the forum is more palatable than having to wait 20 years (the statutory life of the patent) in the case of patents. *See* 35 U.S.C. § 154 (1994). Again, while the contentions presented in this note regarding foreign ownership of United States patents may apply equally to ownership disputes involving United States trademarks and copyrights owned by a foreign citizen or entity, the above considerations must also be taken into account.

foreign citizen, to develop an invention.<sup>23</sup> *A* and *B* agree that *A* will fund the project and *B* will be the sole inventor. In return for *A*'s funding, *B* agrees to assign the ownership of the patent to *A*.<sup>24</sup> Subsequently, *B* secretly decides to take the completed work and apply for his own patent in the United States Patent and Trademark Office (PTO).<sup>25</sup> *A* soon discovers that *B* has filed this application in the PTO and *A* then sues *B*, claiming ownership of the patent.<sup>26</sup>

However, *A* cannot employ federal patent law in order to sue *B*; patent ownership disputes involve state contract law.<sup>27</sup> Thus, *A* must find

23. Note that in this hypothetical, *A* and *B* can just as easily be corporate entities. Note also that the hypothetical is premised upon the fact that *A*, a United States citizen, solicits the joint-venture agreement with *B*, a foreign citizen, in *B*'s country. This would eliminate an argument that *B* had purposefully availed himself or herself of the United States forum in which *A* resides. Therefore, it shall be assumed that *B*'s only purposeful contact with any forum in the United States is with the District of Columbia when *B* filed the application with the Patent and Trademark Office (PTO).

24. It is assumed that any such agreement or negotiations were conducted outside the United States, and the agreement, whether oral or written, contained no formal choice of law provision. See, e.g., *Burger King Corp. v. Rudzewicz*, 471 U.S. 462 (1985) (holding that the acquiescence to a choice of law provision contained within a formal agreement was an important consideration to effectuate personal jurisdiction). Furthermore, it is also assumed that *A* and *B*'s relationship is structured as an investor/investee relationship rather than an employer/employee or an independent contractor type of relationship and thereby removes the contention of "shop rights." See DONALD S. CHISUM & MICHAEL A. JACOBS, UNDERSTANDING INTELLECTUAL PROPERTY LAW § 2G[1], at 2-306-07 (1993).

25. Since 1967, the United States Patent and Trademark Office has been located in Arlington, Virginia. See *Lex Tex Ltd. v. Skillman*, 579 A.2d 244, 245 n.1 (D.C. 1990). However, the case law involving the PTO and the government contacts exception has not explicitly drawn a distinction upon the fact that the PTO's location is actually outside District Columbia. See *American Standard, Inc. v. Sanitary Wares Mfg. Corp.*, 3 U.S.P.Q.2d (BNA) 1637, 1639 (D.D.C. 1987) (no distinction); *U.S. Indus., Inc. v. Maclaren*, 191 U.S.P.Q. (BNA) 498, 502 (D.D.C. 1976) (no distinction). But see *Lex Tex*, 579 A.2d at 244 (possible implicit distinction). For further discussion on this fact, and its potential effects on the applicability of the government contacts exception, see *infra* note 192.

26. Ideally, *A*'s claim could either be in tort or in contract. Nevertheless, *A*'s claim would still necessarily be based upon state substantive law, and an applicable state long-arm statute would be needed in order to effectuate jurisdiction. See, e.g., *American Standard, Inc. v. Sanitary Wares Mfg. Corp.*, 3 U.S.P.Q.2d (BNA) 1637, 1639 (D.D.C. 1987).

27. See 6 DONALD S. CHISUM, PATENTS § 22.02, at 22-3 & § 22.03[4], at 22-49-53 (1990). Federal patent law provides for the creation of patents and defines what conduct constitutes infringement. *Id.* Thus, federal patent law governs what might be termed as the "core" issues regarding a patent, that is, those issues which involve the validity of the patent itself or the infringement of the patent itself. Conversely, state substantive law governs the issues of patent ownership and assignability. *Id.* Thus, state law governs what might be termed the "tangential" issues regarding a patent, that is, issues that involve the patent, but do not involve the issues of validity or infringement of the patent itself which federal law exclusively covers. In other words, regardless of who owns the patent or to whom that patent is assigned, the patent's validity is not in question. The falsification of ownership of the patent does not affect the validity of the patent itself,

a forum in which *B* is amenable to suit. *B*'s only contact with any forum in the United States was with the District of Columbia when *B* purposely filed the patent application with the PTO.<sup>28</sup> Therefore, *A* must necessarily employ the law of the District of Columbia for jurisdictional as well as for substantive law purposes. However, before *A* can sue *B*, the District of Columbia must be able to effectuate personal jurisdiction over *B*. First, the District of Columbia long-arm statute must be employed. Secondly, the requisite elements of the statute and the requirements of procedural due process must be sufficiently met. Upon an examination of the facts, it is possible to show that *B* had "transact[ed] business" in the District within the meaning of the statute by filing an application with the PTO<sup>29</sup> and that due process would not be offended.<sup>30</sup> However, *B*'s only contact

and thus federal patent law is not triggered. *See id.* However, it should be noted that the misjoinder or the nonjoinder of an inventor can constitute grounds for invalidating the patent. *See 2 id.* § 2.03, at 2-22. Nevertheless, such is not the case between *A* and *B* because, as stated in the hypothetical, it was *B* who was the only inventor. *See supra* text accompanying notes 23-24. *See also* Ted D. Lee & Ann Livingston, *The Road Less Traveled: State Court Resolution of Patent, Trademark, or Copyright Disputes*, 19 ST. MARY'S L.J. 703, 709-10 (1988) (stating that actions that involve the ownership of patents do not usually arise under federal patent law; ownership claims are often essentially contract suits which state substantive law controls); CHISUM & JACOBS, *supra* note 24, § 2G, at 2-305 n.3 ("State contract, tort, and fiduciary laws govern most patent ownership, transfer[,] and licensing questions.").

28. It is assumed for jurisdictional purposes that the PTO is considered to be located in the District of Columbia. *See supra* note 25 and *infra* note 192.

29. D.C. CODE ANN. § 13-423(a) (Michie 1989) provides:

(a) A District of Columbia court may exercise personal jurisdiction over a person, who acts directly or by an agent, as to a claim for relief arising from the person's -

- (1) transacting any business in the District of Columbia;
- (2) contracting to supply services in the District of Columbia;
- (3) causing tortious injury in the District of Columbia by an act or omission in the District of Columbia;
- (4) causing tortious injury in the District of Columbia by an act or omission outside the District of Columbia if he regularly does or solicits business, engages in any other persistent course of conduct, or derives substantial revenue from goods used or consumed, or services rendered, in the District of Columbia.

*Id.*

*See Mitchell Energy Corp. v. Mary Helen Coal Co.*, 524 F. Supp. 558 (D.D.C. 1981) (stating that a single act in the jurisdiction of the District of Columbia by a non-resident defendant, under some circumstances, may be sufficient to constitute "transacting business," and thereby confer jurisdiction). *See also* *McDaniel v. Armstrong World Indus.*, 603 F. Supp. 1337 (D.D.C. 1985) (stating that the "transacting any business" prong of the District of Columbia long-arm statute is not restricted to only contract actions, but may also be applied to tort actions).

30. First, the district has a "interest" in preventing the inequitable conduct of *B*. Second, it would not be inconvenient for *B* to be haled into court in the District of Columbia. Third, *B*'s actions were "purposeful," and as such, *B* could reasonably anticipate being haled into court. Finally, the "contacts" of *B* arose out of the ownership claim. Therefore, notwithstanding the requirements of the District of Columbia long-arm statute, the District of Columbia assertion of

with the District of Columbia was with a governmental agency, namely the PTO. Therefore, the government contacts exception would be applicable and personal jurisdiction over *B* would be defeated.<sup>31</sup>

The inequity illustrated in the above hypothetical is that the non-resident, foreign national, can obtain the benefits and protection of United States' patent law without incurring the commensurate burden of being amenable to suit regarding issues that are "tangential,"<sup>32</sup> yet of equal importance, to the patent itself.<sup>33</sup> Such inequity is created solely by a broad application of the government contacts exception, encompassing all non-resident contacts with the federal government or a federal agency. This Note will analyze the exception, examine the case law behind the exception, and, in particular, illustrate the exception in the context of patents. This Note proposes that an exception to the government contacts exception be made for a non-resident defendant's contacts with the Patent and Trademark Office (PTO) so as to eliminate the inequities caused by the application of the exception to disputes involving issues tangential to a United States patent.

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personal jurisdiction over *B* would not offend due process. See *Asahi Metal Indus. Co. v. Superior Court*, 480 U.S. 102, 113-14 (1987) (listing the above requirements which provide the test for sufficiently meeting the due process requirements); *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 475-76 (1987) (stating that the non-resident defendant need not have physically "contacted" the forum in order for personal jurisdiction to be effectuated). See also *infra* sections II and III (further discussing the requirements of due process in the context of personal jurisdiction and the District of Columbia long-arm statute's requirements for authorizing personal jurisdiction over a non-resident defendant).

31. See *U.S. Indus., Inc. v. Maclaren*, 191 U.S.P.Q. (BNA) 498, 501-02 (D.D.C. 1976) (holding that the filing of a patent application in the PTO cannot confer jurisdiction over a non-resident defendant because the PTO is a governmental agency and the government contacts exception therefore applies); *American Standard, Inc. v. Sanitary Wares Mfg. Corp.*, 3 U.S.P.Q.2d (BNA) 1637, 1639 (D.D.C. 1987) (holding that the PTO is a governmental agency and therefore the government contacts exception applies to preclude jurisdiction over a non-resident defendant whose only contacts with the District of Columbia were with the PTO).

32. See *supra* note 27.

33. See, e.g., *National Patent Dev. Corp. v. T.J. Smith & Nephew Ltd.*, 877 F.2d 1003, 1007 (D.C. Cir. 1989) (en banc). "[I]f one does not own a patent, one certainly lacks the rights of a patentee . . . ." *Id.* One commentator illustrates the kind of inequity that arises under the situation as hypothesized above:

[T]he unfortunate plaintiff who finds herself the victim of her state's conservative long-arm statute is left with two alternatives. She may either prosecute the suit in the courts of the alien defendant's country of origin where her claim may not be judicially cognizable, or forgo the assertion of her rights. Few plaintiffs likely possess either the conviction or the financial resources necessary to pursue the former course. The latter course of action, or perhaps more appropriately, inaction, satisfies even fewer aggrieved parties.

Brian B. Frasch, Note, *National Contacts As a Basis for In Personam Jurisdiction over Aliens in Federal Question Suits*, 70 CAL. L. REV. 686, 692 (1982).

Specifically, Section II of this Note will briefly trace the evolution of the personal jurisdiction over non-resident defendants' theory.<sup>34</sup> Section III will proceed by discussing the District of Columbia's "government contacts exception," analyzing its purpose, the present day controversy behind the exception, cases that were found to be within the exception, and cases found to be outside the exception.<sup>35</sup> Section IV will identify the problems with the exception and, in particular, the inequities of applying it to disputes involving tangential issues concerning patents.<sup>36</sup> Finally, in Section V, this Note will propose an exception to the exception for disputes involving tangential issues such as ownership disputes regarding patents. Additionally, it will provide valid justifications to accept such an exception, including an examination of the underlying policy concerns.<sup>37</sup>

## II. NON-RESIDENT PERSONAL JURISDICTION: THE "MINIMUM CONTACTS" TEST

### A. *The General Canons of the Personal Jurisdiction Calculus*

The general canons of the modern day personal jurisdiction calculus maintain that in order to require a non-resident to defend a suit in a court within a particular forum, two inquiries must be undertaken: (1) does a state or federal procedural rule or statute exist that provides for jurisdiction under the alleged set of facts and circumstances; and (2) are the procedural due process concerns of the respective state and federal constitutions sufficiently met.<sup>38</sup> With respect to the first inquiry, the potentially applicable long-arm statutes provide the requisite criteria with respect to the first inquiry. Each long-arm statute that is examined will pose different hurdles in order to generate a positive result to the first inquiry.<sup>39</sup> Ultimately, the applicability of any single long-arm statute will depend on the compatibility of the facts to the enumerated requirements within the statute itself, and additionally, any authority interpreting that statute.<sup>40</sup>

To answer the second inquiry judicial decisions, especially the various Supreme Court decisions addressing the personal jurisdiction due process

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34. See *infra* notes 38-103 and accompanying text.

35. See *infra* notes 104-82 and accompanying text.

36. See *infra* notes 183-235 and accompanying text.

37. See *infra* notes 236-55 and accompanying text.

38. See FRIEDENTHAL ET AL., *supra* note 1, § 3.18, at 165-66. See also *infra* note 41.

39. For a general discussion on the criteria and scope of various long-arm statutes, see *infra* section II.B.1.

40. See FRIEDENTHAL ET AL., *supra* note 1, § 3.13, at 141-47.

requirements, must be examined significantly.<sup>41</sup> The Supreme Court has set forth several criteria to be used in analyzing the propriety of the assertion of personal jurisdiction over a non-resident defendant. These criteria include: (1) that the non-resident purposefully availed herself of the benefits of the forum so as to reasonably foresee being haled into court there;<sup>42</sup> (2) that the forum asserting personal jurisdiction has a sufficient interest in the dispute;<sup>43</sup> and (3) that haling the non-resident defendant into court does not cause such an inconvenience to the non-resident so as to offend the notion of "fair play and substantial justice."<sup>44</sup> If both inquiries are answered in the affirmative, personal jurisdiction may be constitutionally exercised.<sup>45</sup>

*International Shoe Co. v. Washington*<sup>46</sup> was the first Supreme Court case to articulate the principles mentioned above. In addressing a non-resident defendant's due process challenge to the assertion of personal jurisdiction, the Court stated:

[D]ue process requires only that in order to subject a defendant to a judgment *in personam*, if he be not present within the territory of the forum, he have certain minimum contacts with [that forum] such that the maintenance of the suit does not offend "traditional notions of fair play and substantial justice."<sup>47</sup>

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41. The constitutional right to procedural due process is derived from the Supreme Court's interpretation of the Fifth and Fourteenth Amendments of the United States Constitution. The Fifth Amendment states in relevant part: "No person shall be . . . deprived of life, liberty, or property, without due process of law . . ." U.S. CONST. amend. V. The Fourteenth Amendment, in similar fashion, states in part: "No State . . . shall . . . deprive any person of life, liberty, or property, without due process of law . . ." U.S. CONST. amend XIV, § 1. The primary difference between the two amendments is their applicability. The Fifth Amendment only applies to the federal government, and the Fourteenth Amendment applies specifically to the States. See WILLIAM B. LOCKHART ET AL., CONSTITUTIONAL LAW 336 (7th ed. 1991).

42. See, e.g., *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 475 (1985); *Hanson v. Denckla*, 357 U.S. 235, 253 (1958).

43. See, e.g., *Asahi Metal Indus. Co. v. Superior Court*, 480 U.S. 102, 114 (1987).

44. See, e.g., *International Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945) (citing *Milliken v. Meyer*, 311 U.S. 457, 463 (1940)).

45. See, e.g., *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 292 (1980); *Asahi*, 480 U.S. at 113.

46. 326 U.S. 310 (1945).

47. *Id.* at 316 (quoting *Milliken v. Meyer*, 311 U.S. 457, 463 (1940)). In *International Shoe*, a Delaware corporation, with its principle place of business in Missouri, employed a sales agent who resided and conducted business in Washington state. *Id.* at 313. Suit was brought by the state tax commissioner to collect a tax assessment against the non-resident corporation for contributions to the state's unemployment fund. *Id.* at 312. Process was served upon the Washington state sales agent. *Id.* The non-resident corporation contended that the sales agent was not a true agent of the company and that because its action did not amount to manifesting its presence within the state of Washington, the assertion of personal jurisdiction was violative of the Due Process Clause of the

The Court reasoned that a non-resident defendant's "minimum contacts" with a forum could constitute a constitutionally acceptable basis for the assertion of personal jurisdiction.<sup>48</sup> This reasoning was premised upon the notion that the privilege of conducting business activity in any given forum necessarily carries with it the concomitant obligation to respond to suit in that particular forum for causes of action arising out of that activity.<sup>49</sup> However, the Court eschewed a per se rule for finding personal jurisdiction, stating that the aggregation of contacts "cannot be simply mechanical or quantitative."<sup>50</sup> Instead, the inquiry must concentrate upon "the quality and nature of the activity in relation to the fair and orderly administration of the laws which it was the purpose of the due process clause to insure."<sup>51</sup> Therefore, if a non-resident defendant's contacts with the forum make it reasonable to require that non-resident defendant respond to suit there, then the concerns of due process are sufficiently met.<sup>52</sup>

Continuing this line of reasoning, the Supreme Court in *McGee v. International Life Insurance Co.*<sup>53</sup> and *Hanson v. Denckla*<sup>54</sup> explained further the significance behind the qualitative nature of the non-resident's contacts. First, in *McGee*, the Court held that a non-resident defendant's actions resulted in a reasonable and foreseeable expectation of being haled into court for any causes of action arising out of such actions.<sup>55</sup> The Court weighed heavily the

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Constitution. *Id.* at 314. The Court noted that the sales agent was under the direct control and supervision of the company and that the company supplied the sales agent with samples, received orders from the agent, and shipped merchandise into the state of Washington. *Id.* Therefore, the Supreme Court held that personal jurisdiction existed. *Id.* at 315.

48. *Id.* at 316.

49. *Id.* at 319.

50. *International Shoe Co. v. Washington*, 326 U.S. 310, 319 (1945).

51. *Id.*

52. *Id.*

[T]o the extent that a corporation exercises the privilege of conducting activities within a state, it enjoys the benefits and protection of the laws. The exercise of that privilege may give rise to obligations; and, so far as those obligations arise out of or are connected with the activities within that state, a procedure which requires the corporation to respond to a suit brought to enforce them can, in most instances, hardly be said to be undue.

*Id.*

53. 355 U.S. 220 (1957).

54. 357 U.S. 235 (1958).

55. *McGee v. International Ins. Co.*, 355 U.S. 220, 223 (1957). In *McGee*, a Texas-based insurance company purchased another life insurance company which, among other things, included an insurance policy of a California resident. *Id.* at 221. The insurance company did not have any offices in California, nor had it conducted business in the state prior to the events in the suit. *Id.* at 222. However, the insurance company did issue a certificate of insurance to the California insured, and the California insured mailed premium payments from California to the insurer in Texas. *Id.* The insured died and the insurer refused to pay the death benefits to the California beneficiary. *Id.* In finding personal jurisdiction over the insurer, the Court reasoned that a single act, here the purposeful availing of the insurance company to do business with the California

fact that the non-resident defendant benefitted by doing business in that particular forum.<sup>56</sup> The Court reasoned that jurisdiction could be effectuated even though the defendant had but one contact with the forum.<sup>57</sup> Therefore, *McGee* suggests that due process can be satisfied, and personal jurisdiction effectuated, even though the non-resident defendant committed only a single act, so long as that act was purposeful.<sup>58</sup>

Conversely, in *Hanson*, the facts necessarily warranted an opposite result from that reached in *McGee*.<sup>59</sup> Unlike *McGee*, a "purposefully availing" act by the non-resident defendant was not evidenced in *Hanson*.<sup>60</sup> The Court used the *Hanson* decision as an opportunity to reemphasize that any determination regarding the conferral of personal jurisdiction must necessarily take account of the purposefulness of the act itself.<sup>61</sup> Here, because the purposeful act was that of a third party, not the non-resident defendant, jurisdiction could not be authorized.<sup>62</sup> The Court reasoned that a unilateral act by a third party cannot provide a sufficient basis on which to assert jurisdiction over a non-resident defendant if that defendant did not affirmatively partake in the availing activity.<sup>63</sup> Furthermore, the Court in *Hanson* rejected an argument by the plaintiff contending that it would not be at all inconvenient for the non-resident to defend suit in the forum.<sup>64</sup> The Court reasoned that no matter how minimal the burden of defending a suit in a foreign tribunal may be, a non-resident defendant may not be called upon to do so unless that defendant has the requisite "minimal contacts" with that forum.<sup>65</sup> Therefore, mere convenience alone,

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insured, was sufficient for purposes of due process. *Id.*

56. *Id.* at 222-23.

57. *Id.* at 223.

58. *See id.*

59. In *Hanson*, a Pennsylvania woman executed a trust in Delaware naming as trustee a Delaware bank. Within the instrument, the settlor retained the power of appointment over the remainderman to the trust. *Hanson v. Denckla*, 357 U.S. 235, 238 (1958). Subsequently, the settlor moved to Florida and changed her domicile from Pennsylvania to Florida. *Id.* at 238. While living in Florida, the settlor exercised her power of appointment and appointed a large portion of the trust to another trust she had previously created. *Id.* at 239. After the death of the settlor, the settlor's children brought suit in Florida to contest the effectuation of the power of appointment and asserted that the amount in question passed to them under the residuary clause. *Id.* at 240. The Florida court asserted jurisdiction over the Delaware trustee, and the trustee challenged this assertion of the Florida's court. *Id.* In finding that personal jurisdiction did not exist over the Delaware trustee, the Supreme Court reasoned that the trustee did not have the requisite minimum contacts with Florida because the trustee's obligation arose in Pennsylvania, and the trustee conducted no business in Florida. *Id.* at 254.

60. *Id.* at 253.

61. *Id.*

62. *Id.*

63. *Hanson v. Denckla*, 357 U.S. 235, 253 (1958).

64. *Id.* at 254.

65. *Id.*

without purposefulness or consent,<sup>66</sup> will not suffice.<sup>67</sup>

The relatively more recent personal jurisdiction cases, including *World-Wide Volkswagen Corp. v. Woodson*,<sup>68</sup> *Burger King Corp. v. Rudzewicz*,<sup>69</sup> and *Asahi Metal Indus. Co. v. Superior Court*,<sup>70</sup> while representative of a restatement of the Supreme Court's past positions, also shed light on various underemphasized determinants inherent within the minimum contacts test. In *World-Wide Volkswagen*, the Court denied the forum's assertion of personal jurisdiction over a non-resident despite the fact that it was arguably foreseeable that the non-resident could anticipate being haled into the forum's court.<sup>71</sup> The Court noted that the record evidenced that the purposeful act in this case was not that of the non-resident defendant, but that of the plaintiffs themselves.<sup>72</sup> Hence, jurisdiction was denied.<sup>73</sup>

In *Rudzewicz*, the Court stressed the notion of "fair play and substantial justice" as it interacted with both the "sophistication and experience" of the non-resident defendant and the idea of "fair warning."<sup>74</sup> In upholding personal

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66. Even if it is determined that a non-resident defendant does not have the requisite "minimal contacts" needed in order to properly hale that non-resident defendant into court within a particular forum, that non-resident defendant may nonetheless expressly consent to that forum's jurisdiction. See *Burger King v. Rudzewicz*, 471 U.S. 462, 472 n.14 (1985). See also FRIEDENTHAL ET AL., *supra* note 1, § 3.5, at 101 (stating that a non-resident defendant is always free to consent to the jurisdiction and allow a binding, enforceable judgment to be entered against that non-resident defendant).

67. *Hanson v. Denckla*, 357 U.S. 235, 254 (1958).

68. 444 U.S. 286 (1980).

69. 471 U.S. 462 (1985).

70. 480 U.S. 102 (1987).

71. *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 295-97 (1980). In *World-Wide Volkswagen*, the plaintiffs, a New York couple, were driving their new Audi automobile they had recently purchased from a New York car dealer. While the couple was driving through Oklahoma, an accident ensued. The plaintiffs brought a products liability suit in Oklahoma against the New York car dealer, the national distributor, and the automobile manufacturer. *Id.* at 288-89.

The Court stated that the test for personal jurisdiction under the due process clause is not just foreseeability. *Id.* at 296-99. The test is foreseeability plus reasonableness, that is, whether the non-resident defendant can reasonably anticipate being haled into court in that forum. *Id.* at 297. The Court reasoned that if the test was based solely on foreseeability, the test would sweep too broadly. *Id.* at 296-99.

72. *Id.* at 295. The Court weighed heavily the fact that it was the plaintiffs who drove the car to Oklahoma, a state in which the New York car dealer and the national distributor had not conducted any business. *Id.*

73. *Id.* at 299.

74. *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 472, 484 (1987). In *Rudzewicz*, two franchisers of the Burger King Corporation were sued in the state of Florida, the state in which Burger King was headquartered. The Court weighed heavily the fact that the non-resident defendant solicited the corporation to do business, and that the defendant signed a franchise agreement with a choice of law provision stating that Florida law would control. *Id.* at 479-80. The Court also

jurisdiction, the Court noted that a non-resident defendant's experience and sophistication can be a factor in discerning the reasonableness of a jurisdictional exercise.<sup>75</sup> Moreover, the Court stated that a non-resident defendant need not *physically* enter the forum in order to be amenable to suit.<sup>76</sup>

Finally in *Asahi*, the Supreme Court denied personal jurisdiction over a non-resident defendant corporation based primarily on the fact that both the plaintiff and the defendant were foreign corporations.<sup>77</sup> The Court also reasoned that other judicial fora were just as, if not more, accessible to the parties in other locations.<sup>78</sup> Thus, the Court recognized that factors such as the forum's interest in the dispute and the non-resident's convenience in regard to defending the dispute in that forum play an equally important role in the jurisdictional calculus as the purposefulness of the act.<sup>79</sup>

While the Supreme Court is the final arbiter in the personal jurisdiction calculus, the Court has set forth only the outer parameters of the constitutionally prescribed calculus.<sup>80</sup> On the other hand, it is the individual long-arm statutes which are dispositive of the issue of the specific amount of power that can be utilized by the forum through the long-arm statute.<sup>81</sup> Whether a forum decides

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noted the intricacies of the negotiations surrounding the franchise agreement and the absence of unconscionable circumstances. *Id.* at 479-80.

75. *Id.* at 484.

76. *Id.* at 476.

Although territorial presence frequently will enhance a potential defendant's affiliation with a State and reinforce the reasonable foreseeability of suit there, it is an inescapable fact of modern commercial life that a substantial amount of business is transacted solely by mail and wire communications across state lines, thus obviating the need for physical presence within a State in which business is conducted. So long as a commercial actor's efforts are "purposefully directed" toward residents of another State, [the Court] has consistently rejected the notion that an absence of physical contacts can defeat personal jurisdiction there.

*Id.* See also *Keeton v. Hustler Magazine, Inc.*, 465 U.S. 770, 774-75 (1984) (holding that personal jurisdiction can be effectuated even though the non-resident defendant's only contact was the distribution of magazines to the residents of the state in which the suit was filed).

77. *Asahi Metal Indus. Co. v. Superior Court*, 480 U.S. 102, 114 (1987). *Asahi* was a products liability suit brought by a California resident against a foreign motorcycle manufacturer, a foreign motorcycle tire manufacturer, and a foreign tire components manufacturer. Once the plaintiff's original suit was settled, the latter two foreign manufacturers instituted a suit challenging each other's contribution to the damages. *Id.* at 105-06.

78. *Id.* at 114-15.

79. *Id.* at 114, 116.

80. FRIEDENTHAL ET AL., *supra* note 1, § 3.11, at 138 (stating that the Supreme Court's personal jurisdiction cases only suggest how far a forum may assert personal jurisdiction over a non-resident; the cases do not provide authority on self-imposed limitations); JAMES ET AL., *supra* note 1, § 2.6, at 63 (stating that a state may enact a long-arm statute to the extent that it is consistent with the Constitution).

81. FRIEDENTHAL ET AL., *supra* note 1, § 3.12, at 138-41.

to equip its long-arm statute with power equal to or less than the constitutionally prescribed limits depends upon the wording of the statute and any case law interpreting that statute.<sup>82</sup> It is through the interaction of the case law and the various long-arm statutes that personal jurisdiction is ultimately effectuated.<sup>83</sup>

## B. Interpolation — Case Law and Long-Arm Statutes

### 1. Generally

Before a plaintiff can successfully employ a long-arm statute's jurisdictional power, that plaintiff must generally navigate three obstacles.<sup>84</sup> First, the language of the statute must provide for jurisdiction under the circumstances surrounding the asserted cause of action.<sup>85</sup> Second, any authority interpreting the application of the particular statute must be satisfied.<sup>86</sup> Third, the assertion of jurisdiction through the statute must be in accord with the applicable constitutional due process standards.<sup>87</sup> If these obstacles are not successfully navigated, the statute will be unable to authorize personal jurisdiction.<sup>88</sup>

As products of the Supreme Court's decisions, all long-arm statutes are enacted for the sole purpose of prescribing specific types of conduct or events that would render a non-resident amenable to suit.<sup>89</sup> A variety of activities or events, if occurring within the forum, trigger the authority of a long-arm statute, including: the transaction of any business, the commission of a legally actionable event such as a tort, the ownership of property, and entering into a contract.<sup>90</sup> Furthermore, there may also be some instances where even though the activity occurs outside the forum, such activity nevertheless results in actionable consequences within the forum, thus providing an additional basis on which to assert jurisdiction over the non-resident defendant.<sup>91</sup>

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82. *Id.* § 3.12, at 141. See also CRUMP ET AL., *supra* note 1, at 82.

[T]he extent of a state's jurisdiction is actually subject to two different kinds of restrictions. First, it must comply with due process. The basic test for this requirement is the minimum contacts test. Secondly, it must comply with *state law*. Each state has one or more "long arm" statutes. The reach of long arm jurisdiction depends upon the traditions and values . . . in its long-arm statute.

*Id.*

83. FRIEDENTHAL ET AL., *supra* note 1, § 3.12, at 141.

84. *Id.*

85. *Id.*

86. *Id.*

87. *Id.*

88. *Id.*

89. *Id.*

90. *Id.* § 3.12, at 139.

91. *Id.*

While the various long-arm statutes generally cover the same activities and events, the statutes can differ in the amount of detail that they contain.<sup>92</sup> For instance, some statutes prescribe specific actions or events that trigger the assertion of jurisdiction, as well as those acts which fall outside the specificities enumerated that do not trigger the statute.<sup>93</sup> Conversely, other long-arm statutes employ a more generalized language, which require that a court explore the various decisions made in the past under the long-arm statute and compare those decisions to the present set of circumstances in order to determine if jurisdiction can be authorized.<sup>94</sup> In either case, however, the ultimate result of authorizing personal jurisdiction over a non-resident defendant will

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92. *Id.* § 3.13, at 141-47.

93. *See, e.g.*, ILL. ANN. STAT. ch. 735, § 512-209 (Smith-Hurd 1993) which provides:

(a) Any person, whether or not a citizen or resident of this State, who in person or through an agent does any of the acts hereinafter enumerated, thereby submits such person, and, if an individual, his or her personal representative, to the jurisdiction of the courts of this State as to any cause of action arising from the doing of any such acts:

- (1) The transaction of any business within this State;
- (2) The commission of a tortious act within this State;
- (3) The ownership, use, or possession of any real estate situated in this State;
- (4) Contracting to insure any person, property or risk located within this State at the time of contracting;
- (5) With respect to actions of dissolution of marriage, declaration of invalidity of marriage and legal separation, the maintenance in this State of a matrimonial domicile at the time this cause of action arose or the commission in this State of any act giving rise to the cause of action;
- (6) With respect to causes of action brought under the Illinois Parentage Act of 1984, as now or hereinafter amended, the performance of an act of sexual intercourse within this state during the possible period of conception;
- (7) The making or performance of any contract or promise substantially connected with this State;
- (8) The performance of sexual intercourse within this State which is claimed to have resulted in the conception of a child who resides in this State;
- (9) The failure to support a child, spouse or former spouse who has continued to reside in this State since the person either formerly resided with them in this State or directed them to reside in this State;
- (10) The acquisition of ownership, possession or control of any asset or thing of value present within this State when ownership, possession or control was acquired;
- (11) The breach of any fiduciary duty within this State;
- (12) The performance of duties as a director or officer of a corporation organized under the laws of this State or having its principal place of business within this State;
- (13) The ownership of an interest in any trust administered within this State; or
- (14) The exercise of powers granted under the authority of this State as a fiduciary.

94. *See, e.g.*, CAL. CIV. PROC. CODE § 410.10 (West 1973), which provides:

"A court in this state may exercise jurisdiction on any basis not inconsistent with the Constitution of this state or of the United States."

nevertheless be dependent upon the satisfaction of the long-arm statute's requirements and the requirements of due process imposed constitutionally.<sup>95</sup>

## 2. The District of Columbia Long-Arm Statute

The District of Columbia long-arm statute<sup>96</sup> is an example of a long-arm statute that permits the exercise of personal jurisdiction over a non-resident to the full extent allowed by the Due Process Clause of the Constitution.<sup>97</sup> The District of Columbia long-arm statute originated as part of the District of Columbia Court Reform and Criminal Procedure Act of 1970.<sup>98</sup> Its purpose was to provide the District of Columbia with a long-arm statute that was equal in scope to the long-arm statutes of the District's neighboring states, Maryland<sup>99</sup> and Virginia,<sup>100</sup> as well as being coextensive with the

95. FRIEDENTHAL ET AL., *supra* note 1, § 3.12, at 141.

96. D.C. CODE ANN. § 13-423(a) (Michie 1989). See *supra* note 29 for the text of the statute.

97. See, e.g., *First Chicago Int'l v. United Exch. Co.*, 836 F.2d 1375, 1377 (D.C. Cir. 1988) (stating that the District of Columbia long-arm statute is co-extensive with the due process clause); *Mitchell Energy Corp. v. Mary Helen Coal Co.*, 524 F. Supp. 558, 558 (D.D.C. 1981) (stating that the District of Columbia long-arm statute permits jurisdiction to the fullest extent permissible under the due process clause); *Hummel v. Koehler*, 458 A.2d 1187, 1190 (D.C. 1983) (stating that the District of Columbia long-arm statute contemplates the exercise of personal jurisdiction to the fullest extent permissible under the due process clause); *Smith v. Jenkins*, 452 A.2d 333, 337 (D.C. 1982) (holding that the District of Columbia long-arm statute is coextensive with due process); *Mouzavires v. Baxter*, 434 A.2d 988, 988 (D.C. 1981) (holding the District of Columbia long-arm statute's reach is coextensive with the due process clause), *cert. denied*, 455 U.S. 1006 (1982); *Rose v. Silver*, 394 A.2d 1368, 1369 (D.C. 1978) (stating that the District of Columbia long-arm statute's reach is limited only by due process considerations), *reh'g denied*, 398 A.2d 787 (D.C. 1979); *Environmental Research Int'l, Inc. v. Lockwood Greene Eng'rs, Inc.*, 355 A.2d 808, 808 (D.C. 1976) (en banc) (stating that the reach of District of Columbia long-arm statute is only tempered by the decisions of the Supreme Court and the government contacts exception that the courts of the District of Columbia have enacted).

It should also be noted that in the District of Columbia, the Fourteenth Amendment does not apply because the District of Columbia is not a state. See *Hughes v. A.H. Robins Co.*, 490 A.2d 1140, 1144 n.3 (D.C. 1985). However, the Fifth Amendment is applicable, and it contains a due process clause which reaches at least as far as its Fourteenth Amendment counterpart. See *Bolling v. Sharpe*, 347 U.S. 497 (1954). Nevertheless, for purposes of analyzing the constitutionality of a District of Columbia court's exercise of personal jurisdiction over a non-resident defendant, the same principles of due process apply. See *Hughes*, 490 A.2d at 1144 n.3.

98. Act of July 29, 1970, Pub. L. No. 91-358, 84 Stat. 473 (1970).

99. See *Groom v. Margulies*, 265 A.2d 249, 253 (Md. 1970) (holding that the long-arm statute of Maryland permits the exercise of personal jurisdiction over non-resident defendants to the fullest extent of constitutionally prescribed limits).

100. See *Kolbe, Inc. v. Chromodern Chair Co.*, 180 S.E.2d 664, 667 (Va. 1971) (holding that the long-arm statute of Virginia permits the exercise of personal jurisdiction over non-resident defendants to the fullest extent of constitutionally prescribed limits).

jurisdictional limitations imposed by the Constitution.<sup>101</sup> The District of Columbia's purpose in duplicating the Maryland and Virginia long-arm statutes was to create one uniform standard of jurisdiction in light of the close proximity of the three areas geographically, and the large amount of interaction among these three areas' populations.<sup>102</sup>

Although the District of Columbia long-arm statute, like its counterparts in Maryland and Virginia, permits the exercise of jurisdiction within the constitutionally prescribed limits, the statute is, unlike its counterparts, harnessed by a self-imposed judicial limitation. This judicial limitation is known as the government contacts exception. Consequently, while appearing facially capable of extending personal jurisdiction to the constitutionally prescribed limits, the District of Columbia long-arm statute can be, in certain situations, anything but extensive.<sup>103</sup>

### III. THE DISTRICT OF COLUMBIA GOVERNMENT CONTACTS EXCEPTION

#### A. Historical Overview and Policy Perspectives

The promulgation of the government contacts exception in the District of Columbia occurred in a series of cases during the 1930s and 1940s involving non-resident, news-gathering organization defendants. The first case to proffer the exception was *Neely v. Philadelphia Inquirer Co.*<sup>104</sup> In *Neely*, the court held that a non-resident newspaper was not amenable to suit in the District because the only contact that the newspaper had with the District of Columbia was obtaining newsworthy information about the government's activities and occurrences.<sup>105</sup> The court reasoned that if the mere monitoring of the national

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101. See, e.g., *Rose*, 394 A.2d at 1369 (stating that the District of Columbia long-arm statute was modeled after the long-arm statutes of Maryland and Virginia which are tempered only by the due process clause), *reh'g denied*, 398 A.2d 787 (D.C. 1979); *Environmental Research*, 355 A.2d at 810 (stating that Congress intended to provide the District of Columbia with a long-arm statute equivalent in scope to those of Maryland and Virginia); *Margoles v. Johns*, 483 F.2d 1212, 1215-16 (D.C. Cir. 1973) (same). See also S. Rep. No. 405, 91st Cong., 1st Sess. 35 (1969); H.R. Rep. No. 907, 91st Cong., 2d Sess. 61 (1970) (same).

102. *Margoles*, 483 F.2d at 1215-16. See also *Butler*, *supra* note 10, at 747 (stating that the enactment of the District of Columbia long-arm statute to the extent equal to that of Maryland's and Virginia's was desirable in light of the geography of the three areas and the high volume of traveling to each area by the citizens of all three areas).

103. See, e.g., *infra* notes 104-41 and accompanying text.

104. 62 F.2d 873 (D.C. Cir. 1932). In *Neely*, a non-resident newspaper corporation maintained an office and hired a news correspondent to track the activities of the federal government. *Id.* at 874. The Plaintiff sued the defendant newspaper for an article printed in the paper that allegedly defamed the plaintiff. *Id.* at 874-75.

105. *Id.* at 875.

government's activities in the District of Columbia by a non-resident news organization rendered that organization amenable to suit in the District, then the interests of the public would be negatively impacted because such an application would in effect chill the press and transform the District of Columbia into a national judicial forum.<sup>106</sup>

Two years later, the Federal District Court of Appeals for the District of Columbia faced an identical fact pattern to that of *Neely* in *Layne v. Tribune Co.*<sup>107</sup> As in the *Neely* case, personal jurisdiction over the non-resident defendant in *Layne* was denied based upon the unique position of the District of Columbia as the seat of the national government, the corresponding right of the press to have unfettered access to the forum for news-gathering activities involving the government and its agencies, and the concern of the District of Columbia developing into a national judicial forum.<sup>108</sup> However, in addition to concurring with the *Neely* decision, the *Layne* court added a caveat to the exception. The court noted that while the mere collection of news material in the District of Columbia for use in subsequent publication elsewhere did not subject the non-resident defendant to suit, the collection of that news material in the District of Columbia and its subsequent sale in the District could provide the grounds on which jurisdiction could be asserted.<sup>109</sup> The court reasoned that the non-resident news-gathering organization would be pursuing an activity other than mere news-gathering; the organization would be pursuing income generating activity, and thus would be amenable to suit.<sup>110</sup> Therefore, to the

106. *Id.* The court explained:

As the seat of national government, Washington is the source of much news of national importance, which makes it desirable in the public interest that many newspapers should maintain vigilant correspondents here. If the employment of a Washington correspondent, the announcement of his address, and the payment of his office rent, subjects a nonresident newspaper corporation to legal process in Washington for matter appearing in its paper at home, it would bring in nearly every important newspaper in the nation, and many foreign publishing corporations . . . .

*Id.*

107. 71 F.2d 223 (D.C. Cir.), *cert. denied*, 293 U.S. 572 (1934).

108. *Layne*, 71 F.2d at 223-34. In *Layne*, the non-resident defendant, the Tribune Company, maintained a news-gathering agent and leased a telegraph wire to transmit the gathered news from the District of Columbia. *Id.* at 223. The plaintiff brought suit for an alleged libelous article printed by the Tribune Company. *Id.* In relying on all points in its prior decision in *Neely*, the court quashed service. *Id.* at 224.

109. *Id.* at 224.

110. *Id.*

extent that a non-resident defendant's contacts in the District of Columbia with the government constitute something other than mere information gathering, those contacts should fall outside the scope of the exception and personal jurisdiction over the non-resident defendant should be authorized.<sup>111</sup>

It was not until 1945, in *Mueller Brass Co. v. Alexander Milburn Co.*,<sup>112</sup> that the government contacts exception was again raised. Unlike the *Neely* and *Layne* decisions, *Mueller Brass* was the first decision to have applied the exception to a non-resident defendant other than a news-gathering organization.<sup>113</sup> Even despite this seemingly significant factual distinction from the *Neely* and *Layne* cases, the *Mueller Brass* court nevertheless held that the exception was applicable by reasoning that it was immaterial whether the non-resident defendant was involved in news service or otherwise; the dispositive factor was that the non-resident defendant was merely gathering information about the nation's government.<sup>114</sup> Therefore, the non-resident defendant's contacts were excepted from the District's personal jurisdiction calculus.<sup>115</sup>

111. *Layne v. Tribune Co.*, 71 F.2d 223, 224 (D.C. Cir. 1934). *Cf. Ricketts v. Sun Printing & Publ. Ass'n*, 27 App. D.C. 222 (1906) (holding that a non-resident newspaper was amenable to suit in the District of Columbia because the news gathered was sold to other newspapers who in turn sold those papers in Washington, thus deriving income from the citizens District of Columbia). As will later be developed in section V of this note, this is the type of reasoning that this note's "exception to the exception" is premised upon. The notion of *quid pro quo* coupled with a defendant's economic interest essentially leads back to the Supreme Court's 'purposeful availment' element. *See supra* section II. A. It is through this reasoning that an "exception to the exception" should be implemented for suits involving tangential issues concerning patents. *See infra* section V.

112. 152 F.2d 142 (D.C. Cir. 1945).

113. *Id.* at 145. In *Mueller Brass*, a non-resident defendant corporation, a maker of military supplies, maintained a representative in a District of Columbia office to monitor the government's military needs. *Id.* at 143. The representative's sole duty was to monitor, and the representative was not allowed to enter into any binding contracts with the government. *Id.* In analogizing the non-resident defendant's "monitoring" activities to that of newspapers, the court quashed service. *Id.* at 143-44.

114. *Id.* at 143. The court relied heavily on the fact that the representative did not have any power to bind any business obligations, and that the representative's sole purpose was to promote the company, gather information about the government's needs, and to report that information back to corporate headquarters. *Id.* at 144. The fact that the court was willing to apply the exception to an organization other than the press is in accordance with modern day first amendment jurisprudence, and therefore was not such an egregious extension of the exception as the plaintiff in *Mueller Brass* argued. *See, e.g., Cohen v. Cowles Media Co.*, 501 U.S. 663 (1991) (stating that first amendment jurisprudence has never provided for specialized treatment of the press, and similarly, the First Amendment applies to all citizens, not just the press).

115. *Mueller Brass*, 152 F.2d at 145.

In comparing the *Neely*, *Layne*, and *Mueller Brass* decisions,<sup>116</sup> it is noticeable that throughout these decisions, two underlying policy concerns behind the government contacts exception were articulated. The first policy concern was the constitutionally guaranteed right of freedom of access to the nation's government premised upon the First Amendment.<sup>117</sup> The second

116. Other "government contacts exception" decisions that chronologically followed the *Neely*, *Layne*, and *Mueller Brass* decisions, but were decided before the two controversial decisions discussed *infra* include: *Siam Craft Paper Co. v. Parsons & Whitmore, Inc.*, 400 F. Supp. 810, 812 (D.D.C. 1975) (denying personal jurisdiction over non-resident defendant whose only contacts with the jurisdiction involved "uniquely governmental activities"); *Fandel v. Arabian Am. Oil Co.*, 345 F.2d 87, 88-89 (D.C. Cir. 1965) (holding that the "government contacts exception" was applicable to a Middle East oil company which maintained a diplomatic relationship with the State Department and other agencies reasoning that "Washington presents many business organizations with special needs for a continuous and ponderable physical presence there, which needs are not those customarily associated with strictly commercial operations . . . and . . . Congress was not to make that presence in every case a base for the assertion of personal jurisdiction"); *Traher v. De Havilland Aircraft of Canada, Ltd.*, 294 F.2d 229, 230 (D.C. Cir. 1961) (holding that the "government contacts exception" applied to a non-resident Canadian aircraft manufacturer who had one employee in the District of Columbia for the sole purpose of serving as a "liaison or contact man with the United States Government" and armed forces), *cert. denied*, 368 U.S. 954 (1962).

117. *See, e.g.*, *Neely v. Philadelphia Inquirer Co.*, 62 F.2d 873, 875 (D.C. Cir. 1932), *cert. denied*, 293 U.S. 572 (1934); *Layne v. Tribune Co.*, 71 F.2d 223, 224 (D.C. Cir. 1934); *Mueller Brass Co. v. Alexander Milburn Co.*, 152 F.2d 142, 143 (D.C. Cir. 1945). The First Amendment of the United States Constitution provides in relevant part that: "Congress shall make no law . . . abridging the . . . right of the people peaceably . . . to petition the Government for a redress of grievances." U.S. CONST. amend. I. The government contacts exception is a corollary of the First Amendment's right to petition the government without interference or conditions placed upon that right by government. *See, e.g.*, *Rose v. Silver*, 394 A.2d 1368 (D.C. 1978), *reh'g denied*, 398 A.2d 787 (D.C. 1979). As the District of Columbia's long-arm statute reaches all contacts of non-residents with the District of Columbia to the fullest extent allowed by the Constitution, the statute would, in its most basic terms, include those contacts with the government by non-residents. *See, e.g.*, *Hummel v. Koehler*, 458 A.2d 1187 (D.C. 1983). The courts felt that such a far reaching application of the long-arm statute would in effect inhibit the citizenry's right to access the national government, and therefore, promulgated the government contacts exception. *See, e.g.*, *Neely*, 62 F.2d at 875; *Layne*, 71 F.2d at 224; *Mueller Brass*, 152 F.2d at 143.

However, it should be noted that the District of Columbia courts' reliance on the First Amendment as a basis for the government contacts exception may be questionable. In 1984, the Supreme Court held that the First Amendment could not be interjected as an additional consideration in the personal jurisdiction calculus. *Calder v. Jones*, 465 U.S. 783, 790 (1984). The Court reasoned that the First Amendment would needlessly infuse further considerations, thereby complicating an already delicate balancing process. *Id.* "To reintroduce [First Amendment] concerns at the jurisdictional stage would be a form of double counting." *Id.* Therefore, if *Calder* stands for the proposition that the First Amendment cannot be an additional basis on which to deny jurisdiction, then the District of Columbia's reliance on the First Amendment as a basis for the existence of the government contacts exception is flawed.

To date, only one case in the District of Columbia has addressed this potential conflict. *See Moncrief v. Lexington Herald-Leader Co.*, 807 F.2d 217, 221-25 (D.C. Cir. 1986). However, the *Moncrief* court avoided a direct engagement of the issue of whether *Calder* overrules the government contacts exception because the court distinguished *Calder* on the basis that *Neely*, the original decision articulating the government contacts exception, was not prompted at all by the First

policy concern, prudentially derived, was the fear of transforming the District of Columbia into a national judicial forum.<sup>118</sup> Because the choice to access the nation's government in the District of Columbia is a guaranteed, necessary, and non-discretionary right, the courts of the District of Columbia reasoned that the two policy concerns outweighed any interest that the District of Columbia might have in obligating a non-resident defendant to respond to suit in the District's courts if personal jurisdiction could only be based upon the non-resident defendant's contacts with the national government or its agencies.<sup>119</sup> While each of these concerns is representative of equally valid reasons for the existence of the government contacts exception, the legitimacy of these concerns may become questionable when the exception is applied past the original functional sphere of those concerns.<sup>120</sup>

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Amendment. *Id.* at 223. Rather, the court stated that the *Neely* decision stood for a categorical exception to the District of Columbia long-arm statute for non-resident newspapers. *Id.* While the court never mentioned the "government contacts exception" by name, it did clearly state that *Neely* and the cases following that decision were not based upon the First Amendment because "the court in *Neely* did not mention [it]." *Id.* However, this conclusion is inconsistent and in direct conflict with the leading government contacts exception cases in the District of Columbia. *See, e.g., Rose*, 394 A.2d at 1373-74 (stating that the government contacts exception arose out of a series of non-resident newspaper cases, namely *Neely* and *Layne*, which "had emerged with a First Amendment as well as [a] due process underpinning"); *Environmental Research Int'l, Inc. v. Lockwood Greene Eng'rs, Inc.*, 355 A.2d 808, 813 n.11 (D.C. 1976) (en banc) (stating that the government contacts exception arose from a series of cases that were concerned with the impermissible burden on the First Amendment and that the exception does not find itself in the wording of the long-arm statute, but rather is principled upon the fact that the District of Columbia is the seat of the nation's government and the citizenry has the right of unfettered access to the government).

Moreover, the *Rose* decision itself clearly states that the government contacts exception to the District of Columbia long-arm statute is principled upon the First Amendment. *See Rose*, 394 A.2d at 1374. Yet *Rose* has not been overruled. Furthermore, the *Calder* decision which was delivered in 1984, has never been mentioned in any of the government contacts exception cases that have been decided after 1984 to the present date.

Nevertheless, in light of the *Calder* decision and the apparent inconsistencies in the *Moncrief* court's reasoning, it would appear that the government contacts exception to the District of Columbia long-arm statute can no longer continue to exist because it is principally based upon the First Amendment. However, no court in the District of Columbia has explicitly or implicitly abrogated the government contacts exception, and those courts continue to apply the exception despite the existence of the *Calder* decision. The reasoning behind this continuation is unclear. Perhaps one reason that the District of Columbia continues to apply the government contacts exception is because after the *Calder* decision was rendered, the Supreme Court refused to grant certiorari to a government contacts exception case. *See Naartex Consulting Corp. v. Watt*, 722 F.2d 779 (D.C. Cir. 1983), *cert. denied*, 467 U.S. 1210 (1984). The denial of certiorari by the Supreme Court may have been interpreted by the District of Columbia courts as a tacit acceptance of the government contacts exception.

118. *See, e.g., Neely*, 62 F.2d at 875; *Layne*, 71 F.2d at 224; *Mueller Brass*, 152 F.2d at 143.

119. *See, e.g., Neely*, 62 F.2d at 875; *Layne*, 71 F.2d at 224; *Mueller Brass*, 152 F.2d at 143.

120. *See Butler, supra* note 10, at 757-59.

*B. Present Day Controversy: How Far to Except?*

The present controversy surrounding the government contacts exception is primarily over the ill-defined scope of the exception.<sup>121</sup> At the forefront of the controversy are two decisions, *Environmental Research International, Inc. v. Lockwood Greene Engineers, Inc.*,<sup>122</sup> and *Rose v. Silver*.<sup>123</sup> In *Environmental Research*, the government contacts exception was given its most liberal reading.<sup>124</sup> The District of Columbia Court of Appeals held that the exception applies in all cases in which a "nonresident[']s . . . sole contact with the District [of Columbia] consists of dealing with [the federal government or] a federal instrumentality"<sup>125</sup> The court reasoned that such a liberal interpretation was required in order to meaningfully preserve the two policy considerations set forth in the *Mueller Brass* case and its progeny.<sup>126</sup>

121. *See id.* at 746, 757-59.

122. 355 A.2d 808 (D.C. 1976) (en banc).

123. 394 A.2d 1368 (D.C. 1978), *reh'g denied*, 398 A.2d 787 (D.C. 1979).

124. *See Butler*, *supra* note 10, at 749.

125. *Environmental Research*, 355 A.2d at 813.

126. *Id.* at 813. The court supported this contention by focusing on each one of the policy considerations. *See id.* The court reasoned:

The rationale for the "government contacts" exception to the District of Columbia's long-arm statute does not hinge upon the wording of the statute. Rather, it finds its source in the unique character of the District as the seat of national government and the correlative need for unfettered access to federal departments and agencies for the entire national citizenry. To permit our local courts to assert personal jurisdiction over non-residents whose sole contact is with a federal instrumentality not only would pose a threat to free public participation in government, but also would threaten to convert the District of Columbia into a national judicial forum.

*Id.* The *Environmental Research* court stated that the *Mueller Brass* decision was the first case to articulate the government contacts exception. *See id.* While the *Mueller Brass* decision was the first case to apply the exception to a non-news-gathering entity, it was not the first case to articulate the government contacts exception. *See Mueller Brass Co. v. Alexander Milburn Co.*, 152 F.2d 142, 142 n.2 (D.C. Cir. 1945) (noting that the *Neely* and the *Layne* decisions were the first cases to articulate the government contacts exception); *see also* *Rose v. Silver*, 394 A.2d 1368, 1373 (D.C. 1978) (stating that the government contacts exception emerged from the non-resident newspaper cases of *Neely* and *Layne*), *reh'g denied*, 398 A.2d 787 (D.C. 1979); *Butler*, *supra* note 10, at 747 (stating that the exception originated from a series of non-resident newspaper organization cases, namely *Neely* and *Layne*).

While the *Environmental Research* court did acknowledge the existence of the *Layne* and *Neely* decisions, it relegated the cases to a general footnote. *See Environmental Research*, 355 A.2d at 813 n.9. Arguably, the fact that the *Environmental Research* court relied so heavily on the *Mueller Brass* decision might explain why the *Environmental Research* court felt so unrestrained when it broadened the exception to the extent that it did. Since the *Mueller Brass* decision did not involve a newspaper and did not explicitly mention the First Amendment, the *Environmental Research* court, by relying on the *Mueller Brass* decision, may have seen its expansion of the government contacts exception so as to include all contacts with the federal government of its agencies as a logical and consistent evolution of precedent.

Under the *Environmental Research* court's interpretation of the exception, any purposeful contact with the government or a governmental agency by a non-resident defendant in the District of Columbia would be exempted from the District of Columbia long-arm statute's jurisdictional calculus.<sup>127</sup> Moreover, the *Environmental Research* court's interpretation of the government contacts exception would bar personal jurisdiction over a non-resident defendant whose only contacts with the District of Columbia were with the national government or its agencies even if personal jurisdiction was premised upon the activities of the non-resident that gave rise to the claim itself.<sup>128</sup> As the dissent in *Environmental Research* asserted, as have some commentators, such an interpretation is directly in conflict with the basic notion of specific jurisdiction<sup>129</sup> behind the Supreme Court's "minimum contacts" test.<sup>130</sup>

127. See *Environmental Research Int'l, Inc. v. Lockwood Greene Eng'rs, Inc.*, 355 A.2d 808, 813 (D.C. 1976).

128. *Id.* at 813-14. See Butler, *supra* note 10, at 749-50.

129. Personal jurisdiction over a non-resident has been classified into two categories, "specific" and "general." Specific jurisdiction is based upon a "specific" act by the non-resident defendant that gives rise to the very claim that is being litigated. See FRIEDENTHAL ET AL., *supra* note 1, § 3.10, at 123-25. To effectuate personal jurisdiction, a plaintiff need only show that the cause of action arose out of the very activity that the non-resident defendant conducted in the forum. *Id.* See, e.g., *McGee v. International Life Ins. Co.*, 355 U.S. 220, 222-23 (1957) (holding that the forum had personal jurisdiction over the non-resident defendant based upon its sole contact with the forum which gave rise to the plaintiff's cause of action). See also *supra* text accompanying notes 55-58 (explaining the significance of the *McGee* decision).

Conversely, general jurisdiction is defined as personal jurisdiction based upon the non-resident defendant's "continual and systematic activity" within the forum. See FRIEDENTHAL ET AL., *supra* note 1, § 3.10, at 123-25. To effectuate personal jurisdiction under the "general" jurisdiction theory, a plaintiff need not show that activity that gave rise to the claim itself. *Id.* However, the plaintiff must show that the non-resident defendant has been systematically and continually conducting activity so as to obligate itself to suits that do not necessarily give rise to the particular claim. *Id.* See, e.g., *Helicopteros Nacionales de Columbia, S.A. v. Hall*, 466 U.S. 408, 416-18 (1984) (denying personal jurisdiction over the non-resident defendant on the grounds that the cause of action did not arise out of the defendant's contacts, and the defendant did not systematically or continually conduct activity in the forum so as to give rise to obligations unrelated to its liability generating acts). See generally B. Glenn George, *In Search of General Jurisdiction*, 64 TUL. L. REV. 1097 (1990) (explaining the nuances of general jurisdiction).

The primary difference between the two categories is the amount of evidence that a plaintiff must present in order to sustain personal jurisdiction over the non-resident defendant. See FRIEDENTHAL ET AL., § 3.10, at 123-25. Under specific jurisdiction, a single purposeful act by the non-resident in the forum may be a sufficient basis on which to predicate personal jurisdiction, so long as that single purposeful act gave rise to the cause of action. See *id.* In many instances the burden of proving that such acts gave rise to the cause of action will be easily overcome. See *id.* Conversely, under general jurisdiction, a single purposeful act will not suffice to support personal jurisdiction over the non-resident defendant if the cause of action is unrelated to that single purposeful act. See *id.*; *Helicopteros*, 466 U.S. at 416-18. A plaintiff must show a continuous and systematic grouping of acts. See *Helicopteros*, 466 U.S. at 416-18.

Thus, under the *Environmental Research* court's reasoning, if a plaintiff's cause of action arises from the non-resident defendant's contacts with the government, the plaintiff will not be able to sue the non-resident in the District of Columbia, the situs of the actionable activity, because of the government contacts exception.<sup>131</sup>

If the *Environmental Research* decision is representative of a liberal interpretation of the scope of the government contacts exception, then it is *Rose v. Silver*<sup>132</sup> which is illustrative of a more conservative view.<sup>133</sup> It was only two years after the *Environmental Research* decision was rendered, that the Court of Appeals for the District of Columbia made the determination to relegate the *Environmental Research* court's extension of the exception to a narrower scope. First, the *Rose* court distinguished the *Environmental Research* decision on the grounds that the legal relationship existing between the disputing parties in each case was different, thereby requiring different results.<sup>134</sup> The *Rose* court stated that the *Environmental Research* court's discussion of the government contacts exception was but a minor part of the case and that the decision regarding the non-resident's contacts was really based on due process and nothing more.<sup>135</sup> The *Rose* court then proceeded by stating that its ruling on the government contacts exception "will require virtually a fresh inquiry," and concluded that "after reviewing the development of the government contacts principle, . . . the First Amendment provides the only principled basis [on which to invoke the exception]"<sup>136</sup>

130. *Environmental Research*, 355 A.2d at 818 (Fickling, J., dissenting); See Butler, *supra* note 10, at 749-50 (stating that the *Environmental Research* court's interpretation of the government contacts exception is in direct conflict with the Supreme Court's fundamental premise of "minimum contacts" in *International Shoe*).

131. See *Environmental Research*, 355 A.2d at 813-14. See also *American Standard, Inc. v. Sanitary Wares Mfg. Corp.*, 3 U.S.P.Q.2d (BNA) 1637, 1639-40 (D.D.C. 1987) (holding that personal jurisdiction did not exist even though the non-resident defendant's activity with the United States Patent and Trademark Office gave rise to the plaintiff's claim because the non-resident defendant's only contact with the District of Columbia was with the PTO, a governmental agency, and therefore the government contacts exception applied).

132. 394 A.2d 1368 (D.C. 1978), *reh'g denied*, 398 A.2d 787 (D.C. 1979).

133. See Butler, *supra* note 10, at 750-51.

134. *Rose*, 394 A.2d at 1370. The court distinguished *Environmental Research* on the grounds of agency law. See *id.*

135. *Id.* at 1373.

136. *Rose v. Silver*, 394 A.2d 1368, 1374 (D.C. 1978). By limiting the government contacts exception to only those contacts that implicate the First Amendment, the court narrowed the applicability of the government contacts exception to those cases which presumably fall under the rubric of the First Amendment's petition clause. See *id.*

Unfortunately, the result of the *Rose* decision has done nothing more than guarantee a controversy over the applicable scope of the exception.<sup>137</sup> Theoretically, *Rose*, which was a panel decision, cannot overrule the *Environmental Research* decision because the *Environmental Research* decision was delivered *en banc*.<sup>138</sup> Therefore, it appears that both cases exist concurrently as good law today. Consequently, this situation has allowed subsequent courts in the District of Columbia to summarily choose between the *Rose* decision and the *Environmental Research* decision, as to which is to be controlling in a given case. Nevertheless, it has been argued that the *Rose* decision committed the government contacts exception to a very narrow inquiry.<sup>139</sup>

In summary, the status of the government contacts exception in the District of Columbia following *Environmental Research* and *Rose* is clear in only one respect: inconsistent judicial application.<sup>140</sup> Since the decisions in *Environmental Research* and *Rose*, over two dozen cases, both in the federal courts for the District of Columbia Circuit and the District of Columbia's courts, have been decided in which the government contacts exception was implicated to some degree.<sup>141</sup>

137. See, e.g., *Nichols v. G.D. Searle & Co.*, 783 F. Supp. 233, 242 (D. Md. 1992) (stating that the *Rose* decision only created confusion as to what the law is regarding the government contacts exception in the District of Columbia).

138. *Rose v. Silver*, 394 A.2d 1368 (D.C. 1978), *reh'g denied*, 398 A.2d 787, 787 (D.C. 1979) (stating that a *panel decision* is prohibited from issuing an opinion which conflicts materially with a prior decision that was delivered *en banc*, and that any abrogation of an *en banc* decision can only be done by the court sitting *en banc*) (citing *M.A.P. v. Ryan*, 285 A.2d 310 (D.C. 1971)).

139. See *Butler*, *supra* note 10, at 750 (stating that the *Rose* decision greatly narrowed the *Environmental Research* decision even though it did not overrule it).

140. See *id.* at 754-57 (mapping out the judicial inconsistency involving the "government contacts exception"). See also *Nichols v. G.D. Searle & Co.*, 783 F. Supp. 233, 242 (D. Md. 1992) (stating that the District of Columbia's government contacts exception is in a state of confusion, and that decisions subsequent to the *Rose* decision have done nothing to make the law of the District of Columbia any clearer on this matter).

141. See, e.g., *Naartex Consulting Corp. v. Watt*, 722 F.2d 779 (D.C. Cir. 1983), *cert. denied*, 467 U.S. 1210 (1984); *Stabilisierungsfonds Fur Wein v. Kaiser Stuhl Wine Distribs. Pty. Ltd.*, 647 F.2d 200 (D.C. Cir. 1981); *Steinberg v. International Criminal Police Org.*, 672 F.2d 927 (D.C. Cir. 1981); *Bechtel & Cole v. Graceland Broadcasting Inc.*, 18 F.3d 953 (D.C. Cir. 1994); *Hayhurst v. Calabrese*, 988 F.2d 1280 (D.C. Cir. 1993); *Dooley v. United Tech. Corp.*, 803 F. Supp. 428 (D.D.C. 1992); *Dooley v. United Tech. Corp.*, 786 F. Supp. 65 (D.D.C. 1992); *Armco Steel Co. v. CSX Corp.*, 790 F. Supp. 311 (D.D.C. 1991); *Johns v. Rozet*, 770 F. Supp. 11 (D.D.C. 1991); *Rochon v. F.B.I.*, 691 F. Supp. 1548 (D.D.C. 1988); *Coalition on Sensible Transp., Inc. v. Dole*, 631 F. Supp. 1382 (D.D.C. 1986); *Brown v. Artery Org., Inc.*, 654 F. Supp. 1106 (D.D.C. 1987); *United States v. Wilfred Am. Educ. Corp.*, No. 86-333, 1987 WL 10501 (D.D.C. Apr. 23, 1987); *Federal Land Bank of St. Paul v. Federal Land Bank of Tex.*, Nos. 87-0085, 87-0601, 1987 WL 10518 (D.D.C. Apr. 30, 1987); *American Standard, Inc. v. Sanitary Wares Mfg. Corp.*, 3 U.S.P.Q.2d (BNA) 1637 (D.D.C. 1987); *Chase v. Pan-Pacific Broadcasting, Inc.*, 617 F. Supp. 1414 (D.D.C. 1985); *National Coal Ass'n v. Clark*, 603 F. Supp. 668 (D.D.C.

*C. The District of Columbia Court of Appeals After Environmental Research and Rose: What's In, What's Out?*

In the time period subsequent to the *Environmental Research and Rose* decisions, the District of Columbia Court of Appeals has issued only three decisions that have involved the government contacts exception, including: *Hughes v. A.H. Robins Co.*,<sup>142</sup> *Lex Tex Ltd. v. Skillman*,<sup>143</sup> and *Beachboard v. Trustees of Columbia University*.<sup>144</sup> Notably, only two of the three decisions have expressly or tacitly remained consistent with the policy of applying the government contacts exception as narrowly as did the court in *Rose*. For example, in *Hughes*, the District of Columbia Court of Appeals departed from the *Rose* decision and held that a non-resident defendant's contacts, the commercial monitoring of congressional legislation and the gathering of that information, was clearly within the government contacts exception.<sup>145</sup>

However, in *Lex Tex*, the District of Columbia Court of Appeals held that a non-resident attorney, who had allegedly misrepresented his client before the United States Patent and Trademark Office (PTO) in the District of Columbia,<sup>146</sup> was amenable to suit based upon that sole contact.<sup>147</sup> Despite

1984); *Chrysler Corp. v. General Motors Corp.*, 589 F. Supp. 1182 (D.D.C. 1984); *MCI Communications Corp. v. American Tel. & Tel. Co.*, No. 79-1182, 1983 WL 1881 (D.D.C. Oct. 4, 1983); *Investment Co. Inst. v. United States*, 550 F. Supp. 1213 (D.D.C. 1982); *Ramamurti v. Rolls-Royce Ltd.*, 454 F. Supp. 407 (D.D.C. 1978); *U.S. Indus., Inc. v. Maclaren*, 191 U.S.P.Q. (BNA) 498 (D.D.C. 1976); *Lex Tex Ltd. v. Skillman*, 579 A.2d 244 (D.C. 1990); *Hughes v. A.H. Robins Co.*, 490 A.2d 1140 (D.C. 1985); *Beachboard v. Trustees of Columbia Univ.*, 475 A.2d 398 (D.C. 1984).

142. 490 A.2d 1140 (D.C. 1985).

143. 579 A.2d 244 (D.C. 1990).

144. 475 A.2d 398 (D.C. 1984).

145. *Hughes*, 490 A.2d at 1145 n.4. In *Hughes*, a non-resident defendant corporation, A.H. Robins, established an office and staffed two employees in the District of Columbia in order to monitor the introduction and passage of congressional legislation affecting the pharmaceutical industry. *Id.* at 1143. Additionally, while A.H. Robins did on previous occasions enter into contracts with the federal government, these contracts were negotiated and agreed to outside of the District of Columbia. *Id.* Nevertheless, the court's determination of the applicability of the government contacts exception in this case seemed superfluous in light of the fact that the court held that the non-resident defendant's contacts fell short of the due process requirements as set forth in *International Shoe*. See *id.* at 1151.

146. The *Lex Tex* court found it controlling that at the time that the non-resident defendant appeared before the United States Patent and Trademark Office, that office was located in the District of Columbia. *Lex Tex*, 579 A.2d at 244. However, the court did note that the Patent and Trademark Office moved to Arlington, Virginia in 1967. *Id.* at 245 n.1. Whether this fact would have become relevant for jurisdictional purposes had the non-resident attorney's activities taken place after 1967 is unclear in the opinion. For further discussion of this point, see *infra* note 192.

147. *Id.* at 249-50.

the fact that the attorney's only contact was the representation of his client before the PTO, a governmental agency, the court nevertheless reasoned that the attorney was not exercising *his* first amendment rights when he appeared before the PTO.<sup>148</sup> Holding the non-resident attorney amenable to suit did not implicate *his* first amendment rights, and therefore did not invoke an analysis of the government contacts exception under the *Rose* decision.<sup>149</sup> Finally, in *Beachboard*, even though the government contacts exception was not considered by the court because the cause of action had no connection whatsoever to any transaction of business by the non-resident defendant within the District of Columbia, the court in dictum did, however, recognize *Rose* as an authority on the government contacts exception.<sup>150</sup>

While the District of Columbia Court's decisions that were rendered subsequent to *Rose* have generally maintained that the *Rose* decision is controlling with regard to the government contacts exception, the federal courts of the District of Columbia Circuit are anything but consistent on this issue.<sup>151</sup> Many of the decisions that have arisen out of the federal courts for the District of Columbia Circuit have preferred a broad application of the exception.<sup>152</sup> As a result, some of these decisions have renewed the vitality of the *Environmental Research* opinion, while some other decisions within the District of Columbia Circuit have attempted to hedge this renewal process.<sup>153</sup>

#### *D. The Federal Courts of the District of Columbia Circuit After Environmental Research and Rose: An Open Invitation?*

When analyzing the federal court decisions that involve the government contacts exception, a noticeable trend emerges in favor of a broad interpretation of the exception as did the District of Columbia Court of Appeals in *Environmental Research*, irrespective of the decision in *Rose*.<sup>154</sup> Notwithstanding this trend to liberally apply the exception, many of the federal court cases still remain divided on the scope of the exception.<sup>155</sup> For example,

148. *Id.* at 249.

149. *Id.* at 250.

150. *Beachboard v. Trustees of Columbia Univ.*, 475 A.2d 398, 401 n.3 (D.C. 1984).

151. *See Butler*, *supra* note 10, at 752-57.

152. *See id.* at 752-53 (stating that the federal courts for the District of Columbia Circuit have preferred a broad interpretation of the exception's applicability).

153. *See, e.g., Johns v. Rozet*, 770 F. Supp. 11, 19 (D.D.C. 1991); *United States v. Wilfred Am. Educ. Corp.*, No. 86-333, 1987 WL 10501, at \*4 (D.D.C. Apr. 23, 1987).

154. *See Butler*, *supra* note 10, at 752-53.

155. *See, e.g., Naartex Consulting Corp. v. Watt*, 722 F.2d 779, 786-87 (D.C. Cir. 1983), *cert. denied*, 467 U.S. 1210 (1984). The court stated that the District of Columbia Court of Appeals has failed to clarify any possible conflict [between *Environmental Research* and *Rose*]

. . . [, but that] [f]ortunately, if there is any tension between *Environmental Research*

in *Naartex Consulting Corp. v. Watt*,<sup>156</sup> the court began its discussion of the exception by commenting on the complications generated by the prior inconsistent decisions and criticized the District's courts' failure to clarify the scope of the exception.<sup>157</sup> The court continued, stating:

[C]onsidering that a panel of the District of Columbia Court of Appeals 'is prohibited from issuing an opinion which conflicts materially with a prior decision of the full court as this may be done only by the court sitting *en banc* . . . if it were necessary to determine what law controls today in the District of Columbia, [this court] would still be hesitant to conclude that the clear holding against

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and *Rose*, [the court] need not resolve it, because in this case all relevant activities upon which [the plaintiff] seeks to base its claim . . . implicate the first amendment guarantee 'to petition the Government for redress of grievances' and would therefore qualify for exemption under [*Environmental Research* and] the *Rose* test as well.

*Id.* at 786-87. See also *Nichols v. G.D. Searle & Co.*, 783 F. Supp. 233, 242 (D. Md. 1992) (stating that the law regarding the government contacts exception is in a state of confusion and that the decisions following the *Rose* decision have done nothing to clarify the District of Columbia's position); *Rochon v. F.B.I.*, 691 F. Supp. 1548, 1559-60 (D.D.C. 1988) ("The [government contacts] doctrine does not provide a blanket exception for all government contacts . . ."); *Federal Land Bank of St. Paul v. Federal Land Bank of Tex.*, Nos. 87-0085, 87-0601, 1987 WL 10518, at \*4 (D.D.C. Apr. 30, 1987) (stating that the federal courts in the District of Columbia Circuit recognize a "possible conflict in [the] District of Columbia case law regarding the scope of the government contacts doctrine" caused by the *en banc* decision in *Environmental Research* and the panel decision in *Rose*, but "for present purposes it is unnecessary to decide which one of these District of Columbia Court of Appeals decisions controls"); *Chrysler Corp. v. General Motors Corp.*, 589 F. Supp. 1182, 1198 (D.D.C. 1984) (stating that "[s]ince *Rose* there has been no consistent approach in applying the government contacts exception"); *Chase v. Pan-Pacific Broadcasting, Inc.*, 617 F. Supp. 1414, 1426-28 (D.D.C. 1985) (stating that while there is an unresolved conflict, the court recognized the *Rose* decision and took care so as not to "contravene the holding in *Rose* and abridge the defendant's freedom of speech or right to petition the government"). But see *Coalition on Sensible Transp., Inc. v. Dole*, 631 F. Supp. 1382, 1385 (D.D.C. 1986) ("[T]his court must determine which formulation of the [government contacts] exception should be applied . . . [and] [t]his [c]ourt agrees that the *Environmental Research* formulation is applicable . . ."); *National Coal Ass'n, et al. v. Clark*, 603 F. Supp. 668, 671 (D.D.C. 1984) ("Although the articulation and application of the government contacts exception . . . may have been somewhat inconsistent over the years, the federal Court of Appeals for [the District of Columbia] Circuit . . . concluded . . . that this exception applies to contacts with all branches of the federal government . . .") (citations omitted); *United States v. Wilfred Am. Educ. Corp.*, No. 86-333, 1987 WL 10501, at \*4 (D.D.C. Apr. 23, 1987) ("Our review of the cases leads us to conclude, however, that the categorical governmental contacts rule, though not explicitly overruled, has not survived."); *American Standard, Inc. v. Sanitary Ware Mfg. Corp.*, 3 U.S.P.Q.2d (BNA) 1637, 1639 (D.D.C. 1987) ("While the District of Columbia courts have not clarified the law or delimited the scope of this exception . . . this circuit has indicated that courts should consider both prongs of the exception . . .").

156. 722 F.2d 779 (D.C. Cir. 1983), *cert. denied*, 467 U.S. 1210 (1984).

157. *Id.* at 786.

governmental contacts as a basis for personal jurisdiction in *Environmental Research* no longer controls.<sup>158</sup>

Many of the decisions in the circuit following *Naartex* were quick to employ the court's language advising that the *Environmental Research* decision was still controlling.<sup>159</sup> For instance, in *National Coal Association v. Clark*,<sup>160</sup> the court stated that the government contacts exception applies to all contacts with the federal government.<sup>161</sup> However, in *Chase v. Pan-Pacific Broadcasting, Inc.*,<sup>162</sup> even though the case did not apply the government contacts exception, the decision is significant because the court recognized the *Rose* decision as precedent, and because the court reasoned its decision in part under the rubric of the *Rose* decision.<sup>163</sup>

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158. *Id.* However, the court found it unnecessary to make that determination because the court reasoned that the non-resident's contacts, petitioning the government to protect the non-resident's property interests, were covered not only by *Environmental Research*, but also by the more restrictive holding in *Rose* as well. The court stated:

Fortunately, if there is any tension between *Environmental Research* and *Rose*, we need not resolve it, because in this case all relevant activities upon which [the plaintiff] seeks to base its claim[,] . . . implicate the first amendment guarantee "to petition the Government for redress of grievances" and so would qualify for exemption under the *Rose* test as well.

*Id.* at 787.

159. The primary reason the *Naartex* court counseled that the *Environmental Research* decision was still controlling was that a decision reached by a court sitting *en banc* cannot be overruled except by another court also sitting *en banc*. *Id.* at 786. See *supra* note 138.

160. 603 F. Supp. 668 (D.D.C. 1984).

161. *Id.* at 671. The court noted that:

The government contacts exception exempts from consideration . . . a non-resident defendant[']s [contacts] . . . which are made solely with the federal government . . . . Although the articulation and application of the government contacts exception by the local Court of Appeals may have been somewhat inconsistent over the years, the Federal Court of Appeals for this Circuit recently concluded upon a careful analysis of the District of Columbia case law both that the government contacts exception remains the law in the District of Columbia and that this exception applies to contacts with all branches of the federal government . . . .

*Id.* (citing *Naartex*, 722 F.2d at 786-87). In applying the exception, the court ruled that the exception barred jurisdiction over the non-resident defendant whose contacts with the government involved actively securing personal economic and proprietary interests. *Id.* at 672.

162. 617 F. Supp. 1414 (D.D.C. 1985).

163. See *id.* at 1428.

[O]ur decision [does not] contravene the holding in *Rose* and abridge the defendants['] freedom of speech or right to petition the government. . . . [T]his is not a case where . . . the defendant is forced to enter this forum to exercise his first amendment rights . . . . Therefore, we do not believe that constitutional concerns require this court to invoke the government contacts [exception].

*Id.*

More recent examples of the government contacts exception dilemma include *Coalition on Sensible Transportation, Inc. v. Dole*,<sup>164</sup> *United States v. Wilfred American Education Corp.*,<sup>165</sup> and *Johns v. Rozet*.<sup>166</sup> In *Coalition*, the court noted that the *Naartex* decision "strongly suggested" that the *Environmental Research* decision was controlling.<sup>167</sup> Nevertheless, the *Coalition* court decided that it should "determine which formulation of the exception [that this court] should . . . appl[y]."<sup>168</sup> Not surprisingly, the *Coalition* court held that the *Environmental Research* decision was controlling.<sup>169</sup> Conversely, in *Wilfred*, "[the court's] review of the cases [led] [the court] to conclude . . . that the categorical governmental contacts rule, though not explicitly overruled, ha[d] not survived."<sup>170</sup> Similarly, in *Johns*, the court stated that "[t]he government contacts exception . . . apparently is based on the First Amendment, and . . . [therefore] 'the First Amendment provides the only principled basis for exempting a foreign defendant from suit in the District of Columbia, when its contacts are . . . sufficient to withstand a traditional due process attack.'"<sup>171</sup>

In summary, although there exists a stark conflict surrounding the applicable scope of the government contacts exception, categories of contacts that generally fall within the exception, outside the exception, and on middle ground, can loosely be defined. On the one hand, there are contacts that will necessarily fall within the exception regardless of whether *Environmental Research* or *Rose* is deemed controlling. These contacts are those which necessarily implicate First Amendment concerns, which include: news-gathering<sup>172</sup> and lobbying and petitioning the government.<sup>173</sup>

164. 631 F. Supp. 1382 (D.D.C. 1986).

165. No. 86-333, 1987 WL 10501 (D.D.C. Apr. 23, 1987).

166. 770 F. Supp. 11 (D.D.C. 1991).

167. *Coalition on Sensible Transp., Inc. v. Dole*, 631 F. Supp. 1382, 1385 (D.D.C. 1986). Cf. *National Coal Ass'n v. Clark*, 603 F. Supp. 668, 671-72 (D.D.C. 1984) (stating that the *Naartex* decision was conclusive on whether *Environmental Research* should be controlling).

168. *Coalition*, 631 F. Supp. at 1384-85.

169. *Id.* at 1385.

170. *United States v. Wilfred Am. Educ. Corp.*, No. 86-333, 1987 WL 10501 at \*4 (D.D.C. Apr. 23 1987).

171. *Johns v. Rozet*, 770 F. Supp. 11, 19 (D.D.C. 1991) (quoting *Rose v. Silver*, 394 A.2d 1368, 1374 (D.C. 1978), *reh'g denied*, 398 A.2d 787 (D.C. 1979)).

172. See, e.g., *Neely v. Philadelphia Inquirer Co.*, 62 F.2d 873, 875 (D.C. Cir. 1932); *Layne v. Tribune Co.*, 71 F.2d 223, 224 (D.C. Cir. 1934). But see *Ricketts v. Sun Printing & Publ. Ass'n*, 27 App. D.C. 222 (1906) (holding a non-resident newspaper amenable to suit because the newspaper generated income through sales of its paper in the District of Columbia from the news it gathered about the national government while in the District of Columbia).

173. See, e.g., *Hayhurst v. Calabrese*, No. 92-7017, 1993 WL 64561 at \*1 (D.C. Cir. Feb. 25, 1993) (holding that the non-resident defendants' lobbying of the government fell within the government contacts exception); *Naartex Consulting Corp. v. Watt*, 722 F.2d 779, 787 (D.C. Cir. 1983) (holding that petitioning the government to protect personal proprietary interests from

On the other hand, there exists a group of contacts that generally fall outside the scope of the government contacts exception. These contacts include: directly conducting business with the government,<sup>174</sup> using information obtained about the government for income generating purposes within the District of Columbia,<sup>175</sup> hiring District of Columbia counsel when the applicable law or regulation does not mandate that local counsel necessarily be hired,<sup>176</sup> and conducting business in the District of Columbia that only

governmental legislation was under the purview of the government contacts exception), *cert. denied*, 467 U.S. 1210 (1984). *See also* *Rose v. Silver*, 394 A.2d 1368, 1373-74 (D.C. 1978) (stating that the First Amendment provides the only principled basis on which to apply the government contacts exception), *reh'g denied*, 398 A.2d 787 (D.C. 1979).

174. *See, e.g.,* *Rochon v. F.B.I.*, 691 F. Supp. 1548, 1559-60 (D.D.C. 1988) (holding that employees of the government who worked in the District of Columbia could not use the government contacts exception to defeat personal jurisdiction in the District of Columbia); *Ramamurti v. Rolls-Royce Ltd.*, 454 F. Supp. 407, 411 (D.D.C. 1978) (stating that there is nothing unseemly in subjecting [non-resident] corporations to personal jurisdiction in the District of Columbia when those corporations' contacts with the District involve substantial commercial relations with the federal government acting in its proprietary capacity); *Federal Land Bank of St. Paul v. Federal Land Bank of Tex.*, Civ. A. Nos. 87-0085, 87-0601, 1987 WL 10518, at \*3 (D.D.C. Apr. 30, 1987) (holding that meetings with the government in the District of Columbia regarding the procurement of funds were not exempt from the jurisdictional calculus despite the government contacts exception). *But see* *Coalition on Sensible Transp., Inc. v. Dole*, 631 F. Supp. 1382, 1385 (D.D.C. 1986) (holding that a non-resident corporation who had contacted the federal government to procure federal funds for a construction project was exempted from personal jurisdiction in the District of Columbia because of the government contacts exception); *Siam Kraft Paper Co. v. Parsons & Whittemore, Inc.*, 400 F. Supp. 810, 812 (D.D.C. 1975) (holding that a non-resident corporation that had taken advantage of services offered to prospective foreign investors by the government was not amenable to suit in the District of Columbia because of the government contacts exception).

175. *See, e.g.,* *Ricketts v. Sun Printing & Publ. Ass'n*, 27 App. D.C. 222 (1906) (holding a non-resident newspaper amenable to suit because the newspaper generated income through sales of its paper in the District of Columbia from the news it gathered about the national government while in the District of Columbia). *But see* *Neely v. Philadelphia Inquirer Co.*, 62 F.2d 873, 875 (D.C. Cir. 1932) (holding that a non-resident newspaper was not amenable to suit in the District of Columbia for mere news-gathering with respect to the national government); *Layne v. Tribune Co.*, 71 F.2d 223, 224 (D.C. Cir. 1934) (holding that the non-resident newspaper was not amenable to suit in the District of Columbia for gathering news about the national government because it generated income from the sale of this information in forums other than the District of Columbia).

176. *See, e.g.,* *Chase v. Pan-Pacific Broadcasting, Inc.*, 617 F. Supp. 1414, 1426-28 (D.D.C. 1985) (holding that the government contacts exception did not exempt a non-resident corporation from suit in the District of Columbia because the corporation hired a District of Columbia attorney to represent the corporation before the FCC; the FCC's regulations did not require the hiring of local counsel for representation and therefore, the defendant was amenable to suit because its hiring of the local attorney constituted a sufficient "contact"); *Bechtel & Cole v. Graceland Broadcasting Inc.*, No. 92-7190, 1994 WL 85047, at \*2 (D.C. Cir. Mar. 9, 1994) (stating that the act of hiring local counsel to represent a non-resident defendant before governmental regulatory proceedings is not mandatory, but discretionary, and therefore falls outside the government contacts exception).

peripherally involves the government.<sup>177</sup>

Finally, there are group contacts that fall into an amorphous middle area.<sup>178</sup> This area is comprised of contacts that may or may not have been included within the exception, but were decided under the auspices of *Environmental Research*. These contacts include: contacts with the government or its agencies that do not necessarily implicate the First Amendment,<sup>179</sup> contacts with the government that allegedly perpetrate inequitable conduct,<sup>180</sup> filing documents with the government or one of its agencies,<sup>181</sup> and contacts

177. *See, e.g.*, *Stabilisierungsfonds Fur Wein v. Kaiser Stuhl Wine Distribs. Ltd.*, 647 F.2d 200, 205 n.11 (D.C. Cir. 1981) (stating that the non-resident defendant's contacts with the federal government were part of a larger aggregation of contacts that were not with the government and therefore, the government contacts exception was inapplicable); *Dooley v. United Tech. Corp.*, 803 F. Supp. 428, 435-37 (D.D.C. 1992) (same); *Johns v. Rozet*, 770 F. Supp. 11, 19 (D.D.C. 1991) (same); *Brown v. Artery Org., Inc.*, 654 F. Supp. 1106, 1111 (D.D.C. 1987) (same); *Chrysler Corp. v. General Motors Corp.*, 589 F. Supp. 1182, 1199 (D.D.C. 1984) (same). *See also* *Lex Tex Ltd. v. Skillman*, 579 A.2d 244, 250 (D.C. 1990) (stating that a non-resident attorney whose only contacts were with the federal government could not invoke the government contacts exception to preclude jurisdiction because the attorney was not representing his own personal interests while in the District of Columbia, but was doing business in the District of Columbia for client).

178. *See* *Butler*, *supra* note 10, at 754-57.

179. *See, e.g.*, *Mueller Brass Co. v. Alexander Milburn Co.*, 152 F.2d 142, 143 (D.C. Cir. 1945) (stating that the government contacts exception precludes jurisdiction on contacts that consist of the monitoring of the national government's activities); *Traher v. De Havilland Aircraft of Canada, Ltd.*, 294 F.2d 229 (D.C. Cir. 1961) (same); *National Coal Ass'n v. Clark*, 603 F. Supp. 668, 672 (D.D.C. 1984) (same); *Hughes v. A.H. Robins Co.*, 490 A.2d 1140, 1145 n.4 (D.C. 1985) (same). *See also* *Environmental Research v. Lockwood Greene Eng'rs, Inc.*, 355 A.2d 808, 813-14 (D.C. 1976) (en banc) (holding that the government contacts exception applies to all contacts that a non-resident defendant has with the national government or its agencies).

180. *See* *Naartex Consulting Corp. v. Watt*, 722 F.2d 779, 787 (D.C. Cir. 1983) ("A different case might [have been] presented [in favor of finding personal jurisdiction despite the government contacts exception] had [there been] . . . credible and specific allegations in the district court that the companies had used the proceedings as an instrumentality of . . . alleged fraud."). *But see* *American Standard, Inc. v. Sanitary Wares Mfg. Corp.*, 3 U.S.P.Q.2d (BNA) 1637, 1639-40 (D.D.C. 1987) (applying the government contacts exception to deny personal jurisdiction over the non-resident defendant despite the plaintiff's allegation that the non-resident defendant used the proceedings in the Patent and Trademark Office as an instrumentality of fraud).

181. *See, e.g.*, *Armco Steel Co. v. CSX Corp.*, 790 F. Supp. 311, 321 (D.D.C. 1991) (stating that filings with the ICC in the District of Columbia do not stand as a basis for asserting personal jurisdiction over a non-resident defendant because of the government contacts exception); *American Standard, Inc. v. Sanitary Wares Mfg. Corp.*, 3 U.S.P.Q.2d (BNA) 1637, 1639-40 (D.D.C. 1987) (holding that the filing of a trademark with the United States Patent and Trademark Office is not a sufficient "minimum contact" on which to assert jurisdiction over a non-resident defendant because of the government contacts exception); *Investment Co. Inst. v. United States*, 550 F. Supp. 1213, 1217 (D.D.C. 1982) (holding that a non-resident defendant's contacts with the District of Columbia by filing documents with the SEC are excluded from the jurisdictional calculus because of the government contacts exception, and that such filings are an exercise of the non-resident defendant's first amendment rights); *U.S. Indus., Inc. v. Maclaren*, 191 U.S.P.Q. (BNA) 498, 502 (D.D.C. 1976) (stating that a non-resident defendant's prosecution of his patent application in the United

with a governmental agency that is no longer located in the District of Columbia.<sup>182</sup> This area is also representative of fact situations that are affected by the unresolved issue of the *Rose* and *Environmental Research* decisions' respective control.

#### IV. A SPECIFIC PROBLEM: CONTACTS WITH THE PTO REGARDING U.S. PATENTS

##### A. *The Inequities of Sheltering Tangential Issues Regarding United States Patent Applications by Foreign Nationals within the "Government Contacts Exception"*

As previously mentioned in the hypothetical in Section I of this Note,<sup>183</sup> the application of the government contacts exception in disputes involving tangential issues affecting foreign applications for a United States patent presents an inequitable situation.<sup>184</sup> Recall that in the hypothetical, the foreign patentee of a United States patent was not amenable to suit in any other jurisdiction except the District of Columbia.<sup>185</sup> Recall also that the foreign patentee could only be amenable to suit in the District of Columbia for core issues<sup>186</sup> regarding the patent, and was not amenable to suit in the District of Columbia for tangential issues<sup>187</sup> regarding that same patent because of the applicability of the government contacts exception.<sup>188</sup> These conclusions are based on several factors. First, claims that directly affect the legal existence of a United States patent are governed by federal law.<sup>189</sup> Conversely, claims involving the ownership of a patent, which are tangential to the legal existence of the patent

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States Patent and Trademark Office cannot provide a basis for jurisdiction because of the government contacts exception). *But see* *United States v. Wilfred Am. Educ. Corp.*, No. 86-333, 1987 WL 10501, at \*5 (D.D.C. Apr. 23, 1987) (stating that the government contacts exception is not applicable to a non-resident defendant's contacts with the District of Columbia by filing documents with the government because "[i]t stretches the concept of a 'petition' to apply the petition clause to these ministerial contacts" whose chilling effect "is non-existent because the contacts . . . are not based on . . . lobbying efforts").

182. *See* *Dooley v. United Tech. Corp.*, 803 F. Supp. 428, 435 n.5 (D.D.C. 1992) (noting that a different result might have been reached if the non-resident defendants' contacts were only with the OMC, which has its official address in the District of Columbia, but which is physically located in Rosslyn, Virginia); *Lex Tex Ltd. v. Skillman*, 579 A.2d 244, 245 n.1 (D.C. 1990) (stating that the decision was based upon the fact that the United States Patent and Trademark Office (PTO) was located during "all relevant times" of the case in the District of Columbia, but also noting that the PTO had moved to Arlington, Virginia in 1967 which was after the "relevant times" of the case).

183. *See supra* text accompanying notes 23-31.

184. *See supra* text accompanying notes 32-33.

185. *See supra* text accompanying note 28.

186. *See supra* note 27.

187. *See id.*

188. *See supra* note 31 and accompanying text.

189. *See supra* note 27.

itself, are governed by state law.<sup>190</sup> Therefore, a plaintiff claiming the ownership of a United States patent that is held by a foreign patentee must necessarily base that claim on a state's substantive law, and must also employ that state's long-arm statute, namely in this case, the District of Columbia's long-arm statute, in order to effectuate personal jurisdiction over that foreign patentee.<sup>191</sup>

In examining the foreign patentee's amenability to suit in the District of Columbia, recall in the hypothetical that the only contact that the foreign patentee had with any United States jurisdiction was the filing of a patent application with the PTO, a governmental agency, in the District of Columbia.<sup>192</sup> Accordingly, because the hypothetical foreign patentee's only

190. *See id.*

191. *See, e.g.,* *Dooley v. United Tech. Corp.*, 803 F. Supp. 428, 433 (D.D.C. 1992) (stating that if federal law does not provide for personal jurisdiction over the non-resident defendant, then an independent basis for personal jurisdiction, namely the state long-arm statute, must be employed).

192. *See supra* text accompanying note 28. Interestingly, the PTO is located in Arlington, Virginia and has been since April of 1967. *See Lex Tex Ltd., v. Skillman*, 579 A.2d 244, 245 n.1 (D.C. 1990). This fact alone would seem to remove the PTO from the purview of the government contacts exception because the PTO is no longer located in the District of Columbia's jurisdiction. Therefore, it would follow that any contacts that a non-resident defendant had with the PTO would be analyzed under the Virginia long-arm statute, which does not have a "government contacts exception".

Nonetheless, the case law in the District of Columbia post-1967 still regards the PTO as being in the District of Columbia, and therefore, susceptible to the government contacts exception. To date, no explicit reasoning either for, or against, the continual treatment of the PTO as still being within the jurisdiction of the District of Columbia has been advanced. *See, e.g.,* *U.S. Indus., Inc. v. Maclaren*, 191 U.S.P.Q. (BNA) 498, 502 (D.D.C. 1976) (denying personal jurisdiction over a non-resident defendant whose only contacts with the District were with the PTO when that non-resident prosecuted a patent application because "the law is clear . . . that contacts with federal agencies in the District of Columbia do not constitute 'doing business' within the meaning of the District of Columbia long-arm statute") (emphasis added); *American Standard, Inc. v. Sanitary Wares Mfg. Corp.*, 3 U.S.P.Q.2d (BNA) 1637, 1639-40 (D.D.C. 1987) (holding that a non-resident, whose only contact with the District of Columbia was filing an application for a trademark with the PTO, was not amenable to suit because of the government contacts exception). *But see Lex Tex*, 579 A.2d at 244-45 (noting that the United States Patent and Trademark Office was "located at all relevant times [for purposes of the suit] in the District of Columbia" (emphasis added)).

It could be deduced from the *Lex Tex* decision that if the non-resident defendant's contacts with the PTO occurred post-1967, after the PTO moved to Arlington, Virginia, the District of Columbia long-arm statute and the government contacts exception should no longer be applicable. *Cf. Dooley v. United Tech. Corp.*, 803 F. Supp. 428, 435 & n.5 (D.D.C. 1992) (stating that the non-resident defendants' contacts with the District of Columbia did not involve just meeting with the federal government, therefore, the court did not need to consider the issue of "whether the OMC, the situs of the defendant's licensing amendment filing, is located for jurisdictional purposes at its official address in the District of Columbia or at its physical location in Rosslyn, Virginia"). Whether such an argument would effectively remove a non-resident defendant's contacts with the PTO from the purview of the government contacts exception is difficult to ascertain from the case law. Nevertheless, the possibility of proffering such a technical argument still remains.

contact was with the government via the PTO, the government contacts exception would apply and thereby preclude the assertion of personal jurisdiction.<sup>193</sup> Barring further contact in the District of Columbia, other than additional contacts with the PTO or another governmental instrumentality, or with any other jurisdiction in the United States, the hypothetical foreign patentee is not amenable to suit involving those tangential issues concerning the patent such as ownership.<sup>194</sup> As a result, the hypothetical foreign patentee is able to avoid the obligation of defending a suit regarding the ownership of the patent and can continue to hold out on the ownership rights to the United States patent.<sup>195</sup>

The irony is that the hypothetical foreign patentee has unjustly secured the rights to a United States patent by way of the United States patent law, but the applicability of the District of Columbia government contacts exception to challenge those rights provides for a fortuitous result for the hypothetical foreign applicant by shielding that patentee from suit regarding the tangential issue of

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193. See *supra* note 31 and accompanying text.

194. See, e.g., *American Standard, Inc. v. Sanitary Wares Mfg. Corp.*, 3 U.S.P.Q.2d (BNA) 1637, 1639-40 (D.D.C. 1987); *U.S. Indus., Inc. v. Maclaren*, 191 U.S.P.Q. (BNA) 498, 502 (D.D.C. 1976). These additional contacts by the foreign patentee would of course be subject to the government contacts exception if they occurred in the District of Columbia. However, if the additional contacts occurred outside the District of Columbia, the plaintiff would need to employ the long-arm statute of the forum in which the additional contacts occurred. Nevertheless, if the foreign patentee knows that these additional contacts will subject him or her to personal jurisdiction in the forum which they occur, the foreign patentee will be reluctant to pursue them, and will avoid the creation of those contacts.

On the other hand, a cause of action for challenging the patent's validity could be brought by the plaintiff against the foreign patentee, assuming that a viable invalidity claim actually existed in fact. The issue of patent (in)validity is, of course, a federal patent law claim, thus allowing the suit to be brought in federal court. See 28 U.S.C. § 1338 (1988). Once the federal claim for patent invalidity is alleged, the claimant could attempt to bring the ownership claim before the federal court under a theory of pendent subject matter jurisdiction. See 28 U.S.C. § 1367(a) (1988). However, the claimant would nevertheless need to employ the District of Columbia long-arm statute for the ownership claim because the federal courts of the District of Columbia Circuit, while acknowledging the theory of pendent subject matter jurisdiction, do not correspondingly acknowledge an analogous concept of pendent personal jurisdiction. See *Connors v. Marontha Coal Co.*, 670 F. Supp. 45, 47 (D.D.C. 1987) (holding that there is no concept of "pendent personal jurisdiction"). *But see Oetiker v. Jurid Werke, G.m.b.H.*, 556 F.2d 1 (D.C. Cir. 1977) (stating that there is a concept of "pendent personal jurisdiction"). Therefore, if the concept of pendent personal jurisdiction does not exist, an independent basis for personal jurisdiction for the state law ownership claim must be asserted. See *Connors*, 670 F. Supp. at 47. Consequently, an attempt to allege patent invalidity in order to circumvent the District of Columbia long-arm statute and the government contacts exception would fail because the employment of the District of Columbia long-arm statute will still be required regardless of whether the state claim is the sole issue sued upon, or is the subject of pendent jurisdiction. See *id.*

195. See *supra* note 33.

ownership.<sup>196</sup> The damage created by this inequity can be evidenced in several different ways. First, an owner of a United States patent is not required by law to sell or actually produce the patented invention.<sup>197</sup> Patents can be used for the sole purpose of suppressing the invention from use.<sup>198</sup> Since a dispute as to ownership of a patent does not affect the validity of the patent,<sup>199</sup> absent the creation of additional contacts by the hypothetical foreign patentee or pendent jurisdiction on a patent validity or patent infringement claim, the hypothetical foreign patentee would not be subject to personal jurisdiction in the United States regarding the ownership claim.<sup>200</sup> If these additional grounds for personal jurisdiction are unavailing, the hypothetical foreign patentee can cause the putative patent owner to lose the royalties and the benefits of a legal monopoly that might otherwise have been conferred.<sup>201</sup> Moreover, the putative patent owner loses his or her initial investment to research and develop the invention.

While the hypothetical may seem fictitious, the inequities are very much real. The hypothetical situation has occurred in the context of patents within the jurisdiction of the District of Columbia. In *U.S. Industries, Inc. v. Maclaren*,<sup>202</sup> a dispute arose over a foreign defendant's ownership of a United States patent. The case was dismissed for a lack of personal jurisdiction over

196. This is assuming that the foreign applicant does not establish further contacts in the United States in hopes of benefitting from the ownership of the patent. See *supra* note 194.

197. See *Special Equip. Co. v. Coe*, 324 U.S. 370, 378-79 (1945).

The patent grant is not of a right to the patentee to use the invention, for that he already possesses. . . . By the very terms of the [patent] statute the grant is nothing more than a means of preventing others, except under license from the patentee, from appropriating his invention. . . . This Court has consistently held that failure of the patentee to make use of a patented invention does not affect the validity of the patent. . . . Congress has frequently been asked to change the policy . . . , but has not done so.

*Id.*

198. *Id.* See PAUL GOLDSTEIN, COPYRIGHT, PATENT, TRADEMARK AND RELATED STATE DOCTRINES 496-97 (3d ed. 1993) (stating that it is not unusual for patent owners to use their patented inventions for "mercenary" suppression).

199. See *supra* note 27.

200. See *supra* note 194.

201. A patent, like other forms of property, can be freely transferred. See 35 U.S.C. § 261 (1988); CHISUM & JACOBS, *supra* note 24, § 2G, at 2-305. Section 154 of the Patent Act grants:

[T]o the patentee, his heirs or assigns, . . . the right to exclude others from making, using, . . . or selling the invention throughout the United States . . . , and, if the invention is a process, . . . the right to exclude others from using . . . or selling throughout the United States, or importing into the United States, products made by that process, referring to the specification for the particulars thereof.

35 U.S.C. § 154 (1988). For a discussion of the specificities of the rights granted to the owner of a patent, see generally CHISUM & JACOBS, *supra* note 24, at 2-213-33.

202. 191 U.S.P.Q. (BNA) 498 (D.D.C. 1976).

the non-resident defendant.<sup>203</sup> The court reasoned that the foreign defendant's contacts, the filing of a patent application in the PTO, fell squarely within the government contacts exception.<sup>204</sup> The court stated that:

[The defendant's] prosecut[ion] [of] his patent application in the Patent [and Trademark] Office during a two year period of time . . . [cannot confer jurisdiction.] for the law is clear in this Circuit that contacts with federal agencies in the District of Columbia do not constitute "transacting business" within the meaning of the District of Columbia long arm statute.<sup>205</sup>

Additionally, although not dealing directly with a patent dispute, *American Standard Inc. v. Sanitary Wares Manufacturing Corp.*<sup>206</sup> provides an additional example of the inequities caused by the application of the government contacts exception to a non-resident defendant's contacts with the PTO. In *American Standard*, personal jurisdiction was defeated through the application of the government contacts exception even though the plaintiff based the assertion of jurisdiction on the non-resident defendant's actions giving rise to the claim itself.<sup>207</sup> The *American Standard* court reasoned, as did the court in *U.S. Industries*, that "[u]nder the 'government contact' exception that has been carved out of the District of Columbia long-arm statute, . . . personal jurisdiction may not be based solely upon contacts with the federal government."<sup>208</sup> Therefore, the non-resident defendant's only contacts with the District of Columbia were excepted from the jurisdictional calculus, even though those contacts solely gave rise to the plaintiff's claims.<sup>209</sup>

*B. National Patent Development Corp. v. T.J. Smith & Nephew Ltd.:  
A Sub Silentio Resolution?*

Within the Patent Act, Congress has enacted 35 U.S.C. § 293 to "provide at least one available forum where persons charged with infringement of a United States patent held by a person residing abroad may file an action for a declaratory judgment of invalidity and/or non-infringement."<sup>210</sup> Section 293 serves as a mandatory extraterritorial long-arm statute to hale non-resident foreign defendants into the District Court for the District of Columbia if

203. *Id.* at 502.

204. *Id.*

205. *Id.*

206. 3 U.S.P.Q.2d (BNA) 1637 (D.D.C. 1987).

207. *Id.* at 1639-40.

208. *Id.* at 1639.

209. *Id.* at 1639-40.

210. See 6 CHISUM, *supra* note 27, § 21.02[3][d], at 21-110.

designation of a United States citizen has not been made in order to effectuate service of process.<sup>211</sup> Section 293 requires that if that designation has not been made, then the District Court for the District of Columbia will have personal jurisdiction over the foreign applicant and that jurisdiction will confer on the District Court the authority "to take any action respecting the patent or rights thereunder . . . ."<sup>212</sup>

Since the codification of § 293, the case law from the District of Columbia Circuit cases have consistently held that § 293 can only be used in cases that principally involve federal patent law.<sup>213</sup> In other words, § 293 can be used only to gain jurisdiction over a foreign applicant in disputes that involve core patent law issues such as patent validity, patent misuse, and/or patent infringement.<sup>214</sup> As a result, any state law claims involving tangential issues with respect to the patent brought in federal court must have a separate basis for personal jurisdiction over the non-resident defendant.<sup>215</sup> Accordingly, personal jurisdiction must be effectuated through the invocation of a state long-arm

211. 35 U.S.C. § 293 (1988). Section 293 states in pertinent part:

Every patentee not residing in the United States may file in the Patent and Trademark Office a written designation stating the name and address of a person residing within the United States on whom may be served process or notice of proceedings affecting the patent or rights thereunder. If the person designated cannot be found at the address given in the last designation, or if no person has been designated, the United States District Court for the District of Columbia shall have jurisdiction and summons shall be served by publication or otherwise as the court directs. The court shall have the same jurisdiction to take any action respecting the patent or rights thereunder that it would have if the patentee were personally within the jurisdiction of the court.

*Id.*

212. *Id.*

213. *See, e.g., Riker Lab., Inc. v. Gist-Brocades N.V.*, 636 F.2d 772, 778 (D.C. Cir. 1980) (noting that § 293 cannot be used to confer personal jurisdiction over a foreign patentee in a dispute that merely involves ownership of a patent); *Neidhart v. Neidhart S.A.*, 510 F.2d 760, 763-64 (D.C. Cir. 1975). The court in *Neidhart* stated:

Since its enactment, section 293 has been primarily invoked in cases where plaintiffs sought declaratory judgments involving patent validity or infringement . . . . [A]bsent a more definitive indication of Congressional intent, we cannot hold that license agreement controversies are among the situations embraced by section 293 . . . . The instant cases, while termed patent license agreement controversies, are, quite simply, contract disputes . . . . Appellants plainly have no rights under the patents; their rights, if any, are only those emanating from the "four corners" of their respective agreements . . . . In sum, we hold that where plaintiffs seek merely to resolve the existence, *vel non*, of patent license agreements and their rights thereunder, section 293 is not available to effectuate service of process on nonresident patentees.

*Id.* at 763-65.

214. *Riker*, 636 F.2d at 778; *Neidhart*, 510 F.2d at 763.

215. *See supra* note 191.

statute, and subject matter jurisdiction must be based either supplementally on a federal question or diversity of the parties.<sup>216</sup>

Despite § 293's original inapplicability to state law claims, the case of *National Patent Development Corp. v. T.J. Smith & Nephew Ltd.*<sup>217</sup> overruled the precedent that distinguished § 293's applicability between federal patent law claims that effect the legality of the patent, and state law claims, such as ownership disputes, that only tangentially effect the patent.<sup>218</sup> *National Patent* held that § 293 could be invoked to provide a basis for personal jurisdiction over a foreign patentee in *all* disputes related to a patent, *including* disputes that solely concern state law.<sup>219</sup> The court reasoned that:

[A] suit over patent ownership [surely] respects or affects rights under a patent: if one does not own a patent, one certainly lacks the rights of a patentee. In this regard, a suit over patent ownership affects rights under the patent at least as much as a suit claiming patent misuse, and does so more permanently . . . . The sparse legislative history [of § 293] is of little help, . . . [but] [i]f anything, however, that history might fairly be read to support a more generous construction of the statute. The most telling piece of history is a comment by the Department of State . . . . "The Department understands that this provision has been added for the benefit of American residents desiring to bring action against foreign owners of United States patents. At the present time American manufacturers threatened by charges of infringement of United States patents by persons resident abroad are *especially* handicapped by inability to bring suit for declaratory judgment."<sup>220</sup>

The court continued its analysis by clarifying the confusion that prior courts had in construing the applicable boundaries of § 293.<sup>221</sup> In dismissing the earlier courts' contentions and concerns in applying § 293 to state law claims, the court stated that:

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216. *Id.* See 28 U.S.C. § 1331 (1988) (authorizing federal subject matter jurisdiction in federal court with regard to a federal law question); 28 U.S.C. § 1332 (Supp. V. 1993) (authorizing federal subject matter jurisdiction based upon the diversity of the parties and the amount in controversy). In the hypothetical, the long-arm statute of the District of Columbia would be employed and the Federal District Court would have subject matter jurisdiction based on 28 U.S.C. § 1338 (diversity). See *supra* notes 28-29 and accompanying text.

217. 877 F.2d 1003 (D.C. Cir. 1989) (en banc).

218. *Id.* at 1009-10.

219. *Id.*

220. *Id.* at 1007-08 (citations omitted).

221. *National Patent Dev. Corp. v. T.J. Smith & Nephew Ltd.*, 877 F.2d 1003, 1008-09 (D.C. Cir. 1989) (en banc).

Section 293 does not supply subject matter jurisdiction; that fundamental competence must be based, ordinarily, on diversity . . . or on a federal question . . . . It is therefore fair and reasonable to require such a party to respond here—*i.e.*, in federal court in our nation's capital, where the party has registered its patents—in proceedings, *whether arising under federal or state law*, concerning the U.S.—registered patent.<sup>222</sup>

The significance of the *National Patent* decision is that it permits personal jurisdiction to be asserted over a foreign patentee by the United States District Court for the District of Columbia, absent designation, in disputes that involve the core issues of federal patent law as well as disputes that involve tangential issues such as the ownership of a patent.<sup>223</sup> Moreover, the court made it clear that § 293 could also be used to authorize personal jurisdiction over a foreign patentee in disputes brought in federal court that involve *solely* state law claims.<sup>224</sup> The only prerequisites of using § 293 according to the National Patent court that are imposed on the plaintiff are those required by the subject matter jurisdiction statutes regarding a federal question or diversity.<sup>225</sup> Thus, a plaintiff can invoke the Patent Act's § 293 long-arm statute over a foreign patentee even though the plaintiff's claim is not grounded whatsoever in federal patent law.<sup>226</sup>

Upon critical examination of the *National Patent* decision, two interesting aspects emerge. First, *National Patent* only summarily addressed the issue of § 293's applicability to suits that exclusively involve state law claims, and cited no precedent for its expansion of § 293.<sup>227</sup> Second, the *National Patent*

222. *Id.* at 1009-10.

223. *Id.*

224. *Id.* at 1010.

225. *National Patent Dev. Corp. v. T.J. Smith & Nephew Ltd.*, 877 F.2d 1003, 1009 (D.C. Cir. 1989). See *supra* text accompanying note 222.

226. *Id.* at 1009-10.

227. The only precedent that the *National Patent* court cited for its expansion of § 293's scope was a Department of State report. See *id.* at 1008. The court contended that the history of this report "might fairly be read to support a more generous construction of [§ 293]." *Id.* However, Professor Chisum states:

The [*National Patent*] court's argument as to the meaning of [the Department of State's] "especially handicapped" [language] is strained. The apparent meaning of "especially handicapped" was to compare American manufacturers threatened by infringement charges by *domestic* owners of United States patents with American manufacturers threatened by *foreign* owners of United States patents. The latter were "especially handicapped" with regard to their ability to bring declaratory judgment actions as compared with the former. The statement does not necessarily assume the existence of more than one category of persons who were "handicapped" by the inability to sue foreign owners of United States patents.

opinion is void of any concern regarding a possibility of a conflict between that court's application of § 293 and § 293's potential usurpation of the government contacts exception in patent related suits. This second aspect is of special importance because the *National Patent* court would allow § 293 to confer personal jurisdiction over a foreign patentee in an exclusive state law dispute, whereas the District of Columbia long-arm statute, subject to the government contacts exception, would not support personal jurisdiction over that very same patentee and under the very same circumstances. As such, the *National Patent* decision could be used to circumvent the government contacts exception, and consequently provide a solution to the inequities caused by the government contacts exception demonstrated above.

Nevertheless, while § 293 might appear to be a solution regarding the problem of the government contacts exception in patent ownership disputes involving foreign patentees, its basic reasoning is flawed. First, the *National Patent* opinion does not address the fact that when the right that is sued upon is created by state law the "amenability of a foreign [defendant] to suit in a federal court in a diversity action is determined according to the law of the state in which the district court sits."<sup>228</sup> Therefore, when the right sued upon in federal court is based upon the laws of the District of Columbia, it is the District of Columbia long-arm statute, subject to the government contacts exception, that should control.<sup>229</sup> The *National Patent* court, on the other hand, has taken a patent ownership claim, which is governed exclusively by state substantive contract law, and summarily made applicable a federal patent long-arm statute when federal patent law was not even at issue.<sup>230</sup> Moreover, the *National Patent* decision is totally void of discussion as to whether the court's decision might result in a conflict with the government contacts exception.

Recall that the government contacts exception has been held to preclude the assertion of personal jurisdiction over a foreign defendant when that foreign defendant's only contact with the District of Columbia was with the PTO.<sup>231</sup> The *National Patent* decision arbitrarily removes this obstacle if § 293 is used in place of the District of Columbia long-arm statute. However, the two concerns that spurred the conception of the government contacts exception

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6 CHISUM, *supra* note 27, § 21.02[3], at 21-115 n.61.5.

228. FRIEDENTHAL ET AL., *supra* note 1, § 3.18, at 165. See *Donahue v. Far Eastern Air Transp. Corp.*, 652 F.2d 1032, 1036 (D.C. Cir. 1981). The *Donahue* court stated: "Plaintiffs have invoked federal court subject matter competence on the basis of the parties' diversity of citizenship. No claim arising under federal law figures in the litigation. Personal jurisdiction over [the defendant] in these circumstances turns on state law." *Id.* (emphasis added).

229. *Donahue*, 652 F.2d at 1036. See also FRIEDENTHAL ET AL., *supra* note 1, § 3.18, at 165 (citing other authority for this proposition).

230. See *supra* text accompanying note 222.

231. See *supra* note 31 and accompanying text.

remain, regardless of whether § 293 or the District of Columbia long-arm statute is employed.<sup>232</sup> In each situation, the foreign patentee's amenability to suit is based *solely* upon that foreign patentee's contacts with a governmental agency, namely the PTO, and the potential of converting the District of Columbia into a national judicial forum still remains.

Whether the *National Patent* decision can withstand challenge in light of its inherent conflict with the government contacts exception is problematic. On one hand, if the *National Patent* decision can withstand challenge, those plaintiffs who cannot meet the requisites for filing their state-law-based patent ownership claim in the United States District Court for the District of Columbia Circuit will be invidiously discriminated against because that claim will still be subject to the government contacts exception to the District of Columbia long-arm statute.<sup>233</sup> Consequently, that claim will be dismissed for a lack of personal jurisdiction due to the applicability of the exception.<sup>234</sup> Alternatively, those plaintiffs who can file their patent ownership claim in the United States District Court for the District of Columbia will be allowed to circumvent the government contacts exception by employing § 293.<sup>235</sup>

On the other hand, if the *National Patent* decision is abrogated, and the § 293 option lost, then the inequity still remains in its original form. In light of these alternate considerations, it appears that regardless of whether *National Patent* stands, the inequities of the government contacts exception as applied to tangential issues involving patent ownership will nevertheless remain.

#### V. A PROPOSED SOLUTION: AN EXCEPTION TO THE EXCEPTION

While it would appear that the inequity will persist regardless of whether *National Patent* is overruled, a third option can be advanced that would achieve the highest degree of equity. Such an option would necessarily address the inequity at its *origin*, thereby avoiding the above pitfalls which primarily occur by superficially circumventing the end results of the inequity. For instance, if an exception to the exception *itself* is created for a foreign patentee's "governmental contacts" that are made solely with the PTO, then *all* of the aforementioned inequities can be resolved. An exception to the exception for contacts with the PTO would: (1) eliminate the governmental contacts exception's conflict with the *National Patent* decision, allowing that decision to remain intact; (2) apply equally to all cases whether filed in the District of

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232. For a description of the two policy concerns that originated the government contacts exception, see *supra* text accompanying notes 117-19.

233. See *supra* note 31.

234. See *id.*

235. See *supra* text accompanying notes 227-28.

Columbia courts or the United States District Court for the District of Columbia; and (3) avoid conflict with the two policy concerns voiced in the inception of the government contacts exception because those concerns would no longer be included in the equation.

As noted above, the primary conflict between the *National Patent* decision and the government contacts exception is that the *National Patent* court's expansion of the Patent Act's § 293 long-arm statute usurps the District of Columbia's power to limit its jurisdictional reach in certain instances.<sup>236</sup> The inherent problem with such a situation is that a federal court is applying federal standards and asserting jurisdiction further than the forum in which it is sitting.<sup>237</sup> However, "whether a state or federal law controls makes little difference when the state has chosen to extend its jurisdictional reach to the limits of the Constitution."<sup>238</sup> This would be the case if the District of Columbia did not have the government contacts exception to its long-arm statute.<sup>239</sup> If the exception to the exception is accepted, then it would eliminate the conflict between § 293 and the government contacts exception by allowing the District of Columbia to extend personal jurisdiction to the constitutionally prescribed limits in those situations involving foreign patentees. Consequently, the District of Columbia long-arm statute would be coextensive with § 293, and usurpation of power would cease to exist, thereby resolving the conflict.<sup>240</sup>

The exception to the exception would be defined specifically so as to apply only to foreign patentees whose sole contact is with the PTO, and who are not otherwise amendable to suit involving the ownership of those patents because of the government contacts exception.<sup>241</sup> Thus, the exception to the exception would not be antithetical to the two policy concerns that prompted the original creation of the government contacts exception. With respect to the first policy concern, the freedom of access to the government, an exception to the exception would apply to those foreign patentees who are involved in what essentially would be termed as inequitable conduct by claiming ownership to a United States patent in which ownership is contested. Prior judicial decisions in the District of Columbia have alluded to the fact that if the contacts with the government were in furtherance of allegedly inequitable conduct, then the government contacts exception might not be applicable.<sup>242</sup> However, even if

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236. See *supra* note 228 and accompanying text.

237. See FRIEDENTHAL ET AL., *supra* note 1, § 3.18, at 164.

238. *Id.*

239. See *supra* section II.B.2.

240. See *id.*

241. See *supra* text accompanying notes 117-19.

242. See *supra* note 180.

ownership disputes arise in good-faith misunderstandings, a foreign patentee is nevertheless benefitting from the ownership of a patent in which ownership is contested. Because a foreign patentee has purposefully availed him-or-herself to the District of Columbia by seeking to benefit from receiving a United States patent grant through the PTO, and subsequently appropriating the benefits of that United States patent, that foreign patentee should be responsible for any disputes that directly arise from such actions.

Significantly, the court in *National Patent* recognized this exact obligation, albeit in the context of § 293, when it stated:

By registering a patent in the United States Patent and Trademark Office, a party residing abroad purposefully avails itself of the benefits and protections patent registration in this country affords . . . . It is therefore fair and reasonable to require such a party to respond . . . in federal court in our nation's capital, where the party has registered its patents . . . .<sup>243</sup>

Again, although the court's broadening of § 293's scope was ill-advised due to its inherent conflict with the government contacts exception, the court's identification of the responsibilities of foreign patentees is nonetheless valid. The notions of fairness and purposeful availment have consistently prevailed as the cornerstones of the Supreme Court's decisions regarding the assertion of personal jurisdiction.<sup>244</sup> It is indisputable that non-residents who purposefully avail themselves to the benefits of a forum should be obligated to defend suit arising out of those contacts with that forum.<sup>245</sup> The obligation to defend suit in a forum arising out of those contacts with the forum is the *quid pro quo* of receiving the benefits.<sup>246</sup>

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243. *National Patent Dev. Cap. v. T.J. Smith & Nephew Ltd.*, 877 F.2d 1003, 1009-10 (D.C. Cir. 1989).

244. See *supra* section II.A. See also Butler, *supra* note 10, at 759 ("It is clear from the Supreme Court's articulation of the concept of minimum contacts that the application of an absolute exception, such as the one fashioned by the *Environmental Research* court, conflicts with the established legal precedent that is binding on the District of Columbia courts."). See also Jeffrey E. Glen, *An Analysis of "Mere Presence" and Other Traditional Bases of Jurisdiction*, 45 BROOKLYN L. REV. 607, 611 (1979) (stating that intentional personal presence is the key to a fair and just exercise of personal jurisdiction).

245. See *supra* section II.A.; Glen, *supra* note 244, at 611.

246. See *supra* section II.A.; Harold S. Lewis, Jr., *A Brave New World for Personal Jurisdiction: Flexible Tests Under Uniform Standards*, 37 VAND. L. REV. 1, 22 (1984) ("[T]he [non-resident] defendant's benefits from the forum state and his reasonable expectations of suit there . . . serve as the ultimate measures of jurisdictional fair play.").

Moreover, a foreign applicant is already amenable to suit regarding the core issues of patent law. Presently, personal jurisdiction can be effectuated in cases which involve the core issues.<sup>247</sup> Additionally, in the context of the government contacts exception, the filing for registration of a patent is unlike other activities that have generally been held to fall within the exception, such as news-gathering and lobbying and petitioning the government.<sup>248</sup> The application for a patent has only incidental, if any, effects on the freedom of access to petition the government as provided for by the First Amendment.<sup>249</sup> Furthermore, the foreign patentee is receiving a guarantee of protection by the United States' patent law and is allowed to appropriate that protection to his or her benefit for a fixed period of time.<sup>250</sup> Conversely, lobbying or petitioning the government has no guaranteed statutory proprietary protection.

Additionally, while a uniform acceptance of the *Rose* decision discussed above<sup>251</sup> might eliminate a foreign patentee's contacts with the PTO from the scope of the government contacts exception and seemingly resolve the problem, reliance on the possibility of such a uniform acceptance by the courts of the District of Columbia of the *Rose* decision is too attenuated. This is especially so in light of the trend that many of the courts in the District of Columbia Circuit have tended to favor the *Environmental Research* approach, and the fact that in nearly twenty years, the courts of the District of Columbia have failed to formulate any bright-line rules.<sup>252</sup> Alternatively, an exception to the exception would remove a foreign patentee's contacts with the PTO from the mire of confusion surrounding the government contacts exception, the *Rose* decision, and the *Environmental Research* decision, and effectively place the exception to the exception on the more principled grounds of purposeful

247. See 35 U.S.C. § 293 (1988).

248. See *supra* notes 172-73 and accompanying text.

249. See *United States v. Wilfred Am. Educ. Corp.*, No. 86-333, 1987 WL 10501, at \*4 (D.D.C. Apr. 23, 1987).

Clearly the petition clause excludes certain contacts from the minimum contacts calculus . . . [such as] visits to Washington to lobby Congress or to influence the rulemaking of adjudicatory process of the agencies . . . . [However,] . . . entering into . . . agreements and . . . complying with . . . reporting requirements, [are] not attempt[s] to influence the discretionary process of the government . . . . It stretches the concept of "petition" to apply the petition clause to . . . [such] ministerial contacts. Moreover, the "chilling" effect on actual petitions—lobbying Congress or petitioning the executive—is non-existent because [this type of] contact[] . . . [is] not based on . . . lobbying efforts.

*Id.*

250. See *supra* note 201.

251. See *supra* section III.B.

252. See *supra* section III. Moreover, the *Rose* court's reliance on the First Amendment as a foundational basis for applying the government contacts exception may be questionable as well. See *supra* note 117.

availment, *quid pro quo*, and fairness.<sup>253</sup> Accordingly, it would not be unjust to require that foreign non-resident applicants for United States patents be made amenable to suit for *all* issues that concern that patent and the legal protection afforded to it.

Finally, in regard to the second policy concern of transforming the District of Columbia into a national judicial forum, the exception to the exception's scope would necessarily be applied narrowly, only concerning those contacts with the PTO by the foreign patentees who are not otherwise amenable to suit in the United States regarding tangential patent issues such as ownership. This narrow scope would not be inapposite to the concern of turning the District of Columbia into a national judicial forum since the focus of the exception to the exception would be on foreign patentees only, a defined and limited group of potential defendants. Moreover, Congress has already deemed the United States District Court for the District of Columbia as the sole tribunal to handle claims against foreign patentees in the event that a foreign patentee neglects to appoint a United States citizen for service of process.<sup>254</sup> Thus, "[t]he District of Columbia is likely to be as convenient [a forum] to a foreign patentee as any."<sup>255</sup>

## VI. CONCLUSION

In many situations, the application of a legal doctrine can become disoriented.<sup>256</sup> This is the case with the government contacts exception to the District of Columbia long-arm statute. The evolution of the exception has passed the bounds of its original purpose, and the cutting back process of its scope must begin. The proposal offered in this Note confronts only one particular situation in which awkward results of an expansive application of the scope of the exception are pronounced. An exception to the government contacts exception will provide a workable, categorical approach to an area of law that is inconsistent due in large part to the amount of incoherent interpretations that the government contacts exception has been exposed to throughout its existence. This approach not only resolves an existing inequity,

253. See *supra* section II.A. for a discussion of these principles.

254. See *supra* note 211.

255. 6 CHISUM, *supra* note 27, § 21.02[3], at 21-111.

256. Professor Phillip Areeda explains such a phenomenon in the context of antitrust law:

As with most instances of judging by catch-phrase, the law evolves in three stages: (1) An extreme case arises to which a court responds. (2) The language of that response is then applied - often mechanically, sometimes cleverly - to expand the application. With too few judges experienced enough with the subject to resist, the doctrine expands to the limits of its language, with little regard to policy. (3) Such expansion ultimately becomes ridiculous, and the process of cutting back begins.

Phillip Areeda, *Essential Facilities: An Epithet in Need of Limiting Principles*, 58 ANTITRUST L.J. 841, 841 (1989).

**but its application provides for a more principled and manageable basis on which to base future decisions concerning the government contacts exception.**

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