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SAVING THE FEDERAL CIRCUIT

Paul R. Gugliuzza*

INTRODUCTION

Is it time to abolish the Federal Circuit’s exclusive jurisdiction over patent cases? In the thought-provoking speech at the center of this symposium, Judge Diane Wood says yes.1 The Federal Circuit’s exclusive jurisdiction, she argues, provides too much legal uniformity, which harms the patent system.2 But rather than eliminating the court altogether, Judge Wood proposes to save the Federal Circuit by letting appellants in patent cases choose the forum, allowing them to appeal either to the Federal Circuit or to the regional circuit encompassing the district court.3

Judge Wood is in good company arguing that the Federal Circuit’s exclusive jurisdiction should be eliminated. In their pioneering article, Rethinking Patent Law’s Uniformity Principle, Professors Craig Nard and John Duffy proposed to replace the court’s exclusive jurisdiction with a model of “polycentric decision making” under which two or three courts would hear patent appeals, permitting inter-court dialogue and enhancing the possibility for self-correction.4 Judge Wood’s colleague on the Seventh Circuit, Judge Richard Posner, also has recently said that he “[doesn’t] think the Federal Circuit has

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* Copyright © 2014 Paul R. Gugliuzza, Associate Professor, Boston University School of Law. For comments, thanks to Jonas Anderson, Jack Beermann, Jonathan Darrow, Stacey Dogan, Wendy Gordon, Tim Holbrook, Megan La Belle, Mark Lemley, Mike Meurer, Michael Morley, Rachel Rebouché, David Schwartz, David Walker, and students and faculty at the Boston University School of Law IP Workshop. Thanks also to the Chicago-Kent Journal of Intellectual Property for the opportunity to respond to Judge Wood’s remarks.


2 Id. at 4–5.

3 Id. at 9–10.

been a success” and that he would “return patent appellate responsibility to the regional circuits, where it was before 1982.”

Abolishing the Federal Circuit’s exclusive jurisdiction may well improve patent law. The Federal Circuit’s patent doctrine has been criticized as “isolated and sterile” and “disconnected from the technological communities affected by patent law.” Exclusive jurisdiction may also make the court too responsive to the desires of the patent bar. However, two premises underlie Judge Wood’s claim that the legal uniformity provided by exclusive Federal Circuit jurisdiction harms the patent system, and in this paper I seek to highlight—and question—those premises.

The first premise is that the Federal Circuit actually provides legal uniformity. Judge Wood suggests that, due to the Federal Circuit’s exclusive jurisdiction, patent doctrine is insufficiently “percolated,” meaning that it lacks mechanisms through which case law can be critiqued, reexamined, tested, and corrected, and issues worthy of Supreme Court review can be flagged. Yet percolating forces do exist in the patent system. For example, in the Federal Circuit, dissents critiquing existing doctrine are frequent and often lead to en banc proceedings reexamining and sometimes correcting the doctrine at issue. In addition, the Supreme Court, federal district courts, Congress, the Solicitor

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6 Nard & Duffy, supra note 4, at 1620–21.


8 Wood, supra note 1, at 4. For a summary of the perceived benefits of doctrinal percolation, see Samuel Estreicher & John E. Sexton, A Managerial Theory of the Supreme Court’s Responsibilities: An Empirical Study, 59 N.Y.U. L. REV. 681, 699 n.68 (1984) (“The percolation process has four principal benefits: (1) it encourages the courts of appeals to examine and criticize each other’s decisions . . . ; (2) it often provides the Supreme Court with a number of independent analyses of legal issues . . . ; (3) it permits the courts of appeals to experiment with different legal rules, which can provide the Supreme Court with concrete information about the consequences of various options; and (4) it can allow the circuit courts to resolve conflicts by themselves, without Supreme Court intervention.”). For a contrary view about the normative desirability of percolation, see Paul M. Bator, What Is Wrong with the Supreme Court?, 51 U. PITT. L. REV. 673, 689–91 (1990).
General, and the Patent and Trademark Office, among others, all provide, through various channels, diverse and influential perspectives that prevent patent law from becoming stale.  

The second premise underlying Judge Wood’s argument is that a lack of dialogue among the federal appellate courts causes problems in patent law. Problematic Federal Circuit doctrine, however, should not be blamed solely on a lack of dialogue among peer-level courts. For one, as I have just mentioned, there are substitutes for that dialogue in the current institutional design. Moreover, several Federal Circuit doctrines that have been overturned by the Supreme Court or criticized by scholars and judges seem heavily influenced by the charges Congress gave the Federal Circuit upon its creation: to provide uniformity and expertise in patent matters and to strengthen patent rights. For example, de novo appellate review of patent claim construction arguably illustrates a court seeking, perhaps overzealously, to pursue uniformity and to provide its expert input on the most important question in any patent case.

Thus, normative proposals about the structure of the Federal Circuit should not focus entirely on introducing percolation; they should also consider ways to reduce the influence of the policies for which the Federal Circuit was created. Importantly, there may be ways to reduce that influence while also saving the Federal Circuit’s exclusive jurisdiction over patent cases. For example, the President could appoint to the court more individuals who have some knowledge of patent law but also have experience in many other areas of law. The jurisprudence of the first-ever former district judge appointed to the Federal Circuit, Judge Kathleen O’Malley, suggests that judges with such wide-ranging experience might be inclined to oppose doctrines that blindly pursue patent-specific policy objectives at the cost of broader goals, such as litigation efficiency and maintaining the consistency of patent law with other areas of federal law.

I. PERCOLATION IN PATENT LAW

Although patent law under the Federal Circuit is more uniform than if patent cases were decided by twelve different regional circuits, there are forces in the patent system that resemble the percolation Judge Wood hopes would occur in a pluralistic regime. Judges at all levels of the federal judiciary, as

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9 See infra Part I.
10 See infra Part II.
11 See infra Part III.
12 For recent commentary challenging the assumption that patent law under the Federal Circuit is uniform, see Rochelle C. Dreyfuss, Percolation, Uniformity, and Coherent Adjudication: The Federal Circuit Experience, 66 SMU L. REV. 505, 519 (2013), and Ted Sichelman, Myths of (Un)certainty at the Federal Circuit, 43 Loy. L.A. L. Rev. 1161, 1165–71 (2010).
well as organizations within the executive branch, “elaborat[e] . . . competing viewpoints” on important questions of patent law; those competing viewpoints “present the Supreme Court,” which is paying increased attention to patent cases, “with a clearer picture of the [legal] landscape”; and courts—particularly the Federal Circuit—make “[m]istakes” that have the potential to “teach valuable lessons.”13

A theory in the law and economics literature posits that the common law evolved toward an efficient set of rules because disputes involving inefficient rules settled less often than disputes involving efficient rules.14 As a result, inefficient rules would be overturned more frequently in litigation.15 Drawing on that theory, one danger of having appellate patent jurisdiction centralized in the Federal Circuit is that the prior-panel rule (under which three-judge appellate panels are bound to follow precedential decisions of prior three-judge panels) discourages litigants from challenging inefficient rules of patent law and makes it more difficult for the court to overturn those rules. For example, Professors Nard and Duffy quote Judge Randall Rader, who recently resigned as chief judge of the Federal Circuit, as stating that the court has “retarded the pace of common law development in some important ways.”16 They also quote Judge Rader’s immediate predecessor as chief judge, Judge Paul Michel, as stating that the court “keep[s] replicating . . . old results based on . . . old precedents” because litigants simply “echo” what the court has written in prior opinions.17

Yet the prior-panel rule does not keep Federal Circuit doctrine set in stone. In fact, exclusive appellate jurisdiction might hasten the evolution of patent law as compared to a regime in which patent appeals were dispersed among the regional circuits. The Federal Circuit decides over two hundred patent cases per year on the merits and issues over one hundred precedential patent opinions annually.18 In fact, Judge Rader, in the speech quoted by Professors Nard and Duffy, compared the Federal Circuit’s large docket of patent cases to the small dockets of copyright and trademark cases decided by

13 Wood, supra note 1, at 4–5.
15 See id.
17 Id. (quoting Judge Paul R. Michel, Keynote Presentation, Berkeley Center for Law & Technology Conference on Patent System Reform (Mar. 1, 2002)).
each regional circuit and concluded that the Federal Circuit had in some ways “dramatically accelerated the pace of common law development.”

Examples of rapid reexamination and fluctuation in Federal Circuit patent doctrine abound. In the past six years alone, the court has convened en banc to reconsider fundamental questions including: the standard of review for claim construction, the patent eligibility of business methods and computer software, and the standard for inequitable conduct before the Patent and Trademark Office, among many others.

In fact, it might be that judges who specialize in a particular area of law, such as the judges of the Federal Circuit, are better positioned to evolve that area of law than generalist judges on multiple courts would be. Specialized judges might be more attentive to important issues in the field and more likely to notice an issue that is ripe for reconsideration. The Federal Circuit facilitates this close attention by circulating all precedential opinions to the entire court for review, comment, and potential sua sponte en banc action before issuance. Moreover, centralization of patent appeals in the Federal Circuit makes it easier for amici to track and alert the judges to cases worthy of en banc review. A study by Colleen Chien provides evidence of the important role amici play in spurring the Federal Circuit to reexamine particular issues, reporting that the court grants twelve percent of en banc petitions accompanied by amicus briefs, compared to less than two percent of petitions without amicus briefing.

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19 Rader, supra note 16, at 4 (emphasis added).
21 In re Bilski, 545 F.3d 943 (Fed. Cir. 2008) (en banc), aff’d, 130 S. Ct. 3218 (2010).
close attention to one area of law by both judges and amici seems much less likely to occur in the regional circuits.

In addition, many if not most of the Federal Circuit’s recent en banc rehearings were presaged by panel dissents or concurrences, or dissents from the denial of rehearing en banc in other cases raising the same issue. These separate opinions provide a forum for the court’s judges to criticize their colleagues’ decisions and to propose alternative analyses of relevant legal issues—two of the key functions of “percolation” as envisioned by Judge Wood. Several Federal Circuit judges, for example, expressed dissatisfaction with de novo appellate review of claim construction before the court granted rehearing on that issue in March 2013.

Sometimes the court’s precedential case law itself provides percolation, with different panels articulating different viewpoints. For instance, before the court’s en banc decision in Philips v. AWH Corp., different panels of the court adopted different views about the best sources to use in determining the meaning of patent claims. Many opinions gave primacy to the patent’s specification and

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28 See supra note 8 and accompanying text.

29 See Retractable Techs., Inc. v. Becton, Dickinson & Co., 659 F.3d 1369, 1373 (Fed. Cir. 2011) (Moore, J., dissenting from denial of rehearing en banc); id. at 1373 (O’Malley, J., dissenting from denial of rehearing en banc); Amgen Inc. v. Hoechst Marion Roussel, Inc., 469 F.3d 1039, 1040 (Fed. Cir. 2006) (Michel, C.J., dissenting from denial of rehearing en banc); id. at 1044 (Rader, J., dissenting from denial of rehearing en banc); Phillips v. AWH Corp., 415 F.3d 1303, 1330 (Fed. Cir. 2005) (en banc) (Mayer, J., dissenting); see also Lighting Ballast Control LLC v. Philips Elecs. N. Am. Corp., 500 F. App’x 951 (Fed. Cir. 2013) (granting petition for rehearing en banc).

30 415 F.3d 1303 (Fed. Cir. 2005) (en banc).
prosecution history, but others emphasized dictionaries, encyclopedias, and treatises as "particularlly useful resources."  

Congress, too, plays a role in percolating patent law. For example, in the lead up to the America Invents Act of 2011, members of Congress proposed bills to reform Federal Circuit law on issues including damages, venue, and willful infringement (which can entitle a patent holder to treble damages). While Congress was weighing those proposals, the Federal Circuit in an en banc decision changed its law on willful infringement and issued panel decisions that increased appellate scrutiny of plaintiffs' choice of venue and of damages awards made by juries. After the Federal Circuit's decisions, Congress abandoned those reform proposals. Thus, as Jonas Anderson has observed, Congress can stimulate the evolution of patent law by acting as a "catalyst," identifying problematic areas of Federal Circuit doctrine and encouraging the court to make a change.  

Despite the Federal Circuit's exclusive jurisdiction, the current system is also capable of identifying for the Supreme Court the patent cases it should review, another key benefit of "percolation" according to Judge Wood. En banc decisions and opinions by Federal Circuit judges dissenting from the denial of rehearing en banc provide useful signals to the Court, as do panel dissents, 

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31 See id. at 1319.  
34 Gugliuzza, supra note 7, at 1827–28.  
35 In re Seagate Tech., LLC, 497 F.3d 1360, 1371 (Fed. Cir. 2007) (en banc) (overruling case law requiring a patent holder to seek the advice of counsel to avoid a finding of willful infringement).  
38 Gugliuzza, supra note 7, at 1827–28.  
40 Wood, supra note 1, at 4–5.
which are quite frequent on the Federal Circuit. An early study showed that Federal Circuit judges dissented more often than judges in four out of five regional circuits used as a control. A more recent study showed that the rate of dissent has dramatically increased since 2005, with dissents being filed in roughly 25% of precedential patent decisions and only about 60% of precedential patent opinions achieving unanimity.

In addition, the Solicitor General provides influential advice to the Supreme Court about which patent cases warrant review. Professor Duffy has shown that, from the 1994 Term through the 2007 Term, the Supreme Court followed the Solicitor General’s recommendation to grant or deny certiorari in seventeen of the nineteen patent cases (89.5%) in which the Court called for the Solicitor General’s views. This trend has continued from the 2008 Term through the 2012 Term (which concluded in June 2013), with the Court following the Solicitor General’s recommendation in eight out of nine cases (88.9%).

Beyond assisting the Court with case selection, when the Solicitor General recommends granting a petition in a patent case, the Solicitor General is almost by definition disagreeing with the substance of the doctrine articulated by the Federal Circuit. The Supreme Court, for its part, seems inclined to give substantial weight to the Solicitor General’s views on the merits, adopting those views in the vast majority of recent patent cases in which the Solicitor General

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41 Christopher A. Cotropia, Determining Uniformity Within the Federal Circuit by Measuring Dissent and En Banc Review, 43 Loy. L.A. L. Rev. 801, 815–18 (2010). Professor Cotropia found that dissents were filed in 3.51% of Federal Circuit decisions, compared with dissent rates in the regional circuits that ranged from 1.14% to 4.56%. Id. at 815. When limited to patent cases, the Federal Circuit’s dissent rate increased to 9.28%. Id. at 816.

42 Jason Rantanen & Lee Petherbridge, Disuniformity 12–13 (Univ. of Iowa Legal Studies Research Paper No. 13-42, 2013), available at http://ssrn.com/abstract=2351993. Professors Rantanen and Petherbridge hypothesize several potential explanations for the increase in dissents, including an influx of new judges on the Federal Circuit and an increasing number of Supreme Court patent decisions that are capable of multiple interpretations, enhance lower court discretion, or both. See id. at 18–32.


44 See infra Appendix. The Supreme Court is also aided in selecting patent issues for review by amicus briefs filed at the certiorari stage. Professor Chien’s study found that, from 2000 to 2009, the Court granted certiorari on forty-five percent of patent petitions accompanied by amicus briefs, compared to two percent of patent petitions filed without amicus briefs. Chien, supra note 26, at 424. Chien also reports that thirty-one percent of patent petitions were accompanied by amicus briefs. Id.
has challenged a rule adopted by the Federal Circuit.45 Thus, the Solicitor General provides an influential competing perspective on matters of patent law.

Moreover, the Solicitor General does not act alone when formulating the position of the United States. Rather, the Solicitor General mediates the views of various federal agencies with relevant expertise, including not just the Patent and Trademark Office (PTO), but also the Department of Justice (particularly the antitrust division), the Federal Trade Commission, and, in appropriate cases, organizations such as the National Institutes of Health, the Centers for Disease Control, and the White House Office of Science and Technology Policy.46 In fact, on the issue of the patent eligibility of isolated DNA sequences, which was recently before the Supreme Court in the Myriad case,47 divergent viewpoints had actually emerged from within the executive branch. The PTO had long held that isolated sequences of DNA were eligible for patenting,48 but the brief filed by the Solicitor General urged the Court to hold that isolated but otherwise unmodified DNA was not patent eligible.49

A Supreme Court reversal of the Federal Circuit, which occurs in about seventy percent of the patent cases heard by the Court,50 also percolates patent law.51 Not only does the Supreme Court’s decision itself revise the law, the decision can trigger additional percolation in the lower courts, the PTO, and the International Trade Commission (which has the power to prohibit importation of products that infringe U.S. patents).52 Additional percolation is particularly

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49 See Brief for the United States as Amicus Curiae at 10, Myriad, 133 S. Ct. 2107. The Court ultimately sided with the Solicitor General. Myriad, 133 S. Ct. at 2117.
likely if the Court, as it has regularly done in recent patent cases, adopts a flexible legal standard that will require case-by-case elaboration.\(^{53}\)

The Supreme Court currently performs its percolating role frequently, as patent law is now one of the most robust areas of the Court’s docket. The issues the Court has considered or is currently considering, like the issues addressed by the Federal Circuit en banc, involve fundamental matters of patent doctrine, such as patentable subject matter (repeatedly),\(^{54}\) nonobviousness,\(^{55}\) claim construction,\(^{56}\) and infringement,\(^{57}\) as well as important issues in patent litigation, such as declaratory-judgment standing,\(^{58}\) the burden of proof for infringement,\(^{59}\) and remedies for patent holders.\(^{60}\) Also, as this article was going to press, the Court decided two cases implicating the high-profile issue of “patent litigation abuse.”\(^{61}\) Specifically, the Court ruled that the Federal Circuit made it too difficult for prevailing parties in patent litigation to recover their attorneys’ fees\(^{62}\) and that the Federal Circuit applied a standard of appellate review that did not sufficiently defer to district court decisions to award or deny fees.\(^{63}\)

Federal district courts also percolate patent law. Speaking off the bench, several district judges have questioned the Federal Circuit’s standards of review and proclivity for reversal, particularly with respect to claim construction orders.\(^{64}\) Although one might think that, while on the bench, district judges would mostly try to avoid appellate reversal, some judges have actually rebelled


\(^{61}\) The issue of patent litigation abuse is so hot that the President mentioned it in this year’s State of the Union address. \textit{See} President Barack Obama, State of the Union Address (Jan. 28, 2014) (calling on Congress to “pass a patent reform bill that allows our businesses to stay focused on innovation, not costly, needless litigation”).


\(^{64}\) \textit{See}, \textit{e.g.}, The Honorable Kathleen M. O’Malley et. al., \textit{A Panel Discussion: Claim Construction from the Perspective of the District Judge}, 54 Case W. Res. L. Rev. 671 (2004).
against Federal Circuit doctrines that they perceive as inconsistent with Supreme Court case law.\textsuperscript{65}

The Federal Circuit has actually facilitated district court percolation by giving those courts leeway to experiment with procedure in patent cases. For example, although the Federal Circuit (in a decision affirmed by the Supreme Court) held that the critical question of claim construction must be decided by the judge, not the jury,\textsuperscript{66} the Federal Circuit did not impose any requirements about when or how that construction must take place. Accordingly, claim construction can be (and has been) performed in various ways: at a separate hearing, with summary judgment, during discovery, after discovery, and even at or after trial in the course of formulating jury instructions.\textsuperscript{67} Although most courts now conduct separate hearings during fact discovery and prior to expert discovery, that practice emerged from district court experimentation, not from Federal Circuit fiat.\textsuperscript{68}

Moreover, district courts are experimenting with local procedural rules to govern patent cases,\textsuperscript{69} an experiment that the Federal Circuit facilitates by granting appellate deference to district courts’ interpretation and application of


Opportunities for critique of the Federal Circuit by state judges and regional circuit judges might increase now that the Supreme Court has rejected a line of Federal Circuit cases that extended exclusive federal district court and Federal Circuit jurisdiction to practically all cases raising issues of patent infringement, validity, or enforceability. See Gunn v. Minton, 133 S. Ct. 1059 (2013).


\textsuperscript{67} \textsc{Peter S. Menell et al.}, \textsc{Patent Case Management Judicial Guide} 5-4 to 5-5 (2d ed. 2012).

\textsuperscript{68} See id. at 5-5.

those local rules. The Patent Pilot Program created by Congress in 2011 will introduce further heterogeneity in patent adjudication as some patent cases in some districts will be heard by judges who have volunteered to hear extra patent cases while others will not.

That said, procedural heterogeneity at the district court level is not the sort of direct experimentation with substantive patent doctrine that Judge Wood laments is missing under the Federal Circuit. When the Federal Circuit adopts a rule of law, that rule governs the entire country (and proceedings at the PTO), no matter if a few Federal Circuit judges (and even some rebellious district judges) disagree. The oft-praised “laboratories of experimentation,” in which judges and policymakers can observe the empirical consequences of different legal rules, do not emerge, to the possible detriment of patent policy.

But one should not overstate the experimentation that would be possible within the federal system if multiple courts of appeals heard patent cases. For one, even if different courts adopted different rules of patent law, the PTO would, as a practical matter, be forced to choose a national rule to govern proceedings before the agency. The national rules chosen by the PTO would be highly influential because only two percent of patents (at most) are ever litigated, so few patents would actually be adjudicated under the potentially differing laws of the various circuits. The PTO’s role in articulating and applying national legal standards for patent validity is already growing because of new review procedures created by the America Invents Act, and the agency’s views would become even more significant under a model in which multiple courts were capable of disagreeing.

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70 See Genentech, Inc. v. Amgen, Inc., 289 F.3d 761, 774 (Fed. Cir. 2002).
Alternatively, one might suggest that, even if multiple courts of appeals heard appeals in patent litigation, the PTO should simply be bound by the Federal Circuit’s case law. (Judge Wood’s proposal does not address the issue of choice-of-law at the PTO.) This arrangement, too, would limit experimentation. For example, suppose that the Ninth Circuit held that computer software was patent eligible, but the Federal Circuit held that it was not. In that scenario, the PTO would not issue software patents, so the circuit split would not create much experimentation. Conversely, suppose that the Federal Circuit permitted software patents but the Ninth Circuit did not. In that instance, it seems inefficient for the PTO to permit applicants to obtain patents that will be categorically invalidated in litigation in a particular circuit.

Furthermore, even if different rules of patent law could be successfully operationalized in different circuits, the benefits of experimentation would still be limited by the difficulty of measuring the impact of different legal rules in different geographic areas. Patents are only one of many influences on technological innovation. Moreover, because of permissive venue rules, patent lawsuits can be filed practically anywhere in the United States, regardless of where the underlying technology was developed. It would therefore seem extremely difficult to determine that a particular circuit sees more technological innovation because of a particular legal rule in force within that circuit.

Finally, unless the pluralistic model of appellate jurisdiction randomly assigned cases to different circuits, it would be improper to label the model a true “experiment” because certain litigants would self-select into certain circuits. Patent holders in particular would do everything possible to litigate their cases in the circuit with the least rigorous standards for patent validity because, under federal preclusion doctrine, an invalidity judgment in one case renders the patent invalid everywhere and for all time. Professors Nard and Duffy’s polycentric proposal provides for random assignment of appellate jurisdiction, but Judge

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77 See Ouellette, supra note 73, at 11–13 (discussing the difficulty of attributing different levels of innovation in different jurisdictions to those jurisdictions’ varied innovation policies).
79 Nard & Duffy, supra note 4, at 1668.
Wood’s proposal invokes randomization only when both parties appeal and cannot agree on a circuit.\(^{80}\)

It might well be that the percolators I have identified, such as Federal Circuit judges, Supreme Court justices, federal district judges, and members of Congress, are not the *ideal* percolators of patent law. Most of the Federal Circuit’s judges share relatively homogenous backgrounds in patent law or international trade, perhaps limiting their sensitivity to broader concerns of social policy.\(^{81}\) Supreme Court justices, although perhaps more attuned to broader policy concerns, have been said to know little about patent law\(^{82}\) and have sometimes resisted engaging the factual and policy complexities that patent cases present.\(^{83}\) Opinions by district judges (like dissenting or concurring opinions by Federal Circuit judges) have no precedential effect and therefore have limited real-world impact. And allowing individual members of Congress to catalyze changes in patent law by simply proposing legislation has the

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\(^{81}\) Of the court’s eleven active judges, four had significant experience in patent law before joining the bench (Judges Newman, Lourie, Moore, and Chen) and two had significant experience in international trade law (Judges Reyna and Wallach). See Judges, U.S. COURT OF APPEALS FOR THE FEDERAL CIRCUIT, http://www.cafc.uscourts.gov/judges/ (last visited Apr. 23, 2014). In addition, Judge O’Malley had substantial experience hearing patent cases as a district judge and Judges Dyk and Taranto litigated patent cases before their appointments. See id.; see also infra notes 156–60 and accompanying text (discussing Judge Taranto’s practice background).

\(^{82}\) See Golden, *supra* note 51, at 688–90.

\(^{83}\) For example, in *Myriad*, Justice Scalia refused to join portions of the Court’s opinion providing background facts on genetics and “some portions of the rest of the opinion going into fine details of molecular biology,” noting, “I am unable to affirm those details on my own knowledge or even my own belief.” 133 S. Ct. 2107, 2120 (2013) (Scalia, J., concurring in part and concurring in the judgment). Also, the five-justice majority in *Bilski v. Kappos* applied several textualist canons of statutory construction, including the canon that “words will be interpreted as taking their ordinary, contemporary, common meaning,” to conclude that a business method could be a patent eligible “process” under § 101 of the Patent Act. 130 S. Ct. 3218, 3226, 3229 (2010). Four other justices correctly noted that the majority’s textualism was “a deeply flawed approach to a statute that relies on complex terms of art developed against a particular historical background.” Id. at 3238 (Stevens, J., joined by Ginsburg, Breyer, and Sotomayor, JJ., concurring in the judgment). For an argument that textualism is a tool for avoiding complex policy issues, see Richard A. Posner, *Reflections on Judging* 178–219 (2013).
potential to undermine law’s democratic legitimacy. Still, the current model does provide opportunities for divergent viewpoints to emerge and for doctrine to be reconsidered and changed over time. Despite the Federal Circuit’s exclusive jurisdiction, patent law is percolated. The fundamental problem seems to be that the current system simply leads to the wrong outcome too often.

II. POLICY OBJECTIVES AND THE FEDERAL CIRCUIT

Why do misguided doctrines of patent law emerge? Judge Wood suggests that a lack of percolation is the cause. However, the policies the Federal Circuit was created to pursue also seem to play a role. The Federal Circuit was created primarily to generate uniformity in patent law, provide expertise in patent cases, and, although not as widely acknowledged in the public discourse, expand the scope and strength of patent protection. Those policy objectives have shaped several important Federal Circuit decisions, particularly those in which the court has arguably gotten the law wrong.

Uniformity. The overriding publicly stated reason to create the Federal Circuit was to provide uniformity in patent law. The court’s judges, speaking and writing off the bench, have characterized uniformity as a critical “mission”

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84 See Wood, supra note 1, at 4–5.
86 The court’s emphasis on the policies justifying its creation would likely not surprise scholars of institutional design, who have theorized that “[p]olicy-oriented missions are more likely to develop in courts with a high level of specialization.” LAWRENCE BAUM, SPECIALIZING THE COURTS 39 (2012).
87 H.R. REP. NO. 97-312, at 22–23 (1981) (noting that the “central purpose” of the Federal Courts Improvement Act, which created the Federal Circuit, was “to reduce the widespread lack of uniformity and uncertainty of legal doctrine that exist in the administration of patent law”); see also Timothy R. Holbrook, The Supreme Court’s Complicity in Federal Circuit Formalism, 20 SANTA CLARA COMPUTER & HIGH TECH. L.J. 1, 1 (2003) (discussing “the court’s Congressional mandate to promote uniformity and certainty in patent law”).
or “charge” of the Federal Circuit. Even the Supreme Court has sometimes mentioned uniformity as an important policy goal in the patent field, although the Court’s statements on this issue are themselves not particularly uniform.

On the bench, the judges of the Federal Circuit have relied on uniformity concerns to justify several doctrines of procedure and jurisdiction that are inconsistent with well-established federal law. For example, the standards of review of the Administrative Procedure Act (APA) provide the ground rules for


89 Compare Markman v. Westview Instruments, Inc., 517 U.S. 370, 390 (1996) (”We see the importance of uniformity in the treatment of a given patent as an independent reason to allocate all issues of [claim] construction to the court.”), and Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 162–63 (1989) (holding preempted a Florida statute that granted patent-like protection to boat hull designs that were not patentable under federal law, noting that “nationwide uniformity in patent law . . . [was] frustrated by the Florida scheme”), with Holmes Grp., Inc. v. Vornado Air Circulation Sys., Inc., 535 U.S. 826, 832 (2002) (rejecting the argument that “Congress’s goal of promoting the uniformity of patent law” justified permitting patent law counterclaims to establish exclusive federal jurisdiction (internal quotation marks omitted), and Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank, 527 U.S. 627, 645 (1999) (rejecting the argument that “[t]he need for uniformity in the construction of patent law” justified Congress’s abrogation of state sovereign immunity from federal patent infringement suits).

In previous work, I have distinguished two different dimensions of uniformity: legal uniformity, which “reflects the notion that the law governing patent rights should be articulated and applied consistently throughout the entire country,” and adjudicative uniformity, which “reflects the notions that the claims of a particular patent should be construed similarly from one case to another and that courts should not reach inconsistent validity findings regarding the same patent.” Gugliuzza, supra note 50, at 21. The Supreme Court’s statement in Markman reflects notions of adjudicative uniformity, while the statements in Bonito Boats, Holmes Group, and Florida Prepaid reflect notions of legal uniformity. Although those distinctions are important in conducting a normative assessment of how power over the patent system should be allocated between the state and federal governments, see id. at 35–61, the distinctions are less important in this paper’s descriptive account of Federal Circuit decisionmaking because the court itself does not usually distinguish between the two different types of uniformity.
judicial review of federal agency fact-finding,\(^9^0\) but in *In re Zurko*, the Federal Circuit held that the APA did not apply when the court was reviewing fact-finding by the PTO.\(^9^1\) Instead, the court applied the standard of review normally applied by appellate courts reviewing fact-finding by trial judges.\(^9^2\) In adopting this unusual rule, the Federal Circuit cited the aim of achieving “consistency” in its “review of the patentability decisions of the agency and the district courts in infringement litigation.”\(^9^3\) The Supreme Court reversed, holding that the APA applies to judicial review of the PTO, just like any other agency.\(^9^4\)

Also, the Federal Circuit had held, counter to the well-pleaded complaint rule that applies to practically all federal lawsuits, that a patent law counterclaim could cause a case to “arise under” patent law and therefore fall within the Federal Circuit’s exclusive jurisdiction.\(^9^5\) In support of this holding, the court emphasized “[t]he broad theme” of the Federal Courts Improvement Act,\(^9^6\) which created the Federal Circuit: “increasing nationwide uniformity in certain fields of national law.”\(^9^7\) The court asserted that “[d]irecting appeals involving compulsory counterclaims for patent infringement to the twelve regional circuits could frustrate Congress’ desire to foster uniformity.”\(^9^8\) The Supreme Court again overturned the Federal Circuit and brought patent law in line with other areas of federal law, holding that a federal patent issue must appear in the plaintiff’s complaint to create federal jurisdiction.\(^9^9\)

Similarly, in support of its holding that federal courts have exclusive jurisdiction over state law claims for legal malpractice against patent attorneys, the Federal Circuit cited “the experience, solicitude, and hope of uniformity that a federal forum offers.”\(^1^0^0\) The Federal Circuit’s rule, however, was inconsistent with recent Supreme Court case law, which made clear that for federal jurisdiction to exist over a state law claim, there must be a dispute about

\(^{9^0}\) See 5 U.S.C. § 706(2) (2012).

\(^{9^1}\) *In re Zurko*, 142 F.3d 1447, 1449 (Fed. Cir. 1998) (en banc).

\(^{9^2}\) See id.

\(^{9^3}\) Id. at 1458.


\(^{9^7}\) *Aerojet*, 895 F.2d at 744.

\(^{9^8}\) Id.

\(^{9^9}\) Holmes Grp., Inc. v. Vornado Air Circulation Sys., 535 U.S. 826, 830 (2002). The Supreme Court’s decision in *Holmes Group* was, in turn, abrogated by the America Invents Act, Pub. L. No. 112-29, § 19(a), 125 Stat. 284, 331 (2011) (codified as amended at 28 U.S.C. § 1338(a)), which extended exclusive federal jurisdiction to cases in which the only patent issue appears in a counterclaim.

\(^{1^0^0}\) Air Measurement Techs., Inc. v. Akin Gump Strauss Hauer & Feld, L.L.P., 504 F.3d 1262, 1272 (Fed. Cir. 2007) (quoting Grable & Sons Metal Prod., Inc. v. Darue Eng’g & Mfg., 545 U.S. 308, 312 (2005)).
the “validity, construction or effect of [federal] law.” According to the Court, the “mere need to apply federal law,” as is the case in the vast majority of patent malpractice cases, was not sufficient. Yet again, the Supreme Court overturned the Federal Circuit’s rule.

The policy of uniformity has also influenced the Federal Circuit’s decision to review de novo district court claim construction, a doctrine that has been widely criticized as inefficient because of the factual determinations claim construction requires and the inherent indeterminacy of the language of patent claims. In the Federal Circuit’s en banc decision in Cybor Corp. v. FAS Technologies, Inc., the court emphasized that its “role in providing national uniformity to the construction of a patent claim . . . would be impeded if [it] were bound to give deference to a trial judge’s asserted factual determinations incident to claim construction.” And the court’s recent decision reaffirming de novo review was based largely on the rationale that “plenary review of claim construction . . . provid[es] national uniformity, consistency, and finality to the meaning and scope of patent claims.”

At this point, it is worth pausing to identify a paradox in the Federal Circuit’s treatment of the policy of uniformity. As I have shown, the court’s judges have mentioned that policy in numerous opinions that have been overturned by the Supreme Court, have been criticized by judges and scholars, or both. Yet for all of the Federal Circuit’s expressed concern about uniformity, the court’s judges still take the “percolating” actions I identified in the first part of this paper: they convene en banc frequently, they regularly dissent, and, recently, they have issued deeply divided decisions that have practically required the Supreme Court to intervene to make a definitive statement of the

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101 Grable, 545 U.S. at 313 (quoting Shulhis v. McDougal, 225 U.S. 561 (1912)) (internal quotation marks omitted).
102 Id.
104 See Gugliuzza, supra note 7, at 1833 n.220 (collecting commentary criticizing de novo review).
105 138 F.3d 1448, 1455 (Fed. Cir. 1998) (en banc).
law.\textsuperscript{107} As Chief Justice Roberts observed during a recent oral argument in a patent case: “the Federal Circuit was established to bring about uniformity in patent law, but [the court’s judges] seem to have a great deal of disagreement among themselves.”\textsuperscript{108}

Why the inconsistency between the court’s words and its actions? Any answer is inevitably speculative, but I will offer some tentative thoughts. First, there is the elementary legal realist point that the stated policy of uniformity is not the actual motivator for the court’s decisions. As I have noted in prior work, many of the decisions that cite uniformity also expand the Federal Circuit’s power over the patent system, which in turn arguably enhances the prestige of the court and its esteem within the patent bar.\textsuperscript{109} Uniformity, then, might simply be a justification for pursuing those underlying aims. Alternatively, the court’s judges simply may not see the disconnect between the text of their opinions praising uniformity and their actions undercutting it. In any case, the salient point for present purposes is descriptive: the patent system currently has percolation precisely because it does not have the uniformity that the Federal Circuit often lauds.

As a concluding example of how uniformity concerns shape Federal Circuit doctrine, consider the Federal Circuit opinions in \textit{Highmark Inc. v. Allcare Management Systems, Inc.}, the case in which Chief Justice Roberts made his quip about uniformity. Under the Federal Circuit case law in effect at the time, a prevailing defendant in a patent case could recover attorneys’ fees only if the plaintiff filed its lawsuit in “subjective bad faith” and the lawsuit was

\textsuperscript{107} See, for example, CLS Bank Int’l v. Alice Corp., 717 F.3d 1269, 1273 (Fed. Cir.) (en banc), aff’d, No. 13-298, 2014 WL 2765283 (U.S. 2014), which presented a question about the patent eligibility of a claimed invention in computer software. As to two of the three categories of patent claims presented, the court divided five-to-five on whether the claims satisfied the patentable subject matter requirement of § 101 of the Patent Act. \textit{Id.} As to the final category of claims, a majority of the court’s judges voted to affirm the district court’s judgment of invalidity, but the court issued no majority opinion. \textit{Id.}; see also \textit{Highmark, Inc. v. Allcare Health Mgmt. Sys., Inc.}, 701 F.3d 1351 (Fed. Cir. 2012) (seven-to-five decision denying rehearing en banc on an issue related to shifting attorneys’ fees), \textit{vacated and remanded}, 134 S. Ct. 1744 (2014); \textit{Akamai Techs., Inc. v. Limelight Networks, Inc.}, 692 F.3d 1301 (Fed. Cir. 2012) (en banc) (six-to-five decision on induced infringement), \textit{rev’d}, 134 S. Ct. 2111 (2014).


\textsuperscript{109} Gugliuzza, \textit{supra} note 7, at 1798, 1858.
“objectively baseless.” The content and application of the standard for awarding attorneys’ fees is a significant issue because some commentators view fee shifting as an effective tool to deter and punish “abusive” patent lawsuits. In Highmark, the issue was the appropriate standard of review for a district court’s ruling on objective baselessness. The Federal Circuit panel applied a de novo standard. In a concurrence issued with the denial of rehearing en banc, Judge Dyk (author of the panel opinion) defended de novo review, stating that it “assures uniformity in the treatment of patent litigation, insofar as reasonableness is the governing issue.” Dissenting from the denial of rehearing en banc, Judge Moore took a different view of how de novo review would affect uniformity, stating: “When we convert factual issues, or mixed questions of law and fact, into legal ones for our de novo review, we undermine the uniformity and predictability goals this court was designed to advance.”

These dueling statements highlight the importance of uniformity in judicial decisionmaking on the most important legal issues facing the patent system today. Accordingly, in searching for causes of problems in patent law, we should consider not only a lack of percolation but also the influence of the policies the Federal Circuit was created to pursue.

Expertise. Another prominent reason for the Federal Circuit’s creation was that the court would provide “expertise in highly specialized and technical areas,” such as patent law. The objective of providing expertise also shapes Federal Circuit doctrine. For example, in Highmark, Judge Dyk defended de novo review of objective baselessness because “[t]he Federal Circuit brings to the table useful expertise.” “Our court,” he reasoned, “sees far more patent

110 Brooks Furniture Mfg., Inc. v. Dutailier Int’l, Inc., 393 F.3d 1378, 1381 (Fed. Cir. 2005). The power to award attorneys’ fees derives from 35 U.S.C. § 285, which provides that “[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party.” The Supreme Court recently overturned the two-element test of Brooks Furniture in Octane Fitness, LLC v. Icon Health & Fitness, Inc., 134 S. Ct. 1749, 1756 (2014) (holding that “an ‘exceptional’ case is simply one that stands out from others with respect to the substantive strength of a party’s litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated”).


113 Id. at 1309.


115 Id. at 1362 (Moore, J., dissenting from the denial of rehearing en banc).


117 Highmark, 701 F.3d at 1356 (Dyk, J., concurring in the denial of rehearing en banc).
cases than any district court, and is well positioned to recognize those ‘exceptional’ cases in which a litigant could not, under the law, have had a reasonable expectation of success.118

Judge Dyk’s explicit appeal to expertise is somewhat unusual, as the court’s opinions mention expertise less frequently than the policy of uniformity.119 My prior work has shown, however, that the Federal Circuit, as it did by embracing de novo review in Highmark, has developed many legal doctrines that exclude other institutions from shaping patent doctrine and adjudicating the facts of patent cases.120 These doctrines bolster the Federal Circuit’s position as the expert patent institution, to the exclusion of other institutions that might bring useful expertise to bear on patent law and patent disputes. For example, in the field of administrative law, the court has limited both the fact-finding and lawmaking power of the PTO, an institution that possesses substantial patent expertise.121 Also, the court has refused to give Chevron or Skidmore deference to the decisions of the International Trade Commission on patent validity, enforceability, or infringement,122 even though the Commission’s administrative law judges are experienced patent adjudicators.123 Finally, the Federal Circuit’s affinity for de novo appellate review of district court rulings on matters such as claim construction, attorneys’ fees, and willful infringement124 displaces trial court authority to definitively resolve both factual and legal issues in patent cases. The court’s searching appellate review can be a poor use of judicial resources, particularly on fact-

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118 Id.
119 Interestingly, other courts have mentioned the Federal Circuit’s expertise in patent law to justify questionable Federal Circuit doctrines. See, e.g., Byrne v. Wood, Herron & Evans, LLP, 676 F.3d 1024, 1041 (Fed. Cir. 2012) (O’Malley, J., dissenting from the denial of rehearing en banc) (noting that other courts’ decisions following Federal Circuit case law sometimes “reflect the deference other courts give to the Federal Circuit on patent law issues based on our unique appellate jurisdiction” but that “in many instances, [the decisions] . . . us[e] our experience in patent matters as a facile way to explain away circuit case law that is inconsistent with applicable, governing standards”).
120 See Gugliuzza, supra note 7.
121 See id. at 1820–23.
driven questions. More to the point, the Federal Circuit’s exclusion of other institutions from influencing the patent system is consistent with a judicial objective to offer the court’s expertise on as many matters of patent law as is possible.

Expanding and Strengthening Patent Protection. Many of the Federal Circuit’s supporters also hoped that the court would expand the scope of patent protection and strengthen patent rights. In the Federal Circuit’s very first decision, the court embraced a relatively lenient standard of patentability by adopting the precedent of the Court of Customs and Patent Appeals (CCPA), rather than starting anew with both CCPA and regional circuit decisions providing persuasive authority. Several analyses have concluded that courts invalidate patents less frequently now than before Congress created the Federal Circuit. Indeed, the judges of the Federal Circuit have boasted that their court has “strengthened the patent system” and have warned against allowing changes in the court’s personnel and in patent doctrine to “undermine or weaken the patent system.”

125 See Highmark, Inc. v. Allcare Health Mgmt. Sys., Inc., 687 F.3d 1300, 1319–20 (Fed. Cir. 2012) (Mayer, J., dissenting in part) (“The fact that we have been vested with exclusive appellate jurisdiction in patent cases does not . . . grant us license to invade the fact-finding province of the trial courts. As a result of [our] appellate overreaching, litigation before the district court has become a mere dress rehearsal for the command performance here. Encouraging relitigation of factual disputes on appeal . . . vitiates the critically important fact-finding role of the district courts.”) (citations omitted), vacated and remanded, 134 S. Ct. 1744 (2014).


127 South Corp. v. United States, 690 F.2d 1368, 1369 (Fed. Cir. 1982) (en banc); see Jeffrey A. Lefstin, The Constitution of Patent Law: The Court of Customs and Patent Appeals and the Shape of the Federal Circuit’s Jurisprudence, 43 LOY. L.A. L. REV. 843, 869 (2010) (noting that, after South Corp., any regional circuit precedents that conflicted with CCPA precedents were “discarded without ceremony or consideration”); see also BAUM, supra note 86, at 183 (noting that the choice to adopt CCPA case law “favored a lenient standard of patentability”). Before the Federal Circuit was created, the CCPA had exclusive jurisdiction over appeals from proceedings at the PTO. Appeals in patent litigation before the district courts were heard by the regional circuits.


129 E.g., Beighley, supra note 88, at 729 (quoting Judge Rader).

130 Linn, supra note 88, at 37:00.
Several of the Federal Circuit’s most significant doctrines are consistent with an objective to broaden and strengthen patent rights. For example, under a long line of Federal Circuit decisions, a party asserting that a claimed invention was obvious based on a combination of existing technology had to identify a specific “teaching, suggestion, or motivation” to combine those prior art references.\footnote{See, e.g., Alt-Site Corp. v. VSI Int’l, Inc., 174 F.3d 1308, 1323–24 (Fed. Cir. 1999).} This so-called TSM test placed an onerous burden on a party challenging validity, and, in 2007, the Supreme Court abrogated the Federal Circuit’s test, adopting a more flexible standard, which acknowledges that market demands and common sense might also make a claimed invention obvious.\footnote{See KSR Int’l Co. v. Teleflex Inc., 550 U.S. 398, 418–19 (2007).} In addition, the Federal Circuit had embraced a broad conception of the types of inventions eligible for patenting under § 101 of the Patent Act, including business methods and human gene sequences. The Supreme Court, however, appears to view the Federal Circuit’s patent-eligibility criteria as too broad, reversing recent decisions that held isolated human DNA and certain methods of medical diagnosis to be patent eligible.\footnote{See Ass’n for Molecular Pathology v. Myriad Genetics, Inc., 133 S. Ct. 2107, 2111 (2013) (isolated DNA); Mayo Collaborative Servs. v. Prometheus Labs., Inc., 132 S. Ct. 1289, 1298 (2012) (method for determining safety and efficacy of drug dosage levels).}

The Federal Circuit has not only embraced doctrines that would make it easier to uphold the validity of a patent, the court has also issued decisions tilting the litigation process in favor of patent holders in important ways. For example, the court adopted a presumption that a patent holder who established infringement was entitled to an injunction against future infringement.\footnote{See, e.g., Richardson v. Suzuki Motor Co., 868 F.2d 1226, 1247 (Fed. Cir. 1989).} The Supreme Court rejected that presumption, holding that the usual equitable test for an injunction applies in patent cases.\footnote{eBay Inc. v. MercExchange, L.L.C., 547 U.S. 388, 391–92 (2006).} Also, the Federal Circuit had disincentivized patent licensees from filing declaratory judgment suits challenging the patent’s validity, requiring that licensees first breach the license agreement, exposing themselves to claims for damages.\footnote{Gen-Probe Inc. v. Vysis, Inc., 359 F.3d 1376, 1381 (Fed. Cir. 2004).} Again the Supreme Court overturned that rule, holding that a licensee in good standing could file suit if, generally speaking, there was a realistic threat of suit if the licensee did not pay royalties.\footnote{MedImmune, Inc. v. Genentech, Inc., 549 U.S. 118, 127 (2007). More recently, the Supreme Court overturned a Federal Circuit decision that placed the burden of proving non-infringement on the potential infringer who had filed a declaratory judgment action. Medtronic, Inc. v. Mirowski Family Ventures, LLC, 134 S. Ct. 843, 846 (2014). The Court instead held that the burden should be on the patent holder, just as it would be in a coercive suit for infringement. Id.}

To be clear, I do not mean to suggest that the Federal Circuit invariably acts to strengthen patent rights. Empirical evidence suggests that although the
Federal Circuit has made it easier to uphold validity as compared to the regional circuits before it, it has not made it easier for patent holders to prove infringement.\textsuperscript{138} Indeed, Kimberly Moore has shown that most Federal Circuit decisions on the often-dispositive issue of claim construction favor the accused infringer, not the patent holder.\textsuperscript{139} Moreover, the Federal Circuit has begun to heavily scrutinize large jury verdicts in favor of patent holders.\textsuperscript{140} Thus, rather than characterizing the court as single-mindedly “pro-patent,” one might rely on the court’s tendencies on validity and infringement to tell a more nuanced story about capture. High rates of patent validity, combined with infringement outcomes that unduly favor neither patent holders nor accused infringers, are arguably the outcomes that patent lawyers would most prefer: such a regime would, in general, encourage companies to actively obtain patents (because they will mostly be ruled valid) and encourage both plaintiffs and defendants to vigorously litigate infringement disputes (because both parties will have a reasonable chance of prevailing). Indeed, recent evidence suggests that the increase in the rate of patent validity shortly after the Federal Circuit was created coincided with a surge in patenting and patent litigation.\textsuperscript{141} Moreover, although the rate of patent infringement dropped beginning in 1990, the amount of patent litigation has continued to grow.\textsuperscript{142} Thus, rather than simply

\footnotesize{
\textsuperscript{138} See Henry & Turner, supra note 128, at 114.  
\textsuperscript{139} Kimberly A. Moore, Markman Eight Years Later: Is Claim Construction More Predictable?, 9 LEWIS & CLARK L. REV. 231, 241 (2005) (reporting that, from 1996 through 2003, Federal Circuit claim constructions, which the court conducts de novo, favored the accused infringer fifty-eight percent of the time). Of course, there may be some selection effects in that losing patent holders are particularly likely to press weak appeals due to the preclusive effects of an adverse judgment. See supra note 78 and accompanying text.  
\textsuperscript{142} Id.
}
characterizing the Federal Circuit as “pro-patent,” it might be more accurate to characterize the court as “pro-patent lawyer.”

III. SAVING THE FEDERAL CIRCUIT

Modern patent law has its problems. The Federal Circuit may have pushed doctrine too far in favor of patent holders and may be too solicitous of the patent bar. By excluding other institutions from shaping patent law, the court maintains its “expert” status but weakens other institutions, such as the PTO and the International Trade Commission, which could beneficially shape patent law. And, in the service of uniformity, the Federal Circuit has adopted procedural and jurisdictional rules at odds with long-standing Supreme Court doctrine. Judge Wood diagnoses patent law’s problems as stemming from insufficient percolation; I have suggested that the policy objectives that animated the creation of the Federal Circuit also play a role. Can institutional reform help mitigate the distorting effect of those policies?

Perhaps. In the most extreme reform possibility (which Judge Wood does not endorse), patent appeals would be heard only by the twelve regional circuits. In that regime, one might still see references to uniformity in appellate patent decisions, as uniformity is thought to be beneficial in most areas of the law. But there would be no national policy of providing substantive appellate expertise, and any inclination to strengthen patent rights would also likely disappear.

It is less clear how proposals such as Judge Wood’s, which save the Federal Circuit but abolish its exclusive jurisdiction, would impact the weight given by courts to objectives such as uniformity and expertise. On one hand, appeals in patent litigation would no longer be centralized in an expert court capable of providing uniformity, which would likely reduce the salience of arguments that appeal to the policies of uniformity and expertise. On the other

143 For an interesting analysis of how the labor market for patent professionals is shaped by the increasing number of patents and patent lawsuits, see John M. Golden, Proliferating Patents and Patent Law’s “Cost Disease,” 51 Hous. L. Rev. 455, 476–89 (2013), which observes that “as the numbers of patent applications, patents and resultant clearance questions, licensing negotiations, or lawsuits increase, the system’s demands on a relatively scarce supply of people with appropriate scientific, technological, or legal backgrounds increase,” “impos[ing] a sort of ‘diversion of labor’ cost on the economy, pulling skilled labor away from economic sectors with greater opportunities for growth in productivity.”

144 For a proposal along these lines, see Cecil D. Quillen, Jr., Rethinking Federal Circuit Jurisdiction—A Short Comment, 100 Geo. L.J. Online 23, 24 (2012).

145 For a challenge to this conventional view, see Amanda Frost, Overvaluing Uniformity, 94 Va. L. Rev. 1567 (2008).

146 In fact, the court’s abolition might be interpreted by the regional circuits as a message to weaken patents, a policy that in the long run could cause its own problems.
hand, the salience of those arguments would not be completely eliminated because the expert Federal Circuit would continue to exist. Indeed, Judge Wood herself contemplates that, under her proposal, “the Federal Circuit would still play a leading role in shaping patent law.”\textsuperscript{147} Other appellate courts hearing patent cases might then simply defer to Federal Circuit law, which has already been (and might continue to be) distorted by considerations of uniformity and expertise.\textsuperscript{148} Further, if the Federal Circuit were to continue to have exclusive jurisdiction over PTO appeals (Judge Wood does not address this issue in her speech), other appellate courts deciding patent cases might interpret that structure as continued evidence of a national policy of patent law uniformity. Thus, to ensure that Judge Wood’s proposal actually introduces heterogeneity into patent law, the proposal would have to clearly instruct the regional circuits not to defer to Federal Circuit precedent.\textsuperscript{149}

But there may be ways to reduce the pull of the Federal Circuit’s policy objectives that are both less drastic than abolishing the court’s exclusive jurisdiction and more realistic because they require no action by Congress.\textsuperscript{150} For example, the President might seek to appoint judges who have some experience in patent law but who also have a range of experience in other areas. This

\begin{footnotes}
\item[147] Wood, supra note 1, at 10.
\item[148] It is already somewhat commonplace for courts—even peer-level federal appellate courts—to defer to the Federal Circuit on matters related to patent law. See, e.g., USPPS, Ltd. v. Avery Dennison Corp., 647 F.3d 274, 281–82 (5th Cir. 2011) (following Federal Circuit jurisdictional law that was in tension with a prior decision of the Fifth Circuit, noting that “[o]ur decision is guided by . . . the strong federal interest in the removal [of] non-uniformity in the patent law” (second alteration in original, internal quotation marks omitted)); Schinzinger v. Mid-States Stainless, Inc., 415 F.3d 807, 811 (8th Cir. 2005) (“adopt[ing] the Federal Circuit’s precedent on substantive issues of patent law”); see also Byrne v. Wood, Herron & Evans, LLP, 676 F.3d 1024, 1040 (Fed. Cir. 2012) (O’Malley, J., dissenting from denial of rehearing en banc) (noting “the deference other courts give to the Federal Circuit on patent law issues based on our unique appellate jurisdiction”). Remarkably, in a recent Supreme Court argument, Chief Justice Roberts asked whether the Supreme Court might “give some deference to” a decision of the Federal Circuit, given that the court “was set up to develop patent law in a uniform way.” Transcript of Oral Argument at 9, Octane Fitness, LLC v. Icon Health & Fitness, Inc., 134 S. Ct. 1749 (2014) (No. 12-1184).
\item[149] Rochelle Dreyfuss, in her contribution to this symposium, makes a similar point, noting that for Judge Wood’s proposal “[t]o improve [the] quality of patent law, the regional circuits would have to refrain from following Federal Circuit precedent in cases of national importance.” Rochelle C. Dreyfuss, Abolishing Exclusive Jurisdiction in the Federal Circuit: A Response to Judge Wood, 13 CHI.-KENT J. INTELL. PROP. 327, 344 (2014).
\item[150] On whether Judge Wood’s proposal to abolish the Federal Circuit’s exclusive jurisdiction is politically feasible, see Rai, supra note 45, at 387, which notes that “[c]onsiderations of political economy are not on Judge Wood’s side.”
\end{footnotes}
broader experience might make those judges hesitant to rely on patent-specific policy objectives to justify a decision in tension with broader legal principles.

There is evidence that a generalist judge with significant knowledge of patent law can be a good steward of the patent system. The most “generalist” judge currently on the Federal Circuit is Judge Kathleen O’Malley, who was appointed in 2010 after sixteen years as a district judge in the Northern District of Ohio. Judge O’Malley was the first-ever district judge appointed to the Federal Circuit, and in her short time on the bench, she has taken strong positions against some of the Federal Circuit doctrines I have identified as connected to the court’s foundational policy objectives. For example, she wrote several opinions questioning the Federal Circuit’s expansive approach to exclusive federal jurisdiction over state-law claims, and her position was vindicated by the Supreme Court in *Gunn v. Minton.* She also wrote an opinion arguing that the Federal Circuit should revisit its rule that claim construction is reviewed de novo on appeal, as well as the dissent in the recent en banc case in which the court reaffirmed the de novo standard. Judge O’Malley’s position might again be vindicated, as the Supreme Court has recently agreed to decide the appropriate standard of review for claim construction.

Judge Richard Taranto, another recent appointee, may also turn out to be a commendable example of a generalist judge with significant knowledge of patent law. Judge Taranto’s law practice focused on appellate litigation, and, although he argued several significant patent cases before the Supreme Court and the Federal Circuit, he also argued Supreme Court cases on issues of

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151 See Minkin v. Gibbons, P.C., 680 F.3d 1341, 1353 (Fed. Cir. 2012) (O’Malley, J., concurring); Memorylink Corp. v. Motorola, Inc., 676 F.3d 1051, 1051 (Fed. Cir. 2012) (O’Malley, J., dissenting from denial of rehearing en banc); Landmark Screens, LLC v. Morgan, Lewis, & Bockius, LLP, 676 F.3d 1354, 1366–67 (Fed. Cir. 2012) (O’Malley, J., concurring); USPPS, Ltd. v. Avery Dennison Corp., 676 F.3d 1341, 1350 (O’Malley, J., concurring), vacated and remanded, 133 S. Ct. 1794 (2013); Byrne, 676 F.3d at 1027 (O’Malley, J., dissenting from denial of rehearing en banc); Byrne v. Wood, Herron & Evans, LLP, 450 F. App’x 956, 960–61 (Fed. Cir. 2011) (authoring majority opinion that followed but questioned Federal Circuit precedent), vacated and remanded, 133 S. Ct. 1454 (2013).


antitrust law,\textsuperscript{158} copyright law,\textsuperscript{159} and trade dress law,\textsuperscript{160} and he spent three years in the Office of the Solicitor General. Thus, Judge Taranto might also be poised to temper the influences of the Federal Circuit’s foundational policy objectives on the court’s case law.

CONCLUSION

Perhaps the most noteworthy aspect of Judge Wood’s speech is her evident enthusiasm for hearing patent cases.\textsuperscript{161} She makes clear that, contrary to the conventional wisdom, some judges relish the challenge of a patent dispute. Yet many regional circuit judges will never hear a patent case.\textsuperscript{162} Thirty years ago, when patent law was viewed as a specialized, esoteric area of law, removing patent appeals from the judicial mainstream might not have been a major concern for public policy. But patent law is far more visible and important today, and it is unfortunate that some of our most accomplished federal judges, such as Judge Wood, have practically no say in the development of patent doctrine. That may, in fact, be the best reason for abolishing the Federal Circuit’s exclusive jurisdiction over patent appeals.

\textsuperscript{161} See Wood, suprane note 1, at 10 (“Speaking personally, I would welcome the re-integration of intellectual property law in the regional circuits.”).
**APPENDIX**

Patent Cases Involving Supreme Court Orders Calling for the Views of the Solicitor General Issued in October Terms 2008 through 2013

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<td>Maersk Drilling USA, Inc. v. Transocean Offshore Deepwater Drilling</td>
<td>2013</td>
<td>Not filed</td>
<td>Dismissed Due to Settlement</td>
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<td>Commil USA, LLC v. Cisco Sys., Inc.</td>
<td>2013</td>
<td>Not yet filed</td>
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* This list is current through July 8, 2014.