Revising the United States Court of Appeals for the Federal Circuit Part Deux: A Response to the Honorable Diane P. Wood

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As the United States Court of Appeals for the Federal Circuit sails towards the Island of Reversals to join her sisters, the Sixth and Ninth,[1] grumblings are being

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[1] *See* Steven Seidenberg, *Federal Circuit Gets Reined in over Patent Fees in Infringement Suits*, A.B.A. J. (July 1, 2014, 3:50 PM), http://www.abajournal.com/magazine/article/federal_circuit_gets_reined_in_over_patent_fees_in_infringement_suits ("The [U.S. Supreme Court] . . . has, over the last decade, decided an unusually large number of patent cases, almost always over-ruling the Federal Circuit . . . ."); Editorial, *The Biggest Judicial Losers*, WALL ST. J., June 13, 2014, at A12, *available at* http://online.wsj.com/articles/the-biggest-judicial-losers-1402615642 ("[T]he biggest loser is once again the Ninth Circuit of Appeals. The famously liberal appellate court has logged more reversals than any other circuit, having lost 10 of 11 cases."); Timothy B. Lee, *The Supreme Court Is Struggling to Rein in America's Rogue Patent Court*, VOX (June 4, 2014, 7:30 AM), http://www.vox.com/2014/6/4/5776642/the-supreme-court-is-struggling-to-rein-in-americas-rogue-patent-court ("Between 2004 and the start of 2014, the nation's highest court has overruled the Federal Circuit 10 times . . . ."); Tony Mauro, *Federal Circuit Reversed—Yet Again—In Patent Cases*, LAW.COM (June 2, 2014), http://www.alm.law.com/jsp/article.jsp?id=1202657651227&rss=newswire ("The U.S. Supreme Court . . . unanimously slapped down the U.S. Court of Appeals for the Federal Circuit, rejecting two of its patent rulings

heard across the country[2] regarding the role that has been bestowed upon the court by Congress. Although such criticism can be expected from academia, it is a rare event when a call for reform comes from a federal appellate court judge. It is even rarer given that the call came from the distinguished jurist, Diane P. Wood, then judge, now chief judge, of the United States Court of Appeals for the Seventh Circuit.[3]

In a speech delivered on September 26, 2013,[4] Judge Wood proposed removing exclusive jurisdiction in patent appeals from the Federal Circuit and allowing such appeals to be shared among the other federal circuits.[5] While Judge Wood admitted her proposal undermines the reason Congress created the Federal Circuit,[6] she based her proposal on the theory that it would be better for the country if a variety of voices could be heard in analyzing issues involving patent appeals.[7]

Although a variety of opinions in the legal field is always good for the development of the law, that is not the problem currently facing patent jurisprudence. Judge Wood's position, although appealing, would, as proposed, simply compound the problem. However, like a soft drink with a wedge of lime, or a pina colada with a paper parasol, all Judge Wood's proposal needs is a little twist to reach her goal.

I. In the Beginning

When a patent dispute occurs, the case is initially filed in a federal district court having jurisdiction over the case.[8] Before 1982, once a final judgment had

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just over a month after hearing oral arguments in both cases."); Mark Walsh, *A Sixth Sense: 6th Circuit Has Surpassed the 9th as the Most Reversed Appeals Court*, A.B.A. J. (Dec. 2012, 9:30 AM CST), http://www.abajournal.com/magazine/article/a_sixth_sense_6th_circuit_has_surpassed_the_9th_as_the_most_reversed_appeal/ ("[T]he 9th U.S. Circuit Court of Appeals has suffered a reputation as being the circuit most at odds with the U.S. Supreme Court . . . . But more recently, another federal circuit has reigned as the most reversed . . . . In the seven Supreme Court terms completed since the fall of 2005, the 6th Circuit has been reversed 31 out of 38 times . . . ."); Jonathan H. Adler, *Is the Sixth the New Ninth?*, VOLOKH CONSPIRACY (Feb. 20, 2011, 3:59 PM), http://www.volokh.com/2011/02/20/is-the-sixth-the-new-ninth/ ("[T]he Sixth Circuit has batted 0-15 over the past three Supreme Court terms. This is quite remarkable. No other Circuit has been reversed so consistently over this period.").

2 Jeremy W. Bock, *Restructuring the Federal Circuit*, 3 N.Y.U. J. INTELL. PROP. & ENT. L. 197, 199–201 (2014) (identifying the criticisms expressed in academic literature towards the Federal Circuit); David O. Taylor, *Formalism and Antiformalism in Patent Law Adjudication: Precedent and Policy*, 66 SMU L. REV. 633, 645–51 (2013) (summarizing the critical views held by various academic authorities towards the Federal Circuit).

3 *See* Brian J. Paul, *The Seventh Circuit Court of Appeals Gets a New Chief Judge*, THE CIRCUIT RIDER, Nov. 2013, at 2, *available at* http://c.ymcdn.com/sites/www.7thcircuitbar.org/resource/resmgr/circuit_rider/The_Circuit_Rider_Vol_15.pdf (noting that Diane Wood became the Chief Judge of the Seventh Circuit on October 1, 2013).

4 Diane P. Wood, *Keynote Address: Is It Time to Abolish the Federal Circuit's Exclusive Jurisdiction in Patent Cases?*, 13 CHI.-KENT L. REV. 1, 1 n.* (2013).

5 *Id.* at 1, 6, 8–10.

6 *Id.* at 2, 4.

7 *Id.* at 9–10.

8 Lynda J. Oswald, *Simplifying Multiactor Patent Infringement Cases Through Proper Application of Common Law Doctrine*, 51 AM. BUS. L.J. 1, 6 (2014).

been entered by the district court, an appeal was then taken to the regional circuit court having jurisdiction over the district court.[9] Appeals from decisions of the United States Patent and Trademark Office (PTO) were taken to the Court of Customs and Patent Appeals (CCPA).[10] Because the regional circuit courts established their own precedents, patent law, like many other areas of the law, varied significantly between the circuit courts, the PTO, and the CCPA.[11] This naturally led to forum shopping.[12]

Of course, the Supreme Court had the authority to resolve these disputes among the various tribunals.[13] The limited number of patent disputes heard by the Court in the decade preceding the creation of the Federal Circuit, however, focused on subject matter patentability rather than resolving the increasingly conflicting judicial positions.[14] The need for uniformity gave birth to the Federal Circuit.[15]

The Federal Courts Improvements Act of 1982 established two new courts: the United States Court of Appeals for the Federal Circuit and the United States Court of Federal Claims.[16] The statute also abolished the CCPA and the United States Court of Claims.[17] One of Congress's goals in establishing the Federal Circuit was to create a specialized appellate court for patent cases, with the objective of increasing "doctrinal stability in the field of patent law."[18] Congress conceded that "some circuit courts [had been] regarded as 'pro-patent' and others 'anti-patent.'"[19] The conflicts between the circuits, Congress realized, were counterproductive and expensive.[20] Congress deemed that the creation of a single appellate court for patents would ensure a "more stable and predictable" forum for patent issues.[21]

Unlike its sister circuits that are geographic in nature, "[t]he Federal Circuit has nationwide jurisdiction over specific subject matters."[22] These subjects involve patents, trademarks, international trade, federal personnel, government contracts, veterans' benefits, and public safety officers' benefits.[23] In addition to receiving appeals from the federal district courts across the country, the Federal Circuit also receives appeals from the United States Court of International Trade, the Patent Trial and Appeal Board (formerly known as the Board of Patent Appeals and Interfer-

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9 *Id.*
10 *Id.*
11 *Id.*
12 *Id.*
13 *Id.*
14 Oswald, *supra* note 8, at 6–7.
15 *Id.* at 7.
16 *Id.*
17 *Id.*
18 S. REP. NO. 97-275, at 5 (1981), *reprinted in* 1982 U.S.C.C.A.N. 11, 15; *see also* H.R. REP. NO. 97-312, at 16–27 (1981) (presenting the purpose, background, and need for the legislation).
19 H.R. REP. NO. 97-312, at 20–21.
20 Oswald, *supra* note 8, at 7.
21 S. REP. NO. 97-275, at 6, *reprinted in* 1982 U.S.C.C.A.N. 11, 16; H.R. REP. NO. 97-312, at 23.
22 Oswald, *supra* note 8, at 7.
23 28 U.S.C. § 1295 (2012).

ences), and the Trademark Trial and Appeals Board.[24] Patent cases come to the Federal Circuit not only from the federal district courts, but also from the Patent Trial and Appeal Board, the Court of Federal Claims, and the International Trade Commission.[25]

The Federal Circuit, however, was not designed to be solely a patent appellate court.[26] Congress's goal was the opposite, with the legislative history establishing that:

> The Court of Appeals for the Federal Circuit will not be a 'specialized court,' as that term is normally used. The court's jurisdiction will not be limited to one type of case, or even to two or three types of cases. Rather, it will have a varied docket spanning a broad range of legal issues and types of cases . . . .
>
> This rich docket assures that the work of the proposed court will be broad and diverse and not narrowly specialized. The judges will have no lack of exposure to a broad variety of legal problems. Moreover, the subject matter of the new court will be sufficiently mixed to prevent any special interest from dominating it.[27]

Theory does not always mimic reality. Despite Congress's intent to have a "rich docket" with "broad and diverse" work, intellectual property cases accounted for 48% of the Federal Circuit's docket during the 2013 fiscal year.[28] Trademark appeals comprised only 2% of the docket, with patent suits comprising the other 46%.[29] In comparison, personnel actions, the second largest category, comprised only 17% of the total appeals for 2013.[30] Compared to the 2012 fiscal year, these figures establish a 1% increase in patent cases, and a 2% decrease in personnel actions, while trademark appeals remained constant.[31]

The idea for the Federal Circuit can be traced to proposals made by the Hruska Commission after the Commission studied the caseload problems experienced by federal courts.[32] Although the main recommendation of the Commission, which was to create an appellate court that decided cases referred to it by the Supreme

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24 Oswald, *supra* note 8, at 7–8.

25 *Id.* at 8.

26 *Id.*

27 S. REP. NO. 97-275, at 6 (1981), *reprinted in* 1982 U.S.C.C.A.N. 11, 16.

28 *Appeals Filed, by Category FY 2013*, U.S. COURT OF APPEALS FOR THE FEDERAL CIRCUIT, http://www.cafc.uscourts.gov/the-court/statistics.html (last visited July 6, 2014) (navigate to "Caseload, by Category" section; then navigate to "Appeals Filed" subsection; then follow "2013" hyperlink).

29 *Id.*

30 *Id.*

31 *Appeals Filed, by Category FY 2013*, U.S. COURT OF APPEALS FOR THE FEDERAL CIRCUIT, http://www.cafc.uscourts.gov/the-court/statistics.html (last visited July 6, 2014) (navigate to "Caseload, by Category" section; then navigate to "Appeals Filed" subsection; then follow "2012" hyperlink).

32 Rochelle Cooper Dreyfuss, *The Federal Circuit: A Case Study in Specialized Courts*, 64 N.Y.U. L. REV. 1, 6 (1989). The Commission was named in recognition of its chair, Senator Roman Hruska of Nebraska. Paul R. Gugliuzza, *Patent Law Federalism*, 2014 WIS. L. REV. 11, 23 (2014). The report may be found at *Commission on Revision of the Federal Court Appellate System, Structure and Internal Procedures: Recommendations for Change*, *reprinted in* 67 F.R.D. 195 (1975).

Court, was rejected, another problem regarding patents caught the eye of Congress.[33]

Observed from a historical perspective, the PTO was responsible for initial determinations of patentability, yet was given little guidance in that effort.[34] Although the PTO was free to develop its own theories regarding patentability, those theories, along with the decisions of its reviewing court, the CCPA, could not be imposed on other federal courts.[35] The result was a lack of respect from the federal judiciary.[36] Because the regional circuit courts eroded the presumption of patent validity, the value of patents went into decline.[37] In addition, the fact that patents were so often invalidated created the perception that unchallenged patents were a detriment to the economy.[38] The resulting myth accused patentees of creating monopolies on inventions that were already a part of the public domain.[39]

The regional circuit courts only exacerbated this problem by not attempting to create uniformity in patent law.[40] From 1945 to 1957, statistics established that a patent was twice as likely to be held valid in the Fifth Circuit than in the Seventh Circuit, while the patent had a four times better chance of enforcement in the Seventh Circuit than in the Second Circuit.[41] This resulted in a forum-shopping spree rivaling any Day-After-Thanksgiving special. Forum fights exploded.[42] Transfer requests were sought, for example, from Texas in the Fifth Circuit to Illinois so that the Seventh Circuit could review the case.[43] Such contests were fought in both circuits and eventually appealed to the Supreme Court.[44] These volatile and opportunistic tactics made it impossible for attorneys to advise inventors.[45] The ultimate result was to stifle, rather than to progress the useful arts, divesting the economy of incentive to invest in research and development.[46]

The Federal Circuit's single forum mantra to hear appeals regarding patent disputes was to eliminate these legal hurricanes.[47] The single appellate forum was to create a uniform jurisprudence, eliminating the wasteful forum-shopping dramas of the past.[48] The stabilized certainty of a single court was designed to promote

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33 Dreyfuss, *supra* note 32, at 6.
34 *Id.*
35 *Id.*
36 *Id.*
37 *See id.*
38 *Id.*
39 Dreyfuss, *supra* note 32, at 6.
40 *Id.* at 6–7.
41 *Id.* at 7.
42 *Id.*
43 *Id.*
44 *Id.*
45 Dreyfuss, *supra* note 32, at 7.
46 *Id.*
47 *Id.*
48 *Id.*

technology and innovation, while facilitating the need for business planning.[49] Finally, the new court was to alleviate the workload on the regional circuits where the technical and complex nature of patent litigation required an immense amount of time from generalist judges of the regional circuits who were unfamiliar with the topic being litigated.[50]

II. "Those Who Cannot Remember the Past are Condemended to Repeat It"[51]

To the average American, the debate regarding the best ways, the best places, or the best judges to resolve patent disputes must seem like a group of English teachers debating whether a comma should go before the word "and" in a sequential listing. Who cares about an Oxford comma? How does that impact me? History supplies the answer.

The patent clause, which also includes copyrights, is located in Article 1, Section 8, Clause 8 of the United States Constitution.[52] The clause provides that Congress has the power "[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[53]

In contrast, those freedoms contained in the Bill of Rights, which formed so much of the foundation of this country, which have been the source of so much national pride, and which the United States has advocated throughout the world, are not a part of the original Constitution. Freedom of religion,[54] freedom of speech,[55] freedom of the press,[56] the right to peaceably assemble,[57] the right to petition the government,[58] the right to bear arms,[59] the prohibition of unreasonable searches and seizures,[60] the doctrine of probable cause,[61] the prohibition against double jeopardy,[62] the right to remain silent,[63] the concept of due process of law,[64] the right to just compensation when private property is taken for public use,[65] the right to a speedy trial,[66] the right to a public trial,[67] the right to an impartial jury,[68] the right to

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49 *Id.*
50 *Id.*
51 GEORGE SANTAYANA, *Reason in Common Sense*, *in* THE LIFE OF REASON 33, 284 (1905).
52 U.S. CONST. art. I, § 8, cl. 8.
53 *Id.*
54 U.S. CONST. amend. I.
55 *Id.*
56 *Id.*
57 *Id.*
58 *Id.*
59 U.S. CONST. amend. II.
60 U.S. CONST. amend. IV.
61 *Id.*
62 U.S. CONST. amend. V.
63 *Id*
64 *Id.*
65 *Id.*
66 U.S. CONST. amend. VI.

confront witnesses,[69] the right to have compulsory appearances of witnesses,[70] the right to counsel,[71] the prohibition against excessive bail,[72] the prohibition against excessive fines,[73] and the prohibition of cruel and unusual punishment[74] are all not a part of the original Constitution. They are only amendments to the original document. Although they are important amendments, they are amendments just the same. The founding fathers believed so strongly in the importance of patents and copyrights to this country that they secured their protection in the original document. These wonderful enumerated freedoms were not. They were only added through the Constitution's lengthy amendment process.[75]

Placed in this perspective, Congress's concern in eliminating the problems regarding patent litigation and attempting to create a uniform system to promote the progress of the useful arts is understandable. The evidence presented to Congress, which resulted in the passage of the Federal Courts Improvements Act of 1982, showed a patent litigation system that was prohibiting technological investments and inhibiting business planning.[76] The evidence showed a result that was the complete opposite of the mandate given to Congress by Article 1, Section 8, Clause 8.

The flaw in Judge Wood's position is obvious. By eliminating the Federal Circuit's exclusive jurisdiction, we would merely invite history to repeat itself. The "bad old days," as she describes, will return due to the inevitability of circuit splits.[77] Judge Wood's hypothesis is that patent law will develop and "benefit from a variety of viewpoints."[78] This "variety" will lead to conflicting precedents, which Judge Wood sees as providing the Supreme Court with a rich palate to consider in resolving such conflicts.[79]

Ultimately, Judge Wood's premise will lead back to the problems of forum shopping, impaired business planning, and decreased research investments. The Supreme Court has a limited capacity and thus entertains a limited number of cases each term. The Court will simply not be able to resolve all the conflicts that will inevitably occur, and the country will slip back into the abyss the Federal Circuit was created to eliminate.[80]

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67 *Id.*
68 *Id.*
69 *Id.*
70 *Id.*
71 *Id.*
72 U.S. CONST. amend. VIII.
73 *Id.*
74 *Id.*
75 U.S. CONST. art. V.
76 Dreyfuss, *supra* note 32, at 7.
77 Wood, *supra* note 4, at 9.
78 *Id.* at 10.
79 *See id.*
80 *See* Oswald, *supra* note 8, at 6–7 (describing the poor state of affairs prior to the creation of the Federal Circuit).

Judge Wood also strongly encourages that generalist judges be allowed to address patent disputes,[81] a position that would cause considerable problems in the area of patent litigation. Judge Wood assumes that all federal appellate judges are equal in skill, experience, and knowledge. They are not. Her position is the equivalent of asking a plastic surgeon to perform brain surgery on the premise that all surgeons are the same. They are not, just as all federal appellate judges are not the same.

Let us assume a federal appellate judge has a Bachelor of Arts degree in a liberal arts major. The judge subsequently receives a law degree and spends his or her entire legal career in a small family law firm practicing employment law, ultimately receiving an appointment to the federal bench based solely on a spouse's political connections. To have a judge with such inferior credentials reviewing a complex, multibillion-dollar patent case is an affront to the parties and a blasphemy to the Constitution.

Should a judge with such an inferior background sit on a patent case, one of two possible scenarios would occur. In the first, the judge would stumble through the legal forests of science, technology, and patent law to reach some decision with the sole objective of removing the case from the docket. In the second and more repugnant scenario, the case will remain undecided until the judge hires a law clerk with the necessary scientific background to understand the technology at issue. This results in a law clerk, fresh out of law school, deciding the aforementioned multibillion-dollar patent case. Neither scenario is acceptable.

Judge Wood's proposal also makes an erroneous assumption regarding the confirmation of federal appellate judges. Since the creation of the Federal Circuit in 1982, the President and Senate have not been concerned with the issue of a judicial nominee's ability to judge a patent case in the regional circuit courts. Because of the Federal Circuit's exclusive jurisdiction, the Senate can focus its patent and technology concerns on confirmation proceedings restricted to that court. The Senate need not worry about the ability of a regional-circuit nominee's ability to adjudicate patent disputes. With Judge Wood's proposal, this lack of scrutiny by the Senate in the regional courts regarding patent law becomes a problem.

Returning to the federal appellate judge with the liberal arts education and questionable judicial credentials, if Judge Wood's proposal is adopted, several questions must then be asked. Would the Senate still have confirmed this nominee? Would the Senate have examined the nominee during the Senate hearings differently knowing the nominee's total inexperience in patent litigation and the likelihood the nominee will review patent cases? Would such an inappropriate nominee have been given a Senate hearing? Would the individual have even been nominated? These are all questions that inevitably arise under Judge Wood's proposal. Further, under Judge Wood's proposal, the nominees, once confirmed as judges, will not be

[81] Wood, *supra* note 4, at 7.

deterred from reviewing patent appeals because ineptness is not an impeachable offense.[82]

The irony of Judge Wood's proposal is that it allows federal judges to adjudicate cases they could never pursue in private practice due to their lack of specialized education. To prosecute a patent application before the PTO, a lawyer must be a member of the patent bar, which has certain educational requirements.[83] Yet, by virtue of an appointed position alone, a federal appellate judge would miraculously be expected to understand the intricacies and complexities of the issues better than the highly specialized litigating attorneys. When one pauses to think about this scenario, the result is ridiculous. It defies logic. It offends common sense. But this would be the result if Congress allows the regional circuit courts to once again assume jurisdiction over patent appeals.

III. The Ingredients

Judge Wood's speech can be seen as presenting three areas of concern. However, when these three elements are combined in the right formula, they can create a solution that better serves the interests of all involved. These concerns are identified as the Learned Hand element, the Diane Wood element, and the congressional element.

A. The Learned Hand Element

The Learned Hand element is based on Judge Hand's exasperated plea in *Parke-Davis & Co. v. H. K. Mulford Co*.[84] In addressing the patentability of purified adrenaline, Judge Hand stated:

> I cannot stop without calling attention to the extraordinary condition of the law which makes it possible for a man without any knowledge of even the rudiments of chemistry to pass upon such questions as these. The inordinate expense of time is the least of the resulting evils, for only a trained chemist is really capable of passing upon such facts, e.g., in this case the chemical character of Von Furth's so-called 'zinc compound,' or the presence of inactive organic substances . . . . How long we shall continue to blunder along without the aid of unpartisan and authoritative scientific assistance in the administration of justice, no one knows; but all fair persons not conventionalized by provincial legal habits of mind ought, I should think, unite to effect some such advance.[85]

Judge Hand would have preferred that the individual given the responsibility to adjudicate a patent dispute have the "knowledge" to "pass upon" the issues present-

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[82] U.S. CONST. art. II, § 4 ("[A]ll civil officers of the United States, shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors.").

[83] *See* 37 C.F.R. § 11.7 (2014) (listing the qualifications required for registration to practice before the PTO); *see also* U.S. PATENT & TRADEMARK OFFICE, GENERAL REQUIREMENTS BULLETIN FOR ADMISSION TO THE EXAMINATION FOR REGISTRATION TO PRACTICE IN PATENT CASES BEFORE THE UNITED STATES PATENT AND TRADEMARK OFFICE 4–10 (2014), *available at* http://www.uspto.gov/ip/boards/oed/exam/OED_GRB.pdf (detailing the numerous requirements and procedures for admission).

[84] 189 F. 95 (C.C.S.D.N.Y. 1911).

[85] *Id.* at 115.

ed in the litigation.[86] Thus, his element is designed to avoid the undesirable resolution of patent cases "without the aid of unpartisan . . . scientific assistance in the administration of justice . . . ."[87] To satisfy Judge Hand's concerns, judges who sit in judgment on patent cases must have the scientific and educational background necessary to properly understand the scope of the litigation over which they preside.

B. The Diane Wood Element

The Diane Wood element is summarized by the Judge's view that "there is great value in obtaining the views of a number of judges, and there is great value in using generalist judges."[88] Judge Wood's concern is that we should try to avoid judges who specialize in patent cases. Rather, we should "re-introduce into the country the same kind of marketplace of ideas at the court of appeals level that we have for almost every other kind of claim."[89]

C. The Congressional Element

The last, and technically the most important, is the congressional element. For all the criticism regarding the Federal Circuit, its functions, its benefits, and its faults, the court exists all but for the grace of Congress. What academics and the judiciary must remember is that Article III, Section 1 of the Constitution provides that "[t]he judicial power . . . shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish."[90] Congress has ultimate control of not only the Federal Circuit's jurisdiction, but also the court's ultimate fate.[91]

With its ability to strike down any inferior court in this country, one must be reminded why Congress took great lengths to create the Federal Circuit. Congress's goal was to have one appellate court review patent disputes to stabilize the jurisprudence in patent law.[92] Congress found "some circuit courts [had been] regarded as 'pro-patent' and other[s] 'anti-patent' . . . ."[93] Due to the expensive and counterproductive impact that diversity among the regional circuits created in the field, Congress deemed the creation of the Federal Circuit necessary to ensure a "more stable and predictable" forum for patent issues.[94] No matter how much criticism can be levied against the current system, the Constitution vests Congress with the authority to set the rules of the game. One such rule decrees that the Federal Circuit is the court to have exclusive jurisdiction over patent appeals. It is within this container that the suggested solution is made.

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86 *Id.*
87 *Id.*
88 Wood, *supra* note 4, at 7.
89 *Id.* at 9.
90 U.S. CONST. art. III, § 1.
91 *See id.*
92 Dreyfuss, *supra* note 32, at 6–7; Oswald, *supra* note 8, at 7.
93 H.R. REP. NO. 97-312, at 20–21 (1981).
94 S. REP. NO. 97-275, at 6 (1981), *reprinted in* 1982 U.S.C.C.A.N. 11, 16.

IV. The Twist of Lime and the Paper Parasol

Good solutions, like good drinks, are a result of several elements carefully balanced and mixed to perfection. However, because humans create law and society, there is no perfection. Add lawyers and politicians to the mixture and chaos ensues.

A. Long-term Solution

The long-term solution will never occur. The reason can be stated in one word—politics. If Congress truly wants to make the Federal Circuit the court for patents, the President will have to nominate, and the Senate will have to confirm, only those judicial nominees who are members of the patent bar, or who have the scientific background necessary to sit for the patent bar.

One might argue that to accomplish this, Congress needs to pass a law requiring patent bar membership or eligibility to be nominated to the Federal Circuit. Such a law is superfluous. The Constitution already provides for this solution. If the President nominates an individual to the Federal Circuit who is not a member of the patent bar or patent bar eligible, the Senate simply will not confirm the nominee.[95] The Senate is the gatekeeper to the Federal Circuit, as it is to all judicial appointments.[96]

As part of this long-term solution, the President should nominate and the Senate should only confirm nominees with widely different scientific and technological backgrounds. Just as different mixes make for great cocktails, the judges on the Federal Circuit should not all have backgrounds or degrees in the same sciences. Idealistically, such a goal is feasible. There are thousands of lawyers in this country with a wide variety of backgrounds who would be more than qualified to sit on the Federal Circuit. Blocking this solution is politics.[97] Politics is unfortunately the only reason why this very logical long-term solution will never come to pass.

This is not to say that the current judges of the Federal Circuit are bad people, bad lawyers, or bad judges. The long-term solution is *simply* based on Congress's reasons for establishing the Federal Circuit. In a fantasy world where everything that is done for the country is done for the betterment of its citizenry, the proposed long-term solution would contain all three elements of the formula. The Learned Hand element that individuals with the necessary training review patent cases is met. The congressional element is also satisfied, as the Federal Circuit remains the sole circuit with appellate jurisdiction over patent disputes, providing the stability of a single voice to address patent issues.

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95 *See* U.S. CONST. art. II, § 2, cl. 2 (subjecting nominations to the "[a]dvice and [c]onsent of the Senate").

96 *See id*.

97 *See* Jonathan N. Katz & Matthew L. Spitzer, *What's Age Got to Do with It? Supreme Court Appointees and the Long Run Location of the Supreme Court Median Justice*, 46 ARIZ. ST. L.J. 41, 53 (2014) ("Senators tend to vote on [judicial] confirmations based largely on party and ideology.").

By process of elimination, the remaining question concerns the satisfaction of the Diane Wood element. How do we achieve diversity? Like the slight hint of mint in a cool Southern julep, the diversity is there, but it is not as much nor as obvious as what Judge Wood advocates. The diversity in the long-term solution is created by the variety of scientific backgrounds of the court's members. By only confirming nominees with different scientific backgrounds, we are forcing the Federal Circuit to have a vast array of opinions. Lawyers who have degrees, for example, in biology, engineering, chemistry, physics, computers, and medicine must have, by their sheer life experiences, different viewpoints regarding the merging of law and science. This diversity of opinion cannot but help the court, as the judges must interweave their scientific knowledge and backgrounds to identify the art, to identify the prior art, and to determine if the patent in question advances the art in accordance with the laws enacted by Congress.[98]

B. Immediate Solutions

The proposed long-term solution does not address the present. For the long-term solution to work, the judges of the Federal Circuit who do not have the required scientific backgrounds would have to retire. Given the ages of some of the current judges, this could take decades.[99] With the future solution currently unavailable, there are two solutions that can address the present. The first could be immediately implemented, and the second would require legislation.

1. Designations

The immediate solution is to have the Chief Justice, pursuant to 28 U.S.C. § 291,[100] designate all federal circuit judges around the country who are members of the patent bar or are patent bar eligible to sit by designation on the Federal Circuit. The contemplated appointments may be made "in the public interest."[101] The appointments may be made upon the request of the chief judge or the circuit justice of the circuit.[102] Currently, Chief Justice Roberts is the circuit justice for the Federal Circuit.[103] Therefore, the designation decisions are his alone. Following the desig-

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98 *See* 35 U.S.C. §§ 102–103 (2012) (defining prior art and certain conditions for patentability, including novelty and non-obviousness); KSR Int'l Co. v. Teleflex Inc., 550 U.S. 398, 415–22 (2007) (clarifying the obviousness standard); Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 148–51 (1989) (cataloging the requirements for patentability); Bernard Chao, *The Infringement Continuum*, 35 CARDOZO L. REV. 1359, 1367 (2014) (discussing broad patent claims); Jeffrey M. Kuhn, *Patentable Subject Matter Matters: New Uses for an Old Doctrine*, 22 BERKELEY TECH. L.J. 89, 109–10 (2007) (noting the problems with abstract patent claims).

99 *See, e.g.*, *Biographical Directory of Federal Judges*, FED. JUDICIAL CTR., http://www.fjc.gov/servlet/nGetInfo?jid=3489 (last visited Aug. 17, 2014) (showing Judge Todd M. Hughes was born in 1966).

100 28 U.S.C. § 291(a) (2012) ("The Chief Justice of the United States may, in the public interest, designate and assign temporarily any circuit judge to act as circuit judge in another circuit upon request by the chief judge or circuit justice of such circuit.").

101 *Id.*

102 *Id.*

103 Allotment of Justices, 2010 WL 3743874 (U.S. Sept. 28, 2010), *available at* http://www.supremecourt.gov/orders/courtorders/ALLOTMENTORDER9-28-10.pdf (last visited Aug. 18,

nations, the Federal Circuit could then randomly create three-judge panels using the designated judges and the patent bar or patent bar eligible judges of the Federal Circuit to hear appeals of patent cases.

Under this solution, the Judge Hand element is met because judges with specialized scientific backgrounds would adjudicate patent cases. The congressional element is satisfied as the Federal Circuit would retain exclusive jurisdiction over patent litigation and could continue to create consistent jurisprudence. Whether the Supreme Court would ultimately agree with the panel decisions is a different question, but Congress's concerns of forum shopping and inconsistent circuit court decisions are still avoided.

Even the Diane Wood element is satisfied. Judge Wood wants to have a "marketplace of ideas at the court of appeals level that we have for almost every other kind of claim."[104] The proposed solution would create a freer market than currently exists. Under the designation plan, judges from all over the country would be allowed to sit on the Federal Circuit and adjudicate patent cases. These adjudicators would be generalist judges in their respective courts, a point Judge Wood desires.[105] Further, her theme that "there is great value in obtaining the views of a number of judges"[106] is also satisfied. The only restriction in Judge Wood's plan is that her free-for-all position is not met. It is tempered by Judge Hand's concerns. Yes, generalist judges would be provided. Yes, judges from across the country would have the ability to entertain patent appeals. Yes, many other judicial ideas could be expressed. The twist of lime is that the designated judges must qualify for the designation based on their educational backgrounds or patent bar membership. In that way, we avoid being forced to rely on our prototypical liberal arts judge to assess the varying patentability of a four-barrel carburetor, a regenerative braking system, and the flux capacitor.[107]

Admittedly, there is a problem with this solution. The problem occurs when a petition for rehearing en banc is filed. Under Federal Rule of Appellate Procedure 35, "[a] majority of the circuit judges who are in regular active service and who are not disqualified may order that an appeal or other proceeding be heard or reheard by the court of appeals en banc."[108] The grant of en banc review would allow those judges of the Federal Circuit without a science background or patent bar membership to hear the case; thus, much of the Judge Hand element is eliminated from the equation. The congressional element remains as the Federal Circuit would retain exclusive jurisdiction, and a uniform policy could be announced. However, the

2014) (assigning Supreme Court Justices among the circuit courts pursuant to 28 U.S.C. § 42 (2012)).

104 Wood, *supra* note 4, at 9.

105 *Id.* at 7.

106 *Id.*

107 Hint: one is obsolete while another awaits reduction to practice.

108 FED. R. APP. P. 35(a).

Judge Wood element is not met because the large variety of judges from different circuits would not be allowed to voice their viewpoints.

Although the en banc procedure would modify the proposal that only scientifically trained judges ought to hear patent appeals, en banc review is not easily obtainable. Under Rule 35, "[a]n en banc hearing or rehearing is not favored and ordinarily will not be ordered unless: (1) en banc consideration is necessary to secure or maintain uniformity of the court's decisions; or (2) the proceeding involves a question of exceptional importance."[109] Given the high standard by which en banc review may be obtained, the net impact of this procedure to the proposal would be slight.[110]

2. Look to Bankruptcy

The second immediate solution may be found in bankruptcy. Congress, under its authority provided by Article 1, Section 8, Clause 4 of the Constitution, created a nationwide system of bankruptcy courts.[111] As part of that system, Congress created, pursuant to 28 U.S.C. § 158, Bankruptcy Appellate Panels (BAPs).[112] BAPs are panels of three bankruptcy judges who are authorized to hear appeals of bankruptcy court decisions.[113] BAPs are a unit of the federal courts of appeals.[114]

Section 158 sets forth the jurisdiction for appeals of bankruptcy decisions and authorizes the establishment of BAPs upon the order of the circuits' judicial councils.[115] BAP judges serve as active bankruptcy judges in addition to their duties on the appellate panel.[116] Appeals from dispositive orders of bankruptcy judges may be taken to the district court[117] or a BAP (if one has been established and the district has chosen to participate),[118] with a further appeal as a matter of right to the court of

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[109] *Id.*

[110] See *Appeals Terminated on the Merits*, U.S. COURTS, http://www.uscourts.gov/uscourts/Statistics/JudicialBusiness/2013/tables/S01Sep13.pdf, for en banc statistics showing that of the 37,820 federal appeals terminated on the merits after oral hearings or submission on briefs nationwide during the twelve-month period ending on September 30, 2013, only 45 cases were granted en banc review. The statistics do not include dispositions by the Federal Circuit, the only circuit that is not included in the national statistical tables. According to one survey, during the 2012–2013 term, the Federal Circuit issued only 3 en banc opinions in 120 precedential patent cases. GIBSON DUNN, FEDERAL CIRCUIT YEAR IN REVIEW 2012/2013 1 (2014), a*vailable at* http://www.gibsondunn.com/publications/Documents/Federal-Circuit-2012-2013-Year-in-Review.pdf.

[111] U.S. CONST. art. I, § 8, cl. 4.

[112] 28 U.S.C. § 158(b)(1) (2012).

[113] *Id.* § 158(c)(1).

[114] *See id.* § 158(d)(1) (granting jurisdiction of appeals from the BAP to the court of appeals).

[115] *Id.* § 158(b)(1).

[116] *Id.* § 158(b).

[117] *Id.* § 158(c)(1).

[118] 28 U.S.C. § 158(c)(1) (2012).

appeals for that circuit.[119] Currently, the United States Courts of Appeals for the First, Sixth, Eighth, Ninth, and Tenth Circuits have established BAPs.[120]

The paper parasol of this proposal requires legislation from Congress. To meet the concerns of the three elements in our solution, it is proposed that a BAP-like panel be created exclusively for patent appeals. The members of the three-judge panels may be created from a panel of regional circuit judges, with the condition that only those judges with scientific or patent bar credentials may sit on the panel. The panel would sit in the designated city for the applicable regional circuit. Due to the limited number of qualified judges in each regional circuit who meet these criteria, designations from other circuits may have to be made to satisfy the educational requirements of these panels. Following a decision of this special panel, various and extremely interesting options become available.

The first option is any appeal from this panel would go to the Federal Circuit, which may process the appeal in normal course as it would any other appeal. This would mimic the appellate process of decisions from the BAP panels.[121] The advantage of this option lies in the Federal Circuit's incentive to place significant reliance on a decision issued by a specialized three-judge panel. The Judge Hand, Judge Wood, and congressional elements are all satisfied as specifically educated judges, who are generalist judges in the regional circuits, examine patent appeals, all the while subject to the authority and review of the Federal Circuit.

The problem with this option is that it just creates another expensive layer of litigation if the parties are allowed to appeal to the Federal Circuit for another three-judge panel review. To avoid this essentially meaningless process, the special three-judge panel decision could become the decision of the Federal Circuit, binding across the country, subject to review by the Federal Circuit sitting en banc or by the Supreme Court.

Even this procedure creates some more procedural options. The en banc review may be before a) the judges in active service for the Federal Circuit as Rule 35 currently provides; b) the entire Federal Circuit, allowing members of the special patent panel who issued the original opinion to also vote and sit for any en banc review; or even more radically, c) allowing the entire pool of judges who are qualified to sit on the special patent-appeals panels to vote for en banc review. If the voting pool becomes overwhelming large, this option must be tempered. A maximum number of judges could be established by statute that are allowed to vote on an en banc petition. If the pool exceeds the number established by statute, a random draw from the pool of qualified judges may be made by the Clerk of the Federal Circuit to create the en banc voting panel.

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[119] *Id.* § 158(d)(1).

[120] *Bankruptcy Appellate Panels*, U.S. COURTS, http://www.uscourts.gov/FederalCourts/UnderstandingtheFederalCourts/CourtofAppeals/BankruptcyAppellatePanels.aspx (last visited July 6, 2014).

[121] 28 U.S.C. § 158(d)(1) (2012).

It would be ridiculous to require such a large number of available judges to convene in Washington D.C. to hear an en banc case. Should legislation allow such an option, the rules of the United States Court of Appeals for the Ninth Circuit provide guidance. Under Ninth Circuit Rule 35-3, all the active judges of the Ninth Circuit do not convene en banc.[122] Rather, the en banc panel consists of the chief judge of the circuit and ten additional judges that are drawn by lot from the active judges of the court.[123] In the absence of the chief judge, an eleventh active judge is drawn by lot, and the most senior active judge on the panel presides.[124] If a judge whose name is drawn for a particular en banc court is disqualified, recused, or is unable to sit at the time and place designated for the en banc case or cases, the judge notifies the chief judge who then directs the Clerk of Court to draw a replacement judge by lot.[125] In appropriate cases, the court may order a rehearing by the full court after a hearing or rehearing en banc.[126] This rule provides excellent guidance in determining the composition of an en banc court under the proposed scenario.

Although the Ninth Circuit provides for a panel of eleven judges, it is proposed that the en banc court, drawn from the pool, be composed of a similar number of judges, with the Chief Judge of the Federal Circuit presiding. Because the en banc panel would be under the jurisdiction of the Federal Circuit, it would be logical that the presiding judge of the en banc panel, as it is in the Ninth Circuit, be the Chief Judge of the Federal Circuit. Should the Chief Judge of the Federal Circuit be recused, then the senior most active judge shall preside, just as it would occur in the Ninth Circuit.[127] As the Federal Circuit is an authorized twelve-person judgeship,[128] it is suggested that the composition of judges under this process also be twelve, so as to be reflective of the congressionally authorized positions for that court. Of course, any decision of this panel would still be subject to review by the Supreme Court.

The second option is not to limit these special patent panels to the regional circuits, but to open them up to the entire pool of specially educated judges throughout the nation. The pool would be drawn in Washington, and the panels would sit in Washington. These panels would then render a decision from the Federal Circuit, with nationally binding precedent, subject to en banc and Supreme Court review. Again, this option creates all the issues and additional options discussed before, except the decisions are not out of the regional circuits subject to Federal Circuit review, but rather are directly out of the Federal Circuit.

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122 9TH CIR. R. 35-3.
123 *Id.*
124 *Id.*
125 *Id.*
126 *Id.*
127 *Id.*
128 28 U.S.C. § 44(a) (2012).

3. Mixology

As the various options establish, the immediate solutions to the complaints regarding the Federal Circuit can be complicated. But the entire premise of this exercise is to create a solution which will meet three objectives: 1) require review of patent litigation by judges who have the educational background to do so, defined as being a member of the patent bar or with patent bar eligibility; 2) provide, as much as possible given the restriction of the first element, for a diverse marketplace of judicial opinions; and 3) create a uniform voice in the area of patent law under the exclusive jurisdiction of the Federal Circuit.

Although the long-term solution to appoint and confirm judges with only science backgrounds to the Federal Circuit is not likely to occur due to politics, and designation appointments provide only a temporary solution, the answer lies in legislation. Legislation will allow the Federal Circuit to draw on the talents and experiences of judges across the country with science backgrounds, to join their brethren on the Federal Circuit in a united attempt to address the difficult and complex issues facing this country's patent system in today's rapidly changing economic and technological environments.

But the legislation cannot stop there. It must provide for a panel of judges with the same scientific qualifications, drawn from the same pool of judges who are eligible to hear a patent case on a three-judge panel, to preside over an en banc rehearing. To do otherwise would nullify creation of the special patent panels.

The number of randomly chosen judges for the en banc panel should be limited to twelve judges to reflect the active judicial positions authorized by Congress for the Federal Circuit.[129] The en banc panel should include the original three-judge members who heard the case, which is consistent with other cases heard en banc, with an additional eight, randomly drawn members. The Chief Judge of the Federal Circuit will be the presiding and twelfth member of the en banc panel. Because this pool will also be responsible for comprising the en banc panel, the petition for en banc review should be directed to all members of the pool. This will allow the members of the pool to communicate with each other on their views of whether the decision in question satisfies the standards set forth in Rule 35 of the Federal Rules of Appellate Procedure.

V. Happy Hour

The mixture of this exotic cocktail known as patent litigation requires a careful balancing of several interests and factors. One ingredient cannot dominate, otherwise the elixir is destroyed. Although made by man and created with the best of intentions, the Federal Circuit's processing of patent appeals has yet to reach nirvana. As man and politics are inextricably involved, it will never reach that ultimate state of blissful egolessness. However, this does not prevent judges, Congress, and the patent bar from working together to improve the system. In analyzing the interests

[129] *Id.*

involved, patent appeals should remain within the exclusive jurisdiction of the Federal Circuit. Although those who are appointed and confirmed to that court in the future should be limited to only those with patent bar membership or eligibility, these appointments must also be diverse so as to avoid one science domineering another. The key is for the Federal Circuit to have as many different sciences represented as possible.

Because such a long-term solution will not be available for decades, if ever, immediate solutions need to be implemented. The quickest cure is to appoint by designation patent bar eligible judges from across the country to the Federal Circuit. Such a move would allow judicial experts to address the complicated questions facing the circuit in the field of patent litigation.

But such a solution is only temporary. Congress needs to enact provisions to protect its patent baby. The legislation needs to provide for a pool of nationwide federal judges so as to allow for the creation of special three-judge hearing panels and en banc panels, exclusively under the jurisdiction of the Federal Circuit. Such a mechanism will only allow those judges qualified in the sciences to sit on patent appeals, while still allowing a wide variety of judicial opinions. It prevents those judges who lack scientific education from sitting in judgment on cases in private practice they could not pursue. It allows for judges who know the art to examine the prior art and to determine whether the proposed invention is actually an advancement. Without such a correction, the mandate, so decreed by the founding fathers in Article 1, Section 8, Clause 8 of the Constitution, will not be met. The useful arts will not be promoted, progress will disappear, and happy hour at the patent bar will close.