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COMMENT

Use of Neutral Fact-Finding to Preserve Exclusive Rights and Uphold the Disclosure Purpose of the Patent System

I. INTRODUCTION

The current patent system is a complicated body of law often dealing with highly technical and complex innovations. As a result, patent litigation is usually time consuming, expensive, and unpredictable, which reduces the value of exclusive rights associated with patents and defeats the general purpose of the patent system. Alternative dispute resolution (ADR) processes are available to parties involved in patent disputes to solve these litigation concerns. However, because of the technological nature of patent disputes, traditional ADR processes are not widely used. Alternatively, neutral fact-finding used in conjunction with litigation eases the frustrations associated with both litigation and traditional ADR process decisions of patent disputes and preserves the value of the exclusive rights granted through the patent system.

This comment proposes the use of neutral fact-finding as a precursor to litigation of patent disputes. Section II begins with a brief introduction to the concept of patents and the system used in the United States for granting and protecting exclusive rights associated with patent grants. Then, Section III discusses traditional ADR processes available to resolve patent disputes and sets forth reasons those processes are not widely used. Finally, Section IV offers neutral fact-finding as a solution to both litigation and traditional ADR process concerns with respect to resolving patent disputes.

II. CURRENT PATENT SYSTEM

A. *History of the Patent System*

The general idea of patents can be traced back to ancient Greece in the fourth century B.C.,¹ while the first formal patent statute was enacted by the Republic of Venice in 1474.² During this same time period, patent use also flourished among

1. ROBERT PATRICK MERGES & JOHN FITZGERALD DUFFY, *PATENT LAW AND POLICY: CASES AND MATERIALS* 1-2 (3d ed. 1997). Hippodamus of Miletus, a Greek architect and city planner, is credited with developing the first patent concept. *Id.* He proposed a system to reward inventors who discovered new things that were useful to the state. *Id.*

2. *Id.* at 3-4 (providing that anyone who made such device without permission from the monopoly holder would pay a fixed amount for damages); Edward C. Walterscheid, *The Early Evolution of the United States Patent Law: Antecedents (Part 1)*, 76 J. PAT. & TRADEMARK OFF. SOC'Y 697, 708

European governments.³ However, in comparison, the European patents were more grants of royal favor than incentives for developing new technology.⁴ Parliament ended this practice in 1623 through the Statute of Monopolies.⁵ Using the European patent system as a guide, the American colonies began issuing patents in the late 1600s.⁶ Each colony enacted its own law for granting patents, which often resulted in conflict between colonies as to recognition of each other's grants.⁷ Furthermore, multiple applications from competing inventors created conflicting and overlapping monopolies, and indicated a need for a centralized patent system.⁸ Consequently, in 1789, the drafters of the U.S. Constitution federalized the patent system and authorized Congress "to promote the progress of science and useful arts, by securing for limited times to . . . inventors the exclusive right to their . . . discoveries."⁹ Under this delegated authority, Congress quickly enacted the Patent Act of 1790.¹⁰

Initially, the 1790 Act left resolution of patent disputes to the federal courts.¹¹ The method of resolving disputes was modified in the Patent Act of 1793,¹² which provided that a three-member arbitration panel would resolve interferences while the federal courts would continue to resolve other disputes.¹³ Another important change occurred with the passing of the Patent Act of 1836. Through this Act, Congress created a formal system of patent examination by professional examin-

(1994). The Act granted a ten-year monopoly to anyone who made and reduced to perfection a new, ingenious, and novel device. WORLD INTELLECTUAL PROPERTY ORGANIZATION, INTRODUCTION TO INTELLECTUAL PROPERTY THEORY AND PRAC. 17 (1997).

3. MERGES & DUFFY, *supra* note 1, at 6.

4. *Id.*

5. *Id.* Unhappy with the European grants of royal favor, Parliament passed the Statute of Monopolies in 1623 to regulate patent grants and to provide common law courts with authority to review those grants. BRUCE W. BUGBEE, GENESIS OF AMERICAN PATENT AND COPYRIGHT LAW 38-39 (1967). The Statute prohibited the Crown from granting patents as royal privileges, limited the terms of patents to twenty years, and required the grants be made to the first and true inventor of new manufactures. *Id.*

6. MERGES & DUFFY, *supra* note 1, at 8.

7. *Id.*

8. Robert Patrick Merges & Glenn Harlan Reynolds, *The Proper Scope of the Copyright and Patent Power*, 37 HARV. J. ON LEGIS. 45, 48 (2000); BUGBEE, *supra* note 5, at 103. An example of this conflict was discussed in the famous case, *Gibbons v. Ogden*, 22 U.S. 1 (1824). This case discussed the competition between John Fitch and James Rumsey for steamboat patents. BUGBEE, *supra* note 5, at 90-91. Rumsey held patents in Virginia and Maryland, and Fitch held patents in New Jersey, Delaware, New York, and Pennsylvania. *Id.* at 95-97. Rumsey was denied patents in New Jersey, Delaware, and New York based on Fitch's prior patents. *Id.* In contrast, Fitch was granted a patent in Virginia even though Rumsey already held one in that state. *Id.* This exemplifies the discrepancy between the states in patent grants. *Id.*

9. U.S. CONST. art. I, § 8, cl. 8.

10. See MERGES & DUFFY, *supra* note 1, at 9.

11. The 1790 Act provided for initial review of patent applications by an examining board consisting of the Secretary of State, Secretary of War, and Attorney General. FLOYD L. VAUGHAN, THE UNITED STATES PATENT SYSTEM 18 (1956). However, resolution of patent disputes followed English precedent, which provided that common law courts would review the validity of patent grants. MERGES & DUFFY, *supra* note 1, at 6.

12. The Patent Act of 1793 completely replaced the original 1790 Act. VAUGHAN, *supra* note 11, at 18-19.

13. Sean T. Carnathan, *Patent Priority Disputes – A Proposed Re-Definition to "First-to-Invent,"* 49 ALA. L. REV. 755, 775 (1998).

ers, indicating the necessity for special knowledge to evaluate patents.¹⁴ One last important modification occurred in 1982 when Congress created the Court of Appeals for the Federal Circuit to hear patent appeals from the district courts and from the Board of Patent Appeals and Interferences.¹⁵ Not only did this action unify the patent doctrine and enhance the status of the patent system, but it also indicated for a second time the necessity of an expert body to decide patent cases.¹⁶

B. Purpose of the Patent System

The patent system is designed “to promote the Progress of Science and useful Arts”¹⁷ through patent grants to those who invent new and useful articles.¹⁸ These grants create a property interest, or exclusive right,¹⁹ in the claimed invention representing the authority of the owner to exclude others from making, using, offering for sale, selling the invention in the United States, or importing it into the United States for twenty years.²⁰ Furthermore, patent grants act to facilitate the fundamental purpose of the patent system, which is full disclosure of information regarding new and useful discoveries and inventions that are beneficial to society.²¹ Such disclosure is important because it provides the government with

14. VAUGHAN, *supra* note 11, at 18-19. The Patent Act of 1836 completely replaced the 1793 Act. *Id.* The system of professional examination created in that Act was organized into the first Patent Office, the forerunner to the current Patent and Trademark Office. *Id.*

15. Federal Courts Improvement Act of 1982, 28 U.S.C. § 1295 (2000). Congress created the Court of Appeals for the Federal Circuit because federal circuit courts refused to enforce patent rights as defined by the patent statute and federal appellate courts were inconsistent in their application of that statute. MERGES & DUFFY, *supra* note 1, at 12. The Board of Patent Appeals and Interferences hears appeals from applicants unhappy with the examiners’ decisions. 37 C.F.R. § 1.191 (2003). Applicants unhappy with that decision can either appeal to the Court of Appeals for the Federal Circuit, file a civil suit in the District Court for the District of Columbia ordering the Commissioner to issue the patent, or litigate the matter in any proper district court. 35 U.S.C. §§ 141, 145 (2000); 37 C.F.R. §§ 1.301, 1.303 (2003).

16. MERGES & DUFFY, *supra* note 1, at 12; ROBERT P. TAYLOR, *Twenty Years of the Federal Circuit: An Overview* 9, 11 (PLI Pat., Copyrights, Trademarks, & Literary Prop. Course, Handbook Series No. 716, 2002).

17. U.S. CONST. art. I, § 8, cl. 8.

18. 35 U.S.C. § 101 (2000).

19. See 35 U.S.C. § 261 (2000) (stating that a patent has attributes of personal property); U.S. CONST. art. I, § 8, cl. 8 (authorizing Congress to grant inventors certain exclusive rights to their discoveries). Patent grants of exclusive rights provide incentive for inventors to research, create, and develop new ideas. Matthew B. Zisk, *Mediation and Settlement of Patent Disputes in the Shadow of the Public Interest*, 14 OHIO ST. J. ON DISP. RESOL. 481, 481 (1999). Justification for an incentive that protects such ideas is the receipt of full disclosure of the invention from the inventor in exchange. *Id.* Two theories that validate this exchange are the natural rights theory and the public interest theory. Charles R. B. Macedo, *First-To-File: Is American Adoption of the International Standard in Patent Law Worth the Price?*, 18 AM. INTELL. PROP. L. ASSN. Q.J. 193, 225 n.167 (1990) (citations omitted). The natural rights theory argues that ideas represent mental labor and are the property of their creator, and thus deserve protection as a matter of right. *Id.* On the other hand, the public interest theory argues people are encouraged to invent when incentives such as exclusive rights are offered in exchange. *Id.* Regardless of which theory is used, both recognize the importance of exclusive rights and that protecting those rights is essential to ensure the public benefits from new technology. Zisk, *supra*.

20. 35 U.S.C. §§ 154(a), 271(a) (2000).

21. Sinclair & Carroll Co. v. Interchemical Corp., 325 U.S. 327, 330-31 (1945); Brenner v. Manson, 383 U.S. 519, 533 (1966); Pfaff v. Wells Elecs., Inc., 525 U.S. 55, 63 (1998). See 35 U.S.C. § 112

knowledge of what will become public property when the patent expires, provides a licensee with instruction on how to make the invention, and provides the general public with information as to what is protected and what is still open for discovery.²² As a result, the invention becomes public information and anyone can make or use it when the patent term ends and the exclusive rights expire.²³ Therefore, any delay in establishing or upholding these exclusive rights, or any ambiguity in what they encompass, frustrates the purpose of the patent system and reduces confidence in its operation.²⁴

C. Traditional Resolution of Patent Disputes Through Litigation

1. General Resolution

The patent system provides both potential and actual grantees of exclusive rights methods to protect their interests if a dispute arises either during prosecution of the patent or following issuance.²⁵ Examples of potential disputes include: (1) an appeal by an applicant of an examiner's final decision declaring a patent application invalid,²⁶ (2) an interference action by an applicant to resolve a priority dispute against either a patentee or another applicant,²⁷ (3) an infringement action by a patentee against a third party,²⁸ or (4) a patent validity hearing.²⁹

(2000) (stating that the specification in a patent application shall contain a full description of the invention and shall claim all subject matter the inventor considers as her invention).

22. *Gill v. Wells*, 89 U.S. 1, 25-26 (1874).

23. Once a patent issues, it is open for public inspection. 37 C.F.R. § 1.11 (2003). Furthermore, the exclusive rights last for only twenty years. 35 U.S.C. § 154(a).

24. See *supra* note 20 and accompanying text (discussing the importance of patent grants of exclusive rights as an incentive to invent and the need to protect those rights).

25. See MERGES & DUFFY, *supra* note 1, at 37; Carnathan, *supra* note 13, at 756. See e.g. 35 U.S.C. § 132 (2000) (allowing re-examination of a rejected patent application); 35 U.S.C. § 135 (2000) (allowing the Director to declare a pending application invalid because it interferes with an unexpired patent or another application); 35 U.S.C. § 251 (2000) (allowing the patent owner to request that the Director correct errors in the patent and reissue a corrected patent); 35 U.S.C. § 271(a) (granting the inventor the exclusive right to make and use the invention, and providing that whoever violates that right is liable as an infringer).

26. MERGES & DUFFY, *supra* note 1, at 37. An applicant can appeal the examiner's final rejection of an application to the Board of Patent Appeals and Interferences. *Id.* The Board of Patent Appeals and Interferences reviews the examiner's decision and decides whether to require further examination, order issuance of the patent, or enforce the examiners rejection. *Id.*

27. *Id.* at 38. An interference is a dispute between two or more inventors, each claiming to be the first inventor of substantially similar inventions. *Id.*; see 35 U.S.C. § 102(g) (2000). The examiner first determines if the subject matter at issue is patentable and then determines if it is substantially the same as the patent or application. 60 AM. JUR. 2D *Patents* § 576 (1987).

28. 35 U.S.C. § 271(a). An infringement arises when someone without authority makes, uses, offers to sell, or sells any patented invention. *Id.* Infringement analysis begins by determining whether the patent is valid and enforceable, and then determines what the claims define as the invention and if those claims read onto the accused device. David W. Plant, *Alternative Dispute Resolution* 197, 239 (PLI Pat., Copyrights, Trademarks, & Literary Prop. Course, Handbook Series No. 258, 1988).

29. MERGES & DUFFY, *supra* note 1, at 38-39. A patent validity hearing is either through re-examination of the patent or reissue of the patent. *Id.* Anyone can request that the Patent and Trademark Office re-examine the validity of a patent, which entails an examination of the patent in light of new issues of patentability that existed at the time of the original examination but were not considered. *Id.* On the other hand, only the patentee can request that the Patent and Trademark Office reissue a patent to correct errors in the patent made during original prosecution. *Id.*

These disputes can be extremely complicated, and often require an understanding of complex inventions, related prior art,³⁰ and alleged infringing devices.³¹ Furthermore, a substantial portion of the evidence is testimony from experts in a particular technology, which requires a comparable technological background to comprehend.³² As a result, patent disputes have traditionally been resolved through litigation.³³

Another reason for the dominance of litigation is that courts have consistently refused to accept private agreements, such as those obtained through arbitration, that claim to resolve patent disputes.³⁴ One author offers two reasons for this reluctance.³⁵ First, courts feared that non-judges, such as arbitrators, were not knowledgeable enough to resolve patent disputes involving complex inventions.³⁶ Second, courts viewed private agreements as being against public policy in light of the purpose of the patent system, which is to further the wealth of public information.³⁷ Consequently, litigation is a mainstay in the field of patent law, along with the concerns generally associated with it—duration of litigation, cost of litigation, and low quality judicial decisions.³⁸ These concerns reduce the value of exclusive rights and decrease the incentive to invent.

30. Prior art is anything in existence as of the date at issue in a given patent dispute (e.g. date of invention or date of application) and is available to defeat a patent on obvious or novelty grounds. 35 U.S.C. §§ 102, 103 (2000).

31. Gregg A. Paradise, Note, *Arbitration of Patent Infringement Disputes: Encouraging the Use of Arbitration Through Evidence Rules Reform*, 64 *FORDHAM L. REV.* 247, 247 (1995).

32. *Id.* An adequate background in the technology and sufficient understanding of its concepts is especially important when evaluating conflicting testimony from opposing experts. *Id.* Furthermore, when deciding whether an invention is infringed, the fact-finder must first decide if the two devices are the same or substantially similar. Plant, *supra* note 28. For example, a defendant in an infringement suit may use a manufacturing device that produces the exact same product as the plaintiff's patented process. Steven J. Elleman, Note, *Problems in Patent Litigation: Mandatory Mediation May Provide Settlements and Solutions*, 12 *OHIO ST. J. ON DISP. RESOL.* 759, 765 (1997). However, if the defendant's product is produced by a different process than plaintiff's patented process, there is no infringement. *Id.* The difficulty exists in distinguishing between the two processes, which may require understanding complex principles of engineering or science. *Id.*

33. Kevin R. Casey, *Alternative Dispute Resolution and Patent Law*, 3 *FED. CIR. B.J.* 1, 2 (1993).

34. *Id.*

35. *Id.*

36. *Id.* See *Hanes Corp. v. Millard*, 531 F.2d 585, 593-94 (D.D.C. 1976) (stating that patent disputes involve complex and difficult issues that may be unfamiliar to an arbitrator who is not a patent attorney); *Gen. Tire & Rubber Co. v. Jefferson Chem. Co.*, 497 F.2d 1283, 1284 (2d Cir. 1974) ("[T]his patent appeal is another illustration of the absurdity of requiring the decision of such cases to be made by judges whose knowledge of the relevant technology derives primarily, or even solely, from explanations by counsel and who, unlike the judges of the Court of Customs and Patent Appeals, do not have access to a scientifically knowledgeable staff.").

37. See *Beckman Instruments, Inc. v. Technical Dev. Corp.*, 433 F.2d 55, 63 (7th Cir. 1970) (stating that patent validity questions "are inappropriate for arbitration proceedings and should be decided by a court of law, given the great public interest in challenging invalid patents."); Zisk, *supra* note 19, at 496-99 (discussing the general public interest that exists in patents).

38. See Casey, *supra* note 33, at 1 ("Intellectual property . . . law disputes are among the most complex civil actions because they involve difficult validity, enforceability, infringement, and damages issues."); Elleman, *supra* note 32, at 762-66 (indicating that inefficiencies and complications in patent litigation include length of time spent in litigation, cost of litigation, and the complex law and science principles involved); Paradise, *supra* note 31, at 251-55 (listing time, cost, and quality of judgment as problems associated with patent litigation in federal courts).

2. Concerns with Duration of Patent Litigation

The length of patent litigation is a concern for two reasons. First, the duration of exclusive rights given to inventors is limited. A patent gives the inventor the exclusive right to make, sell, and use the invention for twenty years from the date the application was filed.³⁹ Because prosecution of an average patent can take over three and one-half years, the owner is left with less than seventeen years of protection.⁴⁰ Litigation further reduces the duration of protection. Litigation that takes place during prosecution is not a direct concern because once the patent issues, the grant of exclusive rights is extended to account for the excess time spent in litigation.⁴¹ However, after the patent issues, this extension is no longer available.⁴² Litigation that takes place at this time is a concern because an average patent case takes more than five years to resolve.⁴³ Then, once the dispute is resolved and the scope of the exclusive rights is established, the remaining duration of protection may be too short to warrant investment in the invention.⁴⁴

The second reason lengthy litigation is a concern is that a patent is a wasting asset, which has value based on the invention's advances over existing technology.⁴⁵ Any litigation in this case, whether during prosecution or after issuance, affects the value of the patent because the outcome is uncertain. This in turn delays future development and marketing because they become too risky.⁴⁶ Simultaneously, others are advancing the technology and improving upon the litigated

39. 35 U.S.C. §§ 154(a), 271(a).

40. John R. Allison & Mark A. Lemley, *Empirical Evidence on the Validity of Litigated Patents*, 26 AM. INTEL. PROP. L. ASSN. Q.J. 185, 236 (1998).

41. 37 C.F.R. §§ 1.701, 1.702 (2002).

42. See 37 C.F.R. §§ 1.701, 1.702, 1.705 (indicating that the notice of allowance will include any available term adjustment, and that adjustment is no longer available once the notice is issued).

43. Tom Arnold, *Fundamentals of Alternative Dispute Resolution: Why Prefer ADR* 655, 658-62 (PLI Pat., Copyrights, Trademarks, & Literary Prop. Course, Handbook Series No. 376, 1993). Some patent cases have even lasted more than twenty years, making protection moot. *Id.* See *Gaus v. Conair Corp.*, 2002 WL 15647 (Jan. 4, 2002) (indicating case was filed in 1994 and finally decided in 2002). Several factors contribute to lengthy patent litigation, including: (1) the complex nature of patent disputes which requires extra time to familiarize a judge or jury with the technology; (2) the competitive nature of adversarial processes which extends litigation through discovery deposition requirements, motions, and appeals; and (3) the back-log in federal courts that generally give priority to criminal cases while placing civil cases, including patent disputes, on wait lists. Paradise, *supra* note 31, at 252; Roger S. Borovoy, *Alternative Means of Resolving High Technology Disputes* 539, 541 (PLI Pat., Copyrights, Trademarks, & Literary Prop. Course Handbook Series No. 270, 1989). Furthermore, the number of patent cases is increasing, which means future patent litigation will only get longer. Karl P. Kilb, Note, *Arbitration of Patent Disputes: An Important Option in the Age of Information Technology*, 4 FORDHAM INTEL. PROP. MEDIA & ENT. L.J. 599, 603-04 (1993).

44. Elleman, *supra* note 32, at 761-62. Litigation creates uncertainty in the validity of patent rights, discourages parties from developing and marketing their inventions, and ultimately dissipates the value of the patent. *Id.* Furthermore, this uncertainty affects society by delaying new and beneficial inventions from entering the marketplace where they would be available for public use. *Id.*

45. Arnold, *supra* note 43, at 659. See *Casey*, *supra* note 33, at 4 (stating that a patent is a "wasting asset" whose value is greatest immediately after the grant, and decreases over the duration of the patent term).

46. Paradise, *supra* note 31, at 251-52. Even though a patent is enforceable during litigation, uncertainty in patent validity precludes an inventor from making any investments until the dispute is resolved. Elleman, *supra* note 32, at 761-62.

invention making it now obsolete.⁴⁷ As a result, the timeframe to exploit the invention is over, the exclusive rights are wasted, and the incentive to invent is lost.

3. *Concerns with Cost of Patent Litigation*

The cost of patent litigation is a concern because it detracts from the overall value of the patent.⁴⁸ Legal expenses of patent litigation range from a minimum of \$500,000 to an average of more than \$1 million per party.⁴⁹ The bulk of these costs are often attributable to discovery because of the complex nature of patents and the necessity of experts to understand and explain them.⁵⁰ Experts are often used to interpret patent technology and explain their functions to the attorneys and court.⁵¹ This extra time required for the attorneys and court to learn about the technology translates into higher billable hours and larger legal fees.⁵² Furthermore, attorneys fighting for large investments for clients may seek extra or excessive discovery to ensure the best chance of success during litigation.⁵³ Each of these factors contributes to the excessive fees associated with resolving patent disputes and defeats the purpose of the patent system by discouraging inventive activity. As a result, the full value of a patent is never realized.⁵⁴

4. *Concerns with Quality of Outcome of Patent Litigation*

The final concern regarding patent litigation is that judges and jurors are not sufficiently educated in the subject technology to render informed decisions.⁵⁵ Even though the parties involved in the dispute attempt to provide the court with the necessary information to make an educated final decision, many times they fail. Thus, final decisions are uneducated.⁵⁶ This lack of knowledge in patent

47. See Borovoy, *supra* note 43, at 539, 542 (“What is today’s innovation is tomorrow’s obsolete product.”).

48. The exclusive rights granted by a patent allow the owner to market the invention relatively free from competition. 35 U.S.C. § 271(a). However, high litigation costs use up most of the profit realized from marketing an invention and significantly reduce the overall value of the patent in monetary terms.

49. Allison & Lemley, *supra* note 40, at 187; Arnold, *supra* note 43, at 662; Casey, *supra* note 33, at 4; Paradise, *supra* note 31, at 253. For example, in *Polaroid v. Kodak*, 1991 WL 4087 (Jan. 11, 1991), the parties spent an estimated \$200 million combined in legal fees. Arnold, *supra* note 43, at 661. See also *Johnson & Johnson Assocs. v. R.E. Service Co.*, 1998 WL 908925 at *2 (N.D. Cal. Dec. 23, 1998) (reporting that attorney’s fees and cost were \$1.2 million); David W. Platt, *ADR and Patents* 797, 798 (PLI Pat., Copyrights, Trademarks, & Literary Prop. Course Handbook Series No. 350, 1992) (stating that the cost to prepare a patent case for trial can exceed \$1 million).

50. Casey, *supra* note 33, at 1; Kenneth B. Clark & William A. Fenwick, *Structuring an Arbitration Agreement for High Technology Disputes*, 9 *COMPUTER L.* 22, 24 (Sept. 1992); Paradise, *supra* note 31, at 253; Elleman, *supra* note 32, at 762. See Michele Galen, *Guilty!* *BUS. WK.*, Apr. 13, 1992, at 64 (stating that almost 80 percent of legal fees stem from discovery).

51. Elleman, *supra* note 32, at 763.

52. *Id.*

53. Casey, *supra* note 33, at 1.

54. See *supra* note 48 and accompanying text.

55. Paradise, *supra* note 31, at 254 (citing TOM ARNOLD ET AL., *PATENT ALTERNATIVE DISPUTE RESOLUTION HANDBOOK* 5 (1991)).

56. *Id.*

technology persists in many courts and leads to unpredictable decisions that are bound for appeal.⁵⁷

III. ALTERNATIVE DISPUTE RESOLUTION IN THE PATENT SYSTEM

A. Application of ADR Processes to Patent Disputes

Alternative methods to litigation are available to resolve most disputes. The benefits generally associated with ADR processes include reduced cost and time of dispute resolution, educated decisions, preservation of business relations, and confidentiality of results.⁵⁸ Despite these benefits, courts have been reluctant to enforce ADR results in the area of patent law.⁵⁹ In an effort to overcome this reluctance, Congress amended the patent statute in 1982 to provide parties with the power to include arbitration clauses in any contract involving a patent or to subsequently agree to settle existing patent validity or infringement disputes through arbitration.⁶⁰ Pleased with the initial results, Congress again amended the patent statute two years later, to provide parties with the power to resolve patent interference disputes through arbitration.⁶¹ Later that same year, Congress enacted the Semiconductor Chip Protection Act requiring parties to attempt to resolve disputes involving innocent infringement of chip product rights through voluntary negotiation,⁶² mediation,⁶³ or binding arbitration before entering litigation.⁶⁴ As this history indicates, ADR processes are not new to patent disputes.⁶⁵

57. See *Gen. Tire & Rubber Co. v. Jefferson Chem. Co.*, 497 F.2d 1283, 1284 (2d Cir. 1974) (discussing appeal from an unformed lower court decision).

58. LEONARD L. RISKIN & JAMES E. WESTBROOK, *DISPUTE RESOLUTION AND LAWYERS* 1-6 (2d abr. ed., 1998) [hereinafter *RISKIN & WESTBROOK*]; *Casey*, *supra* note 33, at 5.

59. See *supra* notes 34-38 and accompanying text (discussing the court's general reluctance to enforce private agreements that resolve patent disputes).

60. Arbitration is a form of adjudication that is less formal than litigation in which the parties select a neutral person or panel to hear their dispute and render a decision. *RISKIN & WESTBROOK*, *supra* note 58, at 215; *The ABCs of ADR: A Dispute Resolution Glossary*, 13 *ALTERNATIVES TO HIGH COST LITIGATION* 147, 147 (1995) [hereinafter *The ABCs of ADR*]. That decision can be binding or non-binding, depending on what the parties agree to in their arbitration contract. *Id.* The relevant part of the statute that deals with voluntary arbitration reads as follows:

(a) A contract involving a patent or any right under a patent may contain a provision requiring arbitration of any dispute relating to patent validity or infringement arising under the contract. In the absence of such a provision, the parties to an existing patent validity or infringement dispute may agree in writing to settle such dispute by arbitration

....

(c) An award by an arbitrator shall be final and binding between the parties to the arbitration but shall have no force or effect on any other person

35 U.S.C. § 294 (2000).

61. The relevant part the statute reads as follows:

Parties to a patent interference, within such time as may be specified by the Director by regulation, may determine such contest or any aspect thereof by arbitration The parties shall give notice of any arbitration award to the Director, and such award shall, as between the parties to the arbitration, be dispositive of the issues to which it relates. The arbitration award shall be unenforceable until such notice is given

35 U.S.C. § 135(d) (2000).

62. Negotiation is a non-binding form of ADR in which the parties work to resolve their dispute absent participation by a neutral third party. *RISKIN & WESTBROOK*, *supra* note 58, at 4.

Applying ADR processes to patent disputes alleviates many concerns regarding the dissipated value of exclusive rights that develop in patent litigation.⁶⁶ The general benefits associated with ADR processes help further the purpose of the patent system and improve confidence in its operation.⁶⁷ ADR processes significantly reduce the time and cost to resolve patent disputes, and improve the quality of dispute solutions.⁶⁸ ADR processes are particularly beneficial in patent law because of their flexible nature.⁶⁹ For example, once parties decide to apply an ADR process to their dispute, they work together to mutually establish rules creating a resolution process acceptable to each.⁷⁰ Mutual process creation is beneficial for several reasons. First, the parties select a neutral person to hear the dispute who is acceptable to both parties and has specific qualifications to resolve patent disputes.⁷¹ As a result, the neutral person will have a specific knowledge and understanding of the technology, reducing the time and cost to educate the court as well as improving the quality of the decision.⁷² Second, the parties can outline the rules of discovery and either completely eliminate it, specifically limit it, or leave it unlimited.⁷³ However, time and cost benefits may only avail if the parties agree to some limits on discovery.⁷⁴ Finally, the outcome of ADR processes is kept in confidence, which prevents the press, the public, or competitors from obtaining private information or trade secrets.⁷⁵

63. Mediation is a non-binding form of ADR in which a neutral third party, called a mediator, resides over settlement discussions and facilitates a mutually beneficial resolution. *Id.* The mediator has no power to impose a solution on the parties. *Id.*

64. 17 U.S.C. § 907 (2000).

65. Along with arbitration, negotiation, and mediation, other traditional ADR processes that are available to patent litigants include private judging, mini-trial, summary jury trial, or any combination or variation of these. Casey, *supra* note 33, at 8. Private judging, or 'rent-a-judge,' is a binding ADR process in which the parties submit their dispute to a neutral party whose decision is entered as the judgment of the court. RISKIN & WESTBROOK, *supra* note 58, at 4. A mini-trial, or structured settlement negotiation, is a non-binding ADR process in which both sides present their arguments to a neutral advisor, who gives his opinion as to the outcome of the case if litigated in court. *Id.* at 5. Based on the advisor's opinion, the parties attempt to negotiate a settlement. *Id.* A summary jury trial is a small version of a full jury trial in which the jurors hear presentations of the issues from both sides and render a decision. *Id.* The decision of the jury is not binding, but provides the parties with an idea of the actual outcome if the case were litigated in court. *Id.* Neutral fact-finding is also an ADR process available to patent litigants, but is not included in the traditional ADR classification for purposes of this paper. See Bruce B. Brunda, *Resolution of Patent Disputes by Non-Litigation Procedures*, 15 AM. INTELL. PROP. L. ASSN. Q.J. 73, 77-84 (1987) (describing various ADR processes available for patent disputes). For a discussion of neutral fact-finding, see *infra* Part IV.

66. *Supra* Parts II. C.2-4.

67. *Supra* note 58 and accompanying text.

68. See Arnold, *supra* note 43, at 669-70 (stating that the benefits of ADR processes in patent disputes include reduced cost and time of dispute resolution and improved quality of decision).

69. Paradise, *supra* note 31, at 265.

70. See *Id.* at 259 (stating that arbitration rules are governed by the parties contract to arbitrate); Arnold, *supra* note 43, at 676-77 (stating that parties can design ADR processes through contract, but the more the rules follow formal litigation the less ADR process benefits will be visible).

71. Arnold, *supra* note 43, at 670.

72. *Id.*

73. *Id.* at 676.

74. *Id.*

75. *Id.* at 677.

B. Concerns with Using ADR Processes to Resolve Patent Disputes

While ADR processes in general are appealing alternatives to patent litigation and may help maintain the value of exclusive rights, traditional processes applied to patent disputes face various obstacles to widespread use and give rise to several concerns regarding the purpose of the patent system. First, the general attitude in much of the patent community is one of reluctance in suggesting ADR processes to resolve high dollar patent disputes.⁷⁶ For example, many attorneys feel patent disputes cannot be fairly resolved using limited discovery as allowed in ADR processes because full discovery is necessary to prove such claims as infringement.⁷⁷ Furthermore, other attorneys prefer to have a jury decide the dispute in a traditional judicial process hoping to obtain a larger award than likely from an ADR process.⁷⁸ Many more attorneys find binding ADR processes unattractive because review or appeal is not available for the losing party.⁷⁹ Others feel non-binding ADR processes merely serve as hurdles to litigation and a waste of time and resources.⁸⁰ Finally, many attorneys feel ADR processes produce compromise verdicts because the presiding third party may attempt to merely end the dispute without actually resolving it.⁸¹

A second concern with using ADR processes to resolve patent disputes is that the results are usually only binding on the parties involved in the dispute.⁸² Thus, parties are still susceptible to future disputes of the same issues with new adversaries. Furthermore, judicial decisions set stronger precedent than the results of ADR processes, and a patent held valid through court decision carries more clout than one held valid in an ADR process.⁸³

Finally, the results of ADR processes are maintained in confidence.⁸⁴ While this is attractive to the parties involved, it deprives the general public of informa-

76. Norman H. Zivin & Wendy E. Miller, *An Overview of a Patent Law Suit and the Decision to File* 81, 82 (PLI Pat., Copyrights, Trademarks, & Literary Prop. Course Handbook Series No. 320, 1991). See Paradise, *supra* note 31, at 265 (citing a PTC Research Foundation study in which only 10 percent of participating patent attorneys would agree to arbitrate patent disputes involving claims of more than one million dollars).

77. Zivin & Miller, *supra* note 76, at 100. Furthermore, ADR discovery is often unstructured and results in abuse or ineffective proof. For example, discovery does not take place prior to submitting a dispute to an ADR process and therefore parties' arguments may not be fully informed and their arguments less effective. See Casey, *supra* note 33, at 9 (stating that arbitration may be ineffective before discovery has occurred).

78. Zivin & Miller, *supra* note 76, at 91.

79. Sol L. Goldstein, *Arbitration of Disputes Relating to Patent Validity or Infringement*, 72 ILL. B.J. 350, 353 (1984).

80. Paradise, *supra* note 31, at 266-67. Non-binding ADR processes are discouraged because the issues adjudicated in the process can be relitigated in court. *Id.*

81. William F. Heinze, *Patent Mediation: The Forgotten Alternative in Dispute Resolution*, 18 AM. INTELL. PROP. L. ASSN. Q.J. 333, 339 (1991).

82. See 35 U.S.C. § 294 (2000) ("[A]ward by an arbitrator shall be final and binding between the parties to the arbitration but shall have no force or effect on any other person . . ."); 35 U.S.C. § 135 (2000) ("[S]uch award shall, as between the parties to the arbitration, be dispositive of the issues to which it relates . . .").

83. Paradise, *supra* note 31, at 268.

84. Hope Viner Samborn, *The Vanishing Trial*, 88 A.B.A. J. Oct. 2002, at 24, 26. However, this is less of a concern in the patent system because the Patent and Trademark Office requires private settlements of interference cases to be placed in the public file associated with the patent. 35 U.S.C. § 135(d) (2000). But this does not apply in settlements of other patent disputes. See *id.*

tion necessary to use and advance the given technology and contradicts the disclosure purpose of the patent system.⁸⁵ As a result, inventive activity decreases to the detriment of society.

IV. NEUTRAL FACT-FINDING

As discussed in Section III, ADR processes offer several advantages over litigation in resolving patent disputes and preserves individual investments in intellectual property. However, use of traditional ADR processes encounter criticism and reluctance by attorneys in the patent community and interferes with the public's right to full disclosure.⁸⁶ Consequently, litigation is still the default rule when high dollar patent disputes arise.⁸⁷ A potential process that could silence the criticism, reduce the reluctance to use ADR processes, and uphold the purpose of the patent system is neutral fact-finding.⁸⁸

A. Application of Neutral Fact-Finding in General

Neutral fact-finding is an extension of traditional ADR processes and can be used in combination with them, or on its own in preparation for litigation.⁸⁹ As with most ADR processes, neutral fact-finding is flexible and has several variations that meet the particular needs of parties in different cases.⁹⁰ In its basic application, neutral fact-finding is limited to an investigation and conclusion of

85. Zisk, *supra* note 19. See Samborn, *supra* note 84, at 26 (“[P]rivate forms of adjudication . . . shroud verdicts in secrecy by eliminating public scrutiny and input.”).

86. See *supra* Part III.B (indicating that ADR processes uphold the personal exclusive rights of inventors in a trade that interferes with the public's right to full disclosure of inventions as intended by the patent system, the basis of the interference is the fact that ADR process outcomes are maintained in confidence).

87. Zivin & Miller, *supra* note 76.

88. Neutral fact-finding is one of several types of ADR fact-finding processes that include: (1) joint fact-finding, in which each party selects representatives who work together to establish a set of base facts for the dispute; (2) expert fact-finding, in which the parties privately employ their own neutral third party to render an expert opinion on scientific, technical, or legal questions; and (3) neutral expert fact-finding, in which a neutral third party is appointed by the court to evaluate facts and present a conclusion of facts to the court. *The ABCs of ADR*, *supra* note 60, at 148; Hon. Harold Baer, Jr., *Confidentiality and ADR* 207 (PLI Litig. & Admin. Prac. Course, Handbook Series No. 481, 1993).

89. HOWARD C. ANAWALT & ELIZABETH E. POWERS, *IP STRATEGY: COMPLETE INTELLECTUAL PROPERTY PLANNING, ACCESS AND PROTECTION* § 5:30 (2002); RISKIN & WESTBROOK, *supra* note 58, at 4. Neutral fact-finding is not an independent resolution process like traditional ADR processes but is used in conjunction with other ADR processes or with litigation. *Id.* Neutral fact-finding can be thought of as an extension of traditional ADR processes because it represents a discovery process that parties using other ADR processes may or may not include in their ADR process agreements. ANAWALT & POWERS, *supra*. In their agreement, the parties can outline any discovery process they desire. Arnold, *supra* note 43, at 676-77. However, parties may overlook discovery when contemplating ADR processes or may draft discovery agreements modeled on a formal litigation process. *Id.* In its simplest application, parties conduct neutral fact-finding to establish mutually observed facts and then conduct settlement talks, while at the other extreme, neutral fact-finding serves as a precursor to full-blown arbitration or litigation. See Brunda, *supra* note 65, at 83-84 (discussing the ranges of neutral fact-finding). In either case, the parties may be better off to apply neutral fact-finding to establish facts instead of attempting to draft discovery rules that are unfair or incomplete. See Paradise, *supra* note 31, at 271-72 (discussing the various levels of discovery agreements in arbitration and their possible abuse).

90. See 4 AM. JUR. 2d *Alternative Dispute Resolution* § 20 (1995).

facts.⁹¹ Evaluation of legal issues in light of the conclusion of facts is left to either the neutral third party or to the judge.⁹²

Like traditional ADR processes, neutral fact-finding can be used voluntarily by the parties or can be ordered by a court.⁹³ Results of the neutral fact-finding process are generally nonbinding, however the parties can stipulate to accept the findings as binding in future ADR processes or litigation.⁹⁴ Whether neutral fact-finding is voluntary or court ordered, the process begins with the selection of a neutral third party to conduct the fact-finding process.⁹⁵ The neutral is selected through mutual agreement between the parties or, if the parties cannot mutually agree, is appointed by the court.⁹⁶ In either case, the neutral is generally an attorney or other person skilled in a particular legal field or technology.⁹⁷ The neutral conducts all discovery free of influence by either party and then provides a conclusion of the facts to the parties involved, or to the court ordering the process, neither advocating for a particular side nor drawing conclusions of liability.⁹⁸

Several applications for neutral fact-finding have been proposed or discussed by authors and experts in the ADR community.⁹⁹ A general consensus is that neutral fact-finding is most appropriate for disputes that involve complex scientific, economic, and sociological issues where presentation of proof is expensive and time consuming.¹⁰⁰ For example, variations of neutral fact-finding have been used or suggested for resolving disputes in areas such as employment rights,¹⁰¹ child custody,¹⁰² product liability,¹⁰³ securities law,¹⁰⁴ construction contracts,¹⁰⁵

91. Brunda, *supra* note 65, at 83.

92. *Id.* Variations of neutral fact-finding provide for the fact-finder to also render a conclusion regarding liability that may be either binding or non-binding. *Id.*

93. Richard H. Steen, *Innovative ADR Techniques for Managing Construction Disputes* 835 (PLI Litig. & Admin. Prac. Course Handbook Series No. 481, 1993).

94. *Id.*

95. ANAWALT & POWERS, *supra* note 89, at § 5.30; Baer, *supra* note 88, at 206.

96. ANAWALT & POWERS, *supra* note 89, at § 5.30; Steen, *supra* note 93, at 835.

97. ANAWALT & POWERS, *supra* note 89, at § 5.30.

98. *Id.*

99. Baer, *supra* note 88, at 206 (stating that neutral fact-finding is especially useful in investigating and resolving charges of workplace harassment or misconduct where resolution internally may lead to allegations of "whitewash" or biased investigation); Steen, *supra* note 93, at 835 (stating that neutral fact-finding would be useful in resolving patent infringement cases, securities cases, environmental disputes, and utility rate-making cases).

100. Steen, *supra* note 93, at 835.

101. Neutral fact-finding applied to employment rights cases that involve a government entity follows statutory requirements regarding selection of a neutral third party, and does not allow the parties to choose. See *Blair v. Lovett*, 582 P.2d 668, 670 (Colo. 1978) (en banc) (discussing Colorado statute providing for evidentiary hearing before neutral fact-finding panel in teacher termination suits); *Annapolis Prof'l Firefighters Local 1926 v. City of Annapolis*, 642 A.2d 889, 891 (Md. Ct. Spec. App. 1994) (discussing labor agreement between city and union, which indicates that if mediation of labor disputes fails, then the parties shall use an advisory neutral fact-finding process); Alexander S. Polsky & Jane Juliano, *Companies Turn to Neutral Fact-Finding as an Effective Tool in Resolving Disputes*, THE METROPOLITAN CORP. COUNS., Jan. 2003, at 48 (discussing application of neutral fact-finding to workplace disputes).

102. See *Gustafson v. Mazer*, 54 P.3d 743, 746 (Wash. Ct. App. 2002) (discussing use of neutral fact-finder to conduct psychological evaluations of both parents and children in child custody disputes in a similar fashion to court appointed expert).

103. See Erik S. Knutsen, *Science-Policy Disputes: Resolution through Data Mediation*, 2001 J. DISP. RESOL. 301, 317-19 (discussing hypothetical science-policy mediation process utilizing neutral

environmental law,¹⁰⁶ and patent law.¹⁰⁷ These disputes pose particular concern because the issues involved require technical research and analysis that is usually capable of multiple interpretations and is often beyond the understanding and comprehension of laymen.¹⁰⁸ As a result, experts are used to explain the research and analysis and provide opinions regarding liability.¹⁰⁹ Consequently, there is a potential for conflicting opinions that the fact finder must first comprehend and then differentiate.¹¹⁰ This is a challenging task for an educated judge or neutral third party, but it is even more so for a general juror.¹¹¹

When applied to these types of disputes, neutral fact-finding effectively resolves the complex issue concerns and improves the quality of resolution by shifting the fact-finding burden from the judge or jury to a neutral expert.¹¹² This shift is beneficial for several reasons. First and most important, the parties to the dispute mutually participate in selection of the neutral.¹¹³ This provides them with an element of control over the dispute through selection of the fact-finder and allows parties to choose a neutral that has specific knowledge or a particular background in areas that they believe are important for a fair and efficient dispute resolution.¹¹⁴ Second, neutral fact-finding provides a quick and neutral investigation of relevant facts while evidence is fresh and witnesses are available.¹¹⁵ This expedited action preserves both internal and external relationships that are the future of successful business.¹¹⁶ Finally, since neutral fact-finding promotes a fair resolution of disputes that avoids strategic positioning present in adversarial settings, parties are more likely to reach a mutual solution because neither is looking for a one-sided victory.¹¹⁷

fact-finding in products liability example; parties both disclosed all information to mutually agreed upon expert who evaluated and provided conclusion of fact to both parties).

104. See CENTER FOR PUBLIC RESOURCES, LEGAL PROGRAM SPRING MEETING, 11 ALTERNATIVES TO HIGH COST LITIG. 112, 118-19 (1993) (discussing proposed use of neutral fact-finding followed by negotiation in securities disputes).

105. See *id.* at 116-18 (discussing use of neutral fact-finding to quickly resolve disputes in various construction projects).

106. See Staci J. Pratt et. al., *Alternative Dispute Resolution as a Means of Addressing Agricultural Pollution*, 20 HAMLIN L. REV. 395, 410-11 (1996) (discussing Environmental Protection Agency policy of using neutral fact-finding to reduce or eliminate conflicts over factual issues).

107. See ANAWALT & POWERS, *supra* note 89, at § 5.30 (stating that neutral fact-finding could be used in intellectual property agreements, most appropriately in patent validity, infringement, and misappropriation of trade secrets claims).

108. Knutsen, *supra* note 103, at 302; Steen, *supra* note 93, at 835.

109. Elleman, *supra* note 32, at 763.

110. Paradise, *supra* note 31, at 247.

111. See Elleman, *supra* note 32, at 765.

112. See ANAWALT & POWERS, *supra* note 89, at § 5:30 (stating that the neutral fact-finding expert basically conducts all discovery and provides conclusion of facts).

113. 4 AM. JUR. 2D *Alternative Dispute Resolution* § 20 (1995).

114. See ANAWALT & POWERS, *supra* note 89, at § 5.30.

115. See Baer, *supra* note 88, at 206.

116. *Id.*

117. Steen, *supra* note 93, at 835.

B. Application of Neutral Fact-Finding to Patent Disputes

Patent disputes are notorious for raising scientific issues that require teams of experts to explain claimed products and processes.¹¹⁸ Both litigation and traditional ADR process resolution of these disputes create concerns that must be considered to effectively solve patent disputes.¹¹⁹ Neutral fact-finding addresses these concerns and offers a beneficial step in resolving these disputes. Like traditional ADR processes, the general benefits associated with neutral fact-finding mitigate the concerns associated with patent litigation and support the general purpose of the patent system. Furthermore, neutral fact-finding offers solutions to the concerns associated with using traditional ADR processes in patent disputes. While neutral fact-finding can be used in connection with traditional ADR processes, it would best be used in patent disputes in preparation for litigation.

1. Neutral Fact-Finding Solutions to Concerns Regarding Patent Litigation

As Section II.C points out, the primary concerns with patent litigation are its duration, cost, and quality of resolution. Like traditional ADR processes, neutral fact-finding offers effective solutions to these concerns. First, the parties can select a neutral to investigate the facts and essentially control discovery.¹²⁰ The neutral confers independently with each party and decides what information is necessary to make a complete and accurate conclusion of facts to be used in a subsequent decision regarding liability.¹²¹ What's more, there is less concern of discovery abuse because the neutral works closer with the parties in obtaining information than the court does during typical discovery. As a result, the process is shorter and cheaper than full-blown judicial discovery.

Second, the parties can select a neutral with specific knowledge and understanding of the technology in the patent dispute.¹²² This means the fact-finder will not have to spend time learning the technology and will be better equipped to evaluate and distinguish conflicting expert testimony.¹²³ Because the learning curve of the fact-finder is higher, less time is required to develop the factual basis for the case and parties spend less on experts because they do not need to fully educate the court regarding the technology.¹²⁴ Furthermore, the neutral's conclusion of facts will less likely contain errors than if done by a judge or jury. As a result, the quality of the judicial decision is higher because the quality of the underlying facts is higher. This ultimately reduces the likelihood of appeal and provides immediate and certain closure to the dispute.

118. See *supra* notes 30-32 and accompanying text.

119. *Supra* Parts II.C, III.B.

120. ANAWALT & POWERS, *supra* note 89, at § 5.30.

121. Brunda, *supra* note 65, at 83-84.

122. ANAWALT & POWERS, *supra* note 89, at § 5.30.

123. Paradise, *supra* note 31, at 263.

124. See *supra* note 31 and accompanying text (stating that an expert neutral will have specific knowledge and understanding of the technology reducing the time and cost to educate the court and improving the quality of the decision).

Finally, because a neutral conducts discovery, the parties will be working with relatively equal information to develop litigation theories, reducing the concern of lack of bargaining power.¹²⁵ Therefore, the outcome of the dispute is based on the legal strength of each party's case and not on the ability of one party to obtain or hide information from the opposition. Furthermore, there is less room for courtroom delays since the base facts of the case are set and arguments limited to whether the base facts satisfy the legal requirements of the law or not.

2. *Neutral Fact-Finding Solutions to Concerns Regarding ADR Process Resolution of Patent Disputes*

Neutral fact-finding used in conjunction with litigation also offers solutions to the concerns associated with using traditional ADR processes to resolve patent disputes. As Section III indicates, the patent community has a general reluctance to submit patent disputes to ADR processes, and is concerned about the fact that ADR process decisions are only binding between parties to the dispute, and that ADR process results are confidential. First, neutral fact-finding provides discovery that is more extensive than the limited discovery often used in traditional ADR processes.¹²⁶ But, the controlled nature of neutral fact-finding discovery preserves time and cost benefits associated with ADR processes while providing full discovery.

Second, once fact-finding is complete, if the parties pursue litigation, they still have the option to submit factual issues to the jury and obtain a judicial decision.¹²⁷ Additionally, a judicial decision regarding liability sets a solid precedent binding not only on the parties of the current dispute but also on future parties. This reduces the potential for future disputes of the same issues between new parties.

Finally, neutral fact-finding balances the desired preservation of confidences associated with ADR processes and the disclosure purpose of the patent system. Information disclosed to the neutral during discovery is not publicly available and is not immediately available to the opposing party unless stated in the conclusion of facts.¹²⁸ For further security, the parties can agree to maintain the conclusion of facts in confidence, or petition the court for a secrecy order regarding some or all of the facts.¹²⁹ In the latter case, the facts will not be disclosed to the public, however the decision of the court regarding liability will.¹³⁰ Such a public decision is

125. See Knutsen, *supra* note 103, at 306 (discussing the information imbalance that is a general concern in science-based disputes).

126. See Brunda, *supra* note 65, at 83-84 (discussing the use of full discovery in neutral fact-finding processes).

127. See Nicholas M. Cannella & Timothy J. Kelly, *Jury Trails and Mock Jury Trials*, 737-38 (PLI Pat., Copyrights, Trademarks, & Literary Prop. Course, Handbook Series No. 375, 1993) (indicating that even after a neutral fact-finder provides a conclusion of facts, questions of literal infringement, infringement under the doctrine of equivalents, willful infringement, novelty, utility, validity, anticipation, and damages are still issues that can be submitted to the jury).

128. See ANAWALT & POWERS, *supra* note 89, at § 5.30 (indicating the neutral fact-finder serves purely investigatory purpose).

129. See FED. R. CIV. P. 26(c) (stating that a judge can make any order which justice requires to protect a party).

130. *Id.*

necessary to maintain the disclosure purpose of the patent system. It is also necessary to make sure the public is fully informed of the boundaries of inventions and knows what constitutes infringement and what is open for discovery.

V. CONCLUSION

Neutral fact-finding presents a potentially valuable step in resolving patent disputes that are destined for litigation. Its use of controlled discovery enables each party to develop complete information upon which to make legal arguments while preventing abuse through the use of a neutral conducting the discovery. As a result, time and costs of litigation are reduced, and the quality of fact-finding is increased. Furthermore, because litigation is pursued as the primary means of dispute resolution, solid precedents will be set and the outcomes of the disputes will be open for the public to view. Consequently, the disclosure purpose of the patent system is satisfied while the value of individual inventor's exclusive rights is preserved.

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