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Patent Law in the Age of the Invisible Supreme Court

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In this article, University of Iowa Law Professor Mark Janis examines "the permanence of the [Supreme] Court's retreat to the peripheries of patent law after the creation of the Federal Circuit," exploring what roles the Supreme Court might imagine for itself in contemporary patent law. Professor Janis first establishes some parameters for Supreme Court decision making in patent cases by analyzing two extremes: an aggressive interventionist model and an extreme noninterventionist model. He then proposes an intermediate, managerial model in which the Court's role centers on an effective allocation of power among institutions of the patent system. The managerial model encourages the Court to impose prudential restrictions on the scope of its own patent opinions and rejects the paradigm of ad hoc, substantive error correction as a serious future role for the Court in patent law.

I. INTRODUCTION

The Supreme Court has rendered itself well nigh invisible in modern substantive patent law. The Court of Appeals for the Federal Circuit, created in 1982, has become the de facto supreme court of patents. In those rare patent cases when the real Supreme Court has materialized, the Court has left behind a largely uninspiring jurisprudence.[1] When

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1. *See* Nelson v. Adams USA, Inc., 529 U.S. 460 (2000); Fla. Prepaid Post-Secondary Educ. Expense Bd. v. College Sav. Bank, 527 U.S. 627 (1999); Dickinson v. Zurko, 527 U.S. 130 (1999); Pfaff v. Wells Elecs., Inc., 525 U.S. 55 (1998); Warner-Jenkinson Co. v. Hilton Davis Chem. Co., 520 U.S. 17 (1997); Markman v. Westview Instruments, Inc., 517 U.S. 370 (1996); Cardinal Chem. Co. v. Morton Int'l, Inc., 508 U.S. 83 (1993); Eli Lilly & Co. v. Medtronic, Inc., 496 U.S. 661 (1990); Christianson v. Colt Indus. Operating Corp., 486 U.S. 800 (1988); Dennison Mfg. Co. v. Panduit Corp., 475 U.S. 809 (1986).

winnowed down to those cases dealing directly with substantive patent issues, the jurisprudence is paltry indeed.[2]

It is not entirely surprising that the Supreme Court maintains such a low profile in patent cases. Besides traditional judicial disenchantment with patent cases,[3] factors such as the Court's historical trend away from a court of general error correction, the current structure of the federal judiciary, and simple practical considerations such as caseload pressures, point away from robust Supreme Court involvement in patent law.[4]

In other respects, however, the Court's benchwarmer status in the patent system seems a bit antique—a bit twentieth century, as it were. Intellectual property is now widely regarded as pivotal in the twenty-first century economy, a fact which surely cannot have escaped the Court's collective notice. Certainly, too, the Court's interest has recently been piqued by intellectual property issues as complex as the parameters of product configuration trade dress.[5] So, Federal Circuit notwithstanding, why should we assume that the Court is inevitably destined to be a bit player in the patent system?

This article comments on the permanence of the Court's retreat to the peripheries of patent law after the creation of the Federal Circuit.[6] It

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2. Only *Pfaff*, 525 U.S. 55 (on-sale bar), *Warner-Jenkinson*, 520 U.S. 17 (doctrine of equivalents), and *Eli Lilly*, 496 U.S. 661 (FDA exemption from infringement) actually raise and resolve substantive patent issues.

3. Justice Fortas, for example, once wrote that:

> The patent system is strange and weird territory to most judges. They have never seen anything that resembles it. All patents look more or less strange and threatening to them; and since they are heavily armed with the power of the U.S. government, they frequently get the idea that it's their duty to kill everything that moves in this dangerous land.

Abe Fortas, *The Patent System in Distress*, 53 J. PAT. OFF. SOC'Y 810, 810 (1971). In a similar vein, Justice Frankfurter took the view that "The layman knows little and cares less about patent controversies.... Here is nothing to ignite the popular imagination." FELIX FRANKFURTER & JAMES M. LANDIS, THE BUSINESS OF THE SUPREME COURT 175 (1927) (explaining why early legislation favoring creation of a patent court did not become a mainstream political issue). The wry observations of Judge Graham, then the presiding judge of the Court of Customs and Patent Appeals, are especially representative:

> While these patent and trademark cases are of vast importance to the industrial life of the country, I can think of a number of things about which both layman and judge could become more wildly excited. Tabloid reporters do not haunt our confines, and newspaper photographers do not snap-shot us as we wait. The questions presented are technical . . . [s]ome of them cry to the very heavens in their aridity.

William J. Graham, *The Court of Customs and Patent Appeals, Its History, Functions and Jurisdiction*, FED. BAR ASS'N J., Oct. 1932, at 33, 37.

4. *See infra* Part II.

5. *E.g.*, Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205 (2000) (holding that product-design trade dress cannot be inherently distinctive); *see also Court Will Consider Whether Trade Dress Protection Is Available for Patented Designs*, 60 Pat. Trademark & Copyright J. (BNA) 182 (2000) (reporting certiorari grant in *TrafFix Devices Inc. v. Marketing Displays Inc.*, 120 S. Ct. 2715 (2000) to consider whether federal trade dress protection extends to a product configuration covered by an expired utility patent). To be sure, these controversies are the product of considerable ferment in the regional appellate tribunals, a feature that is absent from modern patent law given the existence of the Federal Circuit.

6. Few patent scholars have probed this terrain. For apparently the only systematic study of the Supreme Court's role in Federal Circuit-era patent law, see Mark J. Abate & Edmund J. Fish, *Supreme Court Review of the United States Court of Appeals for the Federal Circuit 1982–1992*, 2 FED. CIR. B.J. 307 (1992) (offering relevant statistics and brief conclusions as to Supreme Court decision-making trends in patent cases); *see also* Donald S. Chisum, *The Supreme Court and Patent Law: Does Shallow Reasoning*

invites deliberation on the roles that the Court might imagine and construct for itself as one of the important institutions of the patent system.[7] It begins by drawing some brief conclusions about the Court's past role.[8] Then, for purposes of framing the discussion concretely, the article proceeds to envision, and then evaluate, three models for Supreme Court decision making in patent cases, concluding that a process-oriented model is worthy of further investigation. Conceivably, the conclusions reached here may also be instructive more generally on the dynamics of generalist judicial review of the work product of specialized tribunals.[9]

II. STRUCTURAL AND NONSTRUCTURAL CONSIDERATIONS: LESSONS FROM TWO CENTURIES OF SUPREME COURT PATENT JURISPRUDENCE

An historical analysis of roughly two centuries of American patent jurisprudence yields little evidence of any coherent modus operandi for Supreme Court decision making in patent cases. Instead, two pragmatic observations emerge about Supreme Court oversight of patent law: first, in large part, the Court's role has been an artifact of structural arrangements in the federal judiciary existing at any given time; and, second, to a smaller extent, the Court's role has evolved from the predilections of a few notable justices who have taken a special interest in patent law.

A. Structural Considerations

Structural arrangements in the early federal judiciary dictated, or at least facilitated, substantial Supreme Court involvement in patent law. Similarly, structural reorganization over the past two centuries has conferred on the Court increasingly greater discretion to move to the margins of patent law.

In the early decades of the republic, Supreme Court justices might frequently encounter patent cases, either at circuit court—where individual justices sat in fulfillment of their duty to ride circuit[10]—or as a col-

Lead to Thin Law?, 3 MARQ. INTELL. PROP. L. REV. 1 (1999) (reproducing transcript of Chisum's speech on Supreme Court's performance in patent decisions since 1950).

7. In articulating a role for the Supreme Court in patent matters, the present article necessarily builds on and extends important work on the role of the Federal Circuit, offering, it might be said, a top-down perspective on the Federal Circuit. The leading work on the Federal Circuit as an institution is Rochelle Cooper Dreyfuss, *The Federal Circuit: A Case Study in Specialized Courts*, 64 N.Y.U. L. REV. 1 (1989).

8. *See infra* Part II.

9. The Federal Circuit is sometimes identified as a model for other experiments in specialized adjudication. *E.g.*, Michael Landau & Donald E. Biederman, *The Case for a Specialized Copyright Court: Eliminating the Jurisdictional Advantage*, 21 HASTINGS COMM. & ENT. L.J. 717, 774–84 (1999) (offering the Federal Circuit as a model for a proposed new specialized copyright court).

10. *See* 13 CHARLES A. WRIGHT ET AL., FEDERAL PRACTICE & PROCEDURE § 3503 (2d ed. 1984) (explaining that "the circuit courts were to hold two sessions each year at each district within the circuit, with the circuit court made up of two justices of the Supreme Court and of the district judge for the district"). Under the Judiciary Act of 1789, circuit courts had no permanently assigned judges. Panels were comprised of Supreme Court justices assigned to ride circuit, along with district court judges. *See id.* Cir-

lective body at the Supreme Court itself, where the justices were obliged to take appeals as of right from circuit court decisions.[11]

Perhaps the justices learned something useful from this compulsory exposure to the front lines of patent warfare. In any event, the quaint picture of a distinguished Supreme Court justice riding into town to preside over a mundane patent trial was destined to give way before the realities of the post–Civil War industrialized economy. The same was true of nondiscretionary Supreme Court appellate jurisdiction. The Supreme Court docket reportedly became so backlogged that patent litigants might experience delays of up to ten years between appeal and Supreme Court decision,[12] a serious problem in view of the limited duration of the patent grant.

Two proposals relevant to the Supreme Court's role in patent cases began to emerge in the late nineteenth century: first, proposals to organize appellate circuit tribunals along the lines of the modern Courts of Appeals;[13] and second, proposals for the creation of a specialized patents court.[14] The former overwhelmed the latter; Congress recognized the Circuit Courts via the Evarts Act of 1891,[15] but tabled proposals for a patent court, for nearly a century as it turned out. Significantly, the Evarts Act also provided that judgments in circuit court cases in some areas, among them patent law, would be "final," subject only to discretionary review by certiorari to the Supreme Court.[16] The implementation of certiorari jurisdiction in patent cases, and others, represented a major

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cuit court jurisdiction was not limited to appellate jurisdiction. Indeed, circuit courts acted as courts of first instance in a number of early patent cases. This meant that Supreme Court justices might preside over patent trials. For a famous example, see *Lowell v. Lewis*, 15 F. Cas. 1018 (C.C.D. Mass. 1817) (Story, J., sitting as circuit justice in a jury trial). For a brief account of the jurisdictional arrangements in patent cases prior to 1819, see EDWARD C. WALTERSCHEID, TO PROMOTE THE PROGRESS OF USEFUL ARTS: AMERICAN PATENT LAW AND ADMINISTRATION, 1798–1836, at 357–58 (1998).

11. As early as 1819, the patent statute expressly provided for direct appeal of patent cases from the circuit courts (then operating as courts of first instance in patent cases). *See* Patent Act of Feb. 15, 1819, 3 Stat. 481 (providing that the circuit courts would have "original cognisance" of any case "arising under" the patent laws, and specifying that "from all judgments and decrees of any circuit courts . . . a writ of error or appeal, as the case may require, shall lie to the Supreme Court of the United States"). Similar language appears in the Patent Act of 1836, a more important ancestor of modern patent law. *See* Patent Act of July 4, 1836, ch. 357, § 17, 5 Stat. 117. Prior to the express statutory recognition of an appeal right, patent cases, like other civil cases, could be appealed as of right from the circuit court to the Supreme Court if the amount in controversy exceeded $2,000. *See* WRIGHT ET AL., *supra* note 10, § 3503.

12. *See* STAFF OF SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS, SENATE COMM. ON THE JUDICIARY, 85TH CONG., SINGLE COURT OF APPEALS—A LEGISLATIVE HISTORY 1 (Comm. Print 1959) [hereinafter SINGLE COURT].

13. *See* WRIGHT ET AL., *supra* note 10, § 4002; *see also* Martha J. Dragich, *Once a Century: Time for a Structural Overhaul of the Federal Courts*, 1996 WIS. L. REV. 11, 18–21 (discussing jurisdictional arrangements under the 1789 act and reviewing subsequent reforms).

14. *See* FRANKFURTER & LANDIS, *supra* note 3, at 176–77 (reporting that the first bills proposing a patents court were introduced in 1878).

15. *See* Act of Mar. 3, 1891, ch. 517, 26 Stat. 826.

16. *See id.* at 828 (Evarts Act § 6); *see also* WRIGHT ET AL., *supra* note 10, § 4002 n.12 (referring to Evarts Act § 6). Subsequently, Congress extended the Court's discretionary jurisdiction substantially beyond the discrete areas called out in Evarts Act § 6. *See* Act of Feb. 13, 1925, ch. 229, 43 Stat. 936 (current version at 28 U.S.C. §§ 1251–1294 (1976)).

turning point, initiating a departure from the Court's traditional role as general error-correcting court towards a role as elite lawgiver.[17]

For patent cases, the result was predictable: the Court's involvement in routine patent matters ceased. Indeed, some perceived the Court's involvement in patent infringement cases as so limited that the nine circuit courts effectively were functioning as "nine different courts of last resort."[18] Concerning appeals from patent office administrative decisions,[19] the Court's role was literally nonexistent: the Court questioned whether its certiorari jurisdiction over the relevant tribunal, the Court of Customs and Patent Appeals (CCPA), extended to patent decisions at all, on the grounds that it was unclear whether such CCPA decisions were decisions of an Article III tribunal.[20] In any event, whether a matter of jurisdiction or Supreme Court reluctance to involve itself in such cases, the Supreme Court denied every certiorari petition from patent cases in the CCPA until 1966 when it finally confirmed that the patent decisions of the CCPA were judicial determinations of an Article III tribunal, and hence, subject to the Court's certiorari jurisdiction.[21]

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17. Chief Justice Taft was perhaps the most preeminent proponent of the limitations of certiorari jurisdiction and the transformation of the Court away from the error-correcting model. *E.g.*, *Jurisdiction of Circuit Courts of Appeals and United States Supreme Court: Hearing Before the Comm. on the Judiciary*, 67th Cong. 2 (1922) (statement of Hon. William Howard Taft, Chief Justice of the Supreme Court of the United States) (characterizing the Supreme Court's function as "passing upon constitutional questions and other important questions of law" and "preserv[ing] uniformity of decision among the intermediate courts of appeal"), *cited in* Eugene Gressman, *Much Ado About Certiorari*, 52 GEO. L.J. 742, 755 (1964); *see also* Layne & Bowler Corp. v. Western Well Works, Inc., 261 U.S. 387, 393 (1923) (Taft, C.J.). The Chief Justice stated:

> [I]t is very important that we be consistent in not granting the writ of certiorari except in cases involving principles the settlement of which is of importance to the public as distinguished from the parties, and in cases where there is a real and embarrassing conflict of opinion and authority between the circuit courts of appeal.

Id. For the distinction between error-correcting and lawmaking functions of appellate tribunals, see Arthur D. Hellman, *Error Correction, Lawmaking, and the Supreme Court's Exercise of Discretionary Review*, 44 U. PITT. L. REV. 795 (1983). Error correction may be characterized as review of factual determinations, procedure, or the application of law to facts, but not the announcement of law, which is presumed to be clear. The lawmaking appellate function does encompass the harmonization or clarification of legal rules, potentially including the resolution of conflicts among inferior tribunals. *See id.* at 795–96; *see also* William H. Rehnquist, *Seen in a Glass Darkly: The Future of the Federal Courts*, 1993 WIS. L. REV. 1, 11 ("The history of the Supreme Court has been a gradual evolution from an error-correcting court of general appellate jurisdiction to a court whose special concerns are constitutional interpretation and significant questions of federal law.").

18. SINGLE COURT, *supra* note 12, at 1.

19. *See* Postum Cereal Co. v. Cal. Fig Nut Co., 272 U.S. 693 (1927). Such decisions would have included refusals to grant patents, priority determinations in interferences, and refusals to grant reissues.

20. *See id.* at 699–701. The question of Supreme Court jurisdiction was still viewed as unsettled even after the enactment of an express statute purporting to confer certiorari jurisdiction to the Court in all of the CCPA's "cases." *See* 28 U.S.C. § 1256 (1952) ("Cases in the Court of Customs and Patent Appeals may be reviewed by the Supreme Court by writ of certiorari."). Specifically, some argued that a CCPA patent determination was not a judicial determination, and hence not a "case" within the meaning of § 1256. *See generally* J.P. McDonnell, *Certiorari to and the Constitutional Status of the Court of Customs and Patent Appeals*, 45 J. PAT. OFF. SOC'Y 704 (1963) (reviewing a variety of arguments and concluding that the CCPA was an Article III court properly within the Supreme Court's certiorari jurisdiction).

21. *See* Brenner v. Manson, 383 U.S. 519, 527 (1966).

The dominant structural consideration influencing the Supreme Court's modern role in patent law is, of course, the interposition of the Federal Circuit into the federal judiciary. In general, a lack of uniform application of law across circuits and consequent opportunities for forum shopping fueled yet more proposals for a patents court.[22] Once again, proposals for a patents court became intertwined with proposals for ambitious reforms of the appellate system generally.[23] However, in a reversal of the late nineteenth century debate, the general reform proposals failed and the proposals for a patents court eventually took hold, resulting in the creation of the Court of Appeals for the Federal Circuit in October, 1982.[24] Congress conferred an array of jurisdictional responsibilities on the Federal Circuit in addition to its patent jurisdiction.[25] As for patents, the Federal Circuit assumed the CCPA's patent jurisdiction, and assumed jurisdiction over appeals from all district court cases "arising under" the patent laws.[26]

By designating the Federal Circuit a court of appeals, Congress also ensured that decisions of the Federal Circuit were reviewable at the Supreme Court by grant of certiorari.[27] Anecdotal evidence suggests that proponents of the Federal Circuit legislation understood Supreme Court review to be important, at least symbolically. Professor Meador, for example, remembered later that it was "politically unacceptable to shut off any case in the lower federal courts from access to the Supreme Court by way of *certiorari*, however unavailing that might be in reality."[28]

In the end, however, despite a gestation period of nearly a hundred years, the benefit of dozens of proposals and countless pages of hearing testimony, the Federal Circuit legislation provided for certiorari review without any clear indication of what the long term role of the Supreme Court was to be in patent cases. Certainly, proponents expected that the Court would experience short term relief of caseload pressure as the Federal Circuit took on and resolved what had previously been intercir-

22. *See* Jack Q. Lever Jr., *The New Court of Appeals for the Federal Circuit (Part I)*, 64 J. PAT. OFF. SOC'Y 178, 188 (1982).

23. Major reform efforts included a pair of studies recommending the creation of a national appellate tribunal to be interposed between the existing regional appellate circuits and the Supreme Court. *See generally Commission on Revision of the Federal Court Appellate System, Structure, and Internal Procedures: Recommendation for Change*, 67 F.R.D. 195 (1975) [hereinafter *Hruska Comm'n Report*]; *Federal Judicial Center Report of the Study Group on the Case Load of the Supreme Court*, 57 F.R.D. 573 (1972) (known popularly as the Freund Committee report).

24. Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, § 402, 96 Stat. 57. For a summary of the legislative history, see Lever, *supra* note 22, at 186.

25. *See* 28 U.S.C. §§ 1295(a)(3), (5)–(14) (1988).

26. *See id.* § 1295 (a)(1) (specifying that the Federal Circuit has jurisdiction over "an appeal from a final decision of a district court of the United States... if the jurisdiction of that court was based, in whole or part, on [28 U.S.C. § 1338]"); *id.* § 1338(a) ("The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents....").

27. *See* 28 U.S.C. § 1254(1) (1988).

28. Daniel J. Meador, *Origin of the Federal Circuit: A Personal Account*, 41 AM. U. L. REV. 581, 587 (1992) (citing the availability of Supreme Court review as one of the "important lessons" learned from the negative responses to Hruska Commission proposals).

cuit conflicts ripe for Supreme Court review.[29] But what of long term prospects? What was the Supreme Court to do once the Federal Circuit became established, as is the case today? No one appears to have thought seriously about the question.

B. Nonstructural Considerations: A Story of Story, and of Douglas

While early Supreme Court involvement in patent law is thus largely an artifact of the structure of the federal judiciary, the story could be written from a number of other perspectives as well. Among a host of "nonstructural" considerations warranting attention here is the influence of the individual. An appreciation for the Supreme Court's potential future role in patent law would be incomplete without consideration of those few Supreme Court justices who manifested a particular interest in impacting substantive patent law in the past.

Two interesting stories emerge here. Among early justices, the imprints of Justice Joseph Story and, perhaps, Justice Bushrod Washington are unmistakable. To be sure, their heavy involvement is also partially explained by structural considerations. Both Story and Washington had long tenures as judges, both sought diligently to have their cases reported, and both rode circuit in areas of substantial industrial activity.[30] Story, however, seemed to have loftier ambitions than merely to influence the course of patent law through the ordinary course of judicial opinions. For example, in 1818, he published anonymously a "Note on the Patent Law,"[31] critiquing recent decisions and promoting his own views on doctrine. His note and his numerous early patent opinions have succeeded in influencing generations of patent treatise writers.[32]

Later, Justice Douglas also took a special interest in patent law. Unfortunately for proponents of the patent system, this special interest appeared to be born of an unremitting hostility towards both the concept of a patent system and the reality of patent office operation. Unfortunately, too, Justice Douglas was persuasive and, at moments, eloquent, proclaiming his disdain for the patent system in a series of infamous outbursts of rhetoric.[33] Surely these contributed to Justice Jackson's famous

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29. *See id.* at 588.

30. *See* WALTERSCHEID, *supra* note 10, at 359.

31. 16 U.S. (3 Wheat.) app. 13 (1818).

32. *See* WALTERSCHEID, *supra* note 10, at 360 n.17 (noting that tributes to Story appeared in two prominent treatises by Fessenden and Philips, respectively). For the original treatises, see THOMAS G. FESSENDEN, AN ESSAY ON THE LAW OF PATENTS FOR NEW INVENTIONS (2d ed. 1822), and WILLARD PHILLIPS, THE LAW OF PATENTS FOR INVENTIONS (1837). For a more recent tribute, see DONALD S. CHISUM, PATENTS: A TREATISE ON THE LAW OF PATENTABILITY, VALIDITY AND INFRINGEMENT, at v (1978) (offering accolades to Story); *see also* Frank D. Prager, *The Influence of Mr. Justice Story on American Patent Law*, 5 AM. J. LEGAL HIST. 254 (1961).

33. This is to suggest not that Justice Douglas was alone in his hostility towards the patent system, but rather that he contributed disproportionately to it. *E.g.*, Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp., 340 U.S. 147, 154 (1950) (Douglas, J., concurring) ("The invention, to justify a patent, had to serve the ends of science—to push back the frontiers of chemistry, physics, and the like; to make a distinctive

warning that the Supreme Court's passion for striking down patents might lead observers to conclude that "the only patent that is valid is one which this Court has not been able to get its hands on."[34]

The lesson here is a modest, but important one: the Supreme Court's role in patent law, unlike more politically charged areas of Supreme Court decision making, may be defined significantly through the sensibilities of one dominant justice, be it manifested through the wisdom of a Story or the intransigence of a Douglas. Any talk of theoretical models of Supreme Court action in patent cases must be tempered by this reality. In this regard, it is worth noting, before we proceed to a discussion of a variety of models, that no Justice Story sits on the current Supreme Court, by all current indications. But, then again, neither does a Justice Douglas.

III. MODELS FOR SUPREME COURT DECISION MAKING IN PATENT CASES

This section elaborates on and criticizes two models for Supreme Court action in patent cases: one labeled the "interventionist" model, the other the "invisibility" model. As will readily be apparent, perhaps even from the labels, few would advocate either model in its purest form; these models are contrivances. In some regards, they might even be facetious. They are offered to mark out the extremes, to stimulate a discussion on how one might work inwards from the extremes.

Having constructed and demolished these straw figures, this section then turns to a discussion of a process-oriented model, an intermediate model that offers some more realistic prudential guidelines for the Court in approaching patent cases.

A. Interventionists?

Call the first model, for lack of a better label, the "interventionist" model. Here, imagine a Supreme Court inspired and impelled: inspired, perhaps, by the need to guard the balance between incentivizing private invention and preserving the integrity of the public domain; impelled,

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contribution to scientific knowledge."); *see also id.* at 156 ("[The Patent Office] has placed a host of gadgets under the armour of patents—gadgets that obviously have had no place in the constitutional scheme of advancing scientific knowledge."); Mercoid Corp. v. Mid-Continent Inv. Co., 320 U.S. 661, 665–66 (1944) (asserting that patents be "narrowly and strictly confined to the precise terms of the grant" in the course of undermining the contributory infringement cause of action). Justice Douglas also authored the Court's opinion in *Gottschalk v. Benson*, 409 U.S. 63, 71–72 (1972) (holding that patent claims do not define patent-eligible subject matter where they would "wholly pre-empt" a mathematical formula and "in practical effect" be a patent on the underlying algorithm). *See generally* Mark D. Janis, *Rethinking Reexamination: Toward a Viable Administrative Revocation System for U.S. Patent Law*, 11 HARV. J.L. & TECH. 1, 8–12 (1997) (collecting cases exemplifying mid-twentieth-century Supreme Court skepticism about the patent grant).

34. Jungersen v. Ostby & Barton Co., 335 U.S. 560, 572 (1949) (Jackson, J., dissenting).

then, to exercise certiorari jurisdiction routinely in patent cases in order to write in bold strokes a new patent jurisprudence. Imagine, even, that this new patent jurisprudence is characterized by scholarly opinions reflecting a thorough grasp of relevant doctrine and policy.[35]

Presumably, no one is fooled: such a model lacks even the most tenuous claim on reality. Neither the time, temperament, nor resources of the Supreme Court will allow for the implementation of an interventionist approach to patent decision making. In fact, pragmatists would be quick to point out that policymakers discarded any serious prospect of a true interventionist model for the Supreme Court in patent cases at the turn of the century—the turn of the nineteenth to the twentieth, that is.[36]

Even apart from the substantial pragmatic reservations, any proposal for an aggressive interventionist model would encounter many serious conceptual problems.

1. Tension with Structural Arrangements

First, any moderately vigorous interventionist model squarely contravenes existing structural arrangements in the judiciary. The legislative history of the Federal Courts Improvement Act reflects the view that one of the core premises on which the Federal Circuit was created was to "fill the void" left in substantive patent law by the infrequency of Supreme Court enunciations.[37] Similarly, Federal Circuit judges have expressed the understanding that relieving pressure on the Supreme Court's docket is a raison d'être for the Federal Circuit.[38] Judge Markey even went so

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35. Operating as we are in the realm of hypotheticals, we may as well also imagine that these scholarly opinions contain abundant citations to the worthy writings of distinguished patent law scholars and commentators.

36. As Justice Frankfurter wrote:

> The [Evarts] Act of 1891, however, while relieving the Supreme Court of the drain of patent litigation brought new difficulties for patent litigants.... [T]he Act of 1891 vested finality of patent jurisdiction in the circuit courts of appeals, subject only to certification and *certiorari*—methods of review only seldom to be invoked. Uniformity was thus replaced by the threatened diversity of nine appellate courts of coördinate jurisdiction....
>
> Relief through the Supreme Court was not to be hoped for. The condition of its docket and the general increase in federal litigation indicated that future legislation would curtail still more, and not enlarge, the obligatory appellate powers of the Supreme Court.

FRANKFURTER & LANDIS, *supra* note 3, at 177–78.

37. According to the Committee Report on the legislation creating the Federal Circuit, "[t]he infrequency of Supreme Court review of patent cases leaves the present judicial system without any effective means of assuring even-handedness nationwide in the administration of the patent laws. The proposed new court will fill this void." H.R. REP. NO. 97-312, at 22 (1981). The Hruska Commission, discussing a proposal for a single national appellate court, observed, "[t]he Supreme Court has set, and can be expected to continue to set, national policy in the area of patent law as in other areas of federal law. However, the Court should not be expected to perform a monitoring function on a continuing basis in this complex field." *Hruska Comm'n Report*, *supra* note 23, at 220; *see also* Abate & Fish, *supra* note 6, at 333 (concluding that the Supreme Court's apparent unwillingness to take on matters of substantive patent law is not surprising in view of the reasons for creation of the Federal Circuit in the first place).

38. *See* S. Jay Plager, *The United States Courts of Appeals, the Federal Circuit, and the Non-Regional Subject Matter Concept: Reflections on the Search for a Model*, 39 AM. U. L. REV. 853, 855 (1990) (assert-

far as to suggest that the Federal Circuit perceived itself as "the probable court of last resort in most of its cases."[39] Interventionist proposals inherently lie in tension with these fundamental rationales for the existence of the Federal Circuit.

2. *Objections to Specialized Courts*

Second, to deserve any credence interventionist proposals would need to demonstrate persuasively that the Federal Circuit has failed as an experiment in "specialized" adjudication. In the early 1980's, opponents of the Federal Circuit legislation drew upon a familiar litany of arguments from the literature on specialized courts. Those arguments failed to carry the day then, and might be even more difficult to sustain today. That, however, is a proposition worth addressing rigorously, especially because the specialized courts arguments can now be reexamined against the backdrop of nearly twenty years' experience with Federal Circuit adjudication.[40]

Opponents of specialized courts fear that judges on such courts will suffer from intellectual isolation, resulting in an eventual stagnation of the court's jurisprudence.[41] This objection has long been part of the de-

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ing that one objective for creating the Federal Circuit "was to relieve some of the pressure on the Supreme Court caused by the need to monitor intercircuit differences in these areas").

39. Howard T. Markey, *The Federal Circuit and Congressional Intent*, 2 FED. CIR. B.J. 303, 304 (1992).

40. Enthusiasm for this line of reasoning should, however, be tempered at the outset by the caveat that the Federal Circuit may not be a specialized court at all—or at least might not fit well with stereotypical conceptions of such a court. Congress took pains to express this view. *See* H.R. REP. NO. 97-312, at 19 (1981) (insisting that "[t]he proposed new court is not a 'specialized' court" because the Federal Circuit was deliberately provided with jurisdiction that would yield a varied docket, and because the Federal Circuit was formed from a combination of the Court of Claims and the Court of Customs and Patent Appeals, suggesting that it must necessarily be less specialized than its predecessors).

Predictably, Federal Circuit judges themselves resist the notion that they are "specialized judges" or that their tribunal is "specialized." *E.g.*, Pauline Newman, *The Sixth Abraham L. Pomerantz Lecture: Commentary on the Paper by Professor Dreyfuss*, 61 BROOK. L. REV. 53, 58–60 (1995); Pauline Newman, *The Federal Circuit: Judicial Stability or Judicial Activism?*, 42 AM. U. L. REV. 683, 683–84 (1993); Randall R. Rader, *Specialized Courts: The Legislative Response*, 40 AM. U. L. REV. 1003, 1012 (1991) ("In the Court of Appeals for the Federal Circuit, Congress did not intend to create a specialized court."). Judge Plager, in particular, is adamant on the point:

> Probably, the clearest lesson to be drawn both from the literature and from experience is that the term "specialized" should be dropped from the discussion, since there is no agreement on what it means or on what it connotes. In terms of Federal Circuit caseload, while the formal jurisdiction of the court is defined by subject matter (which itself is substantially varied), the kinds of issues dealt with by any particular judge of the court is a function of the luck of the draw in cases and, over time, will run a wide gamut of legal issues.

Plager, *supra* note 38, at 860 (citation omitted); *see also id.* at 863 (calling for scholars to distinguish between specialized subject matter and "the notion of a specialized court staffed by 'specialized judges,'" in critiquing Richard Revesz, *Specialized Courts and the Administrative Lawmaking System*, 138 U. PA. L. REV. 1111 (1990)).

41. *E.g.*, *Hruska Comm'n Report*, *supra* note 23, at 234–35 (noting the objection that the quality of specialized courts' decision making would diminish "as the specialized judges become subject to 'tunnel vision,' seeing the cases in a narrow perspective without the insights stemming from broad exposure to legal problems in a variety of fields"); Dreyfuss, *supra* note 7, at 3 (listing intellectual isolation as a commonly argued objection to specialized tribunals).

bate over specialized patent courts,[42] and arose in debates over the Federal Circuit legislation.[43]

Federal Circuit experience to date suggests several responses. First, cross-fertilization of a kind that invigorates the decision-making process in a generalist regime can still proceed in the existing "specialized" patent regime. For example, district court signaling may reduce the potential for serious Federal Circuit isolation. Suppose that the Federal Circuit issues an awkward, unfortunate, or outright wrong patent decision. District courts saddled with the obligation of applying the decision in future cases might be expected to apply a limiting gloss, or to offer commentary exposing weaknesses of the Federal Circuit decision. Even where district courts obediently apply Federal Circuit precedent, a truly bad Federal Circuit decision is likely to spawn abundant litigation, which may itself signal the Federal Circuit and prompt reconsideration on subsequent cases.[44]

Opponents of specialized courts may also simply be misapprehending judicial temperament by assuming that judges who deal regularly with specialized subject matter become transformed into "specialized" judges, that term implying an inability to comprehend or absorb mainstream legal thinking.[45] The chasm between specialized tribunal and specialized judge is a large one and should not be overlooked.[46] The breadth

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42. *E.g.*, Simon Rifkind, *A Special Court for Patent Litigation? The Danger of a Specialized Judiciary*, 37 A.B.A. J. 425, 426 (1951) (arguing that judicial specialization in the patent area would give rise to tunnel vision among jurists), *cited in* Lawrence Baum, *Judicial Specialization, Litigant Influence, and Substantive Policy: The Court of Customs and Patent Appeals*, 11 LAW & SOC'Y REV. 823, 824 n.5 (1977).

43. *E.g.*, Lever, *supra* note 22, at 201 n.68 (pointing out that, according to opponents of the Federal Circuit legislation, intercircuit conflicts in patent law were healthy in that they spurred Supreme Court review "and growth in the law; absent opportunity for diversity of views the law will stagnate and rigidify raising the question of whether any case would get to the Supreme Court").

44. *See id.* (arguing that "even a wrongheaded doctrine enunciated and enforced by an all-powerful specialist appeals court is subject to revisitation in subsequent cases" because "[p]revailing theory suggests that problematic legal rules are more likely to be relitigated").

45. *See* Jeffrey W. Stempel, *Two Cheers for Specialization*, 61 BROOK. L. REV. 67, 96 (1995). Stempel also notes:

> [T]he cross-fertilization argument is caricatured. Simply because a judge sits on a specialized court does not mean that he or she is a narrow person with no interest in law or life generally. Just as specialist lawyers have broad professional and personal interests, so do specialist judges. There is no solid basis for assuming that specialist judges are any more provincial than are judges, law professors and lawyers generally.

Id.

46. Judge Plager questions whether the structure of a "specialized" tribunal invariably gives rise to a mentality of narrow-mindedness among jurists of the tribunal:

> Judges confronted with large and highly diverse caseloads may tend to stereotype the cases, seeing little of the variation within rather than across subject matter. Consequently such judges may actually be more narrow in their approach to these cases. Judges who serve on a court of specialized jurisdiction, by contrast, may have presented to them a full range of cases covering a panoply of issues within that subject area. They may treat the merits of each case with greater care and understanding. Given the potential diversity of issues even within a single subject matter area and the vagaries of human character (judges being no exception), generalization on this point is risky.

Plager, *supra* note 38, at 859.

of the Federal Circuit's nonpatent jurisdictional grant surely plays a role here as well in preventing the Federal Circuit from isolating itself.

Accordingly, inherent features of the existing judicial arrangements for patent law may blunt the intellectual isolation claim. Of course, blunting it differs from eliminating it. Federal Circuit patent jurisprudence has occasionally demonstrated a tendency towards myopia. For example, academics would presumably fault the court for the paucity of its citations to scholarly literature in patent opinions.[47] Some might identify manifestations of a provincial attitude in some aspects of the court's jurisprudence.[48] Based on the Federal Circuit experience in patent law, it would seem reasonable to conclude that fears of intellectual isolationism were exaggerated, but cannot be dismissed entirely. Some level of Supreme Court monitoring short of aggressive interventionism may be important to ensure that the Federal Circuit maintains its resistance to tunnel vision.[49]

Opponents of specialized courts have also frequently worried that such tribunals would be viewed as inferior and would fail to attract talented judges.[50] This objection simply does not seem to have been realized in Federal Circuit experience to date. Quite to the contrary, the Federal Circuit can boast of being the only appellate tribunal of national influence, and as perhaps the world's leading patents court, can claim a healthy measure of international influence as well. There is no evidence to suggest that Federal Circuit judgeships are viewed as low prestige positions or that the appointment process has yielded only candidates whom otherwise would never be considered for positions in the appellate judiciary.

3. *Public Choice Theory*

Finally, an argument for an interventionist model for Supreme Court decision making in patent cases could also draw upon predictions from the literature of public choice theory that specialized courts would

47. Of course, this might only prove that scholars are as self-interested as anyone else.

48. Manifested, for example, in the court's failure to cite foreign-patent precedent dealing with analogous issues. *But cf.* Rotec Indus., Inc. v. Mitsubishi Corp., 215 F.3d 1246, 1251 (Fed. Cir. 2000) (citing foreign patent precedent on the meaning of "offer for sale" in the infringement context). Similarly, some might claim that the Federal Circuit considers patent policy with little or no appreciation of countervailing arguments from competition policy. This may gradually change as a result of the Federal Circuit's newfound zeal to create its own law on the subject. *See* Nobelpharma AB v. Implant Innovations, Inc., 141 F.3d 1059, 1067–68 (Fed. Cir.), *cert. denied*, 525 U.S. 876 (1998).

49. The specialized courts literature contains some suggestions that an optimal arrangement would supply specialized courts with meaningful generalist court review. *E.g.*, Stempel, *supra* note 45, at 112–19 (arguing for specialized trial level courts with generalist appellate review).

50. *See* Richard A. Posner, *Will the Federal Courts of Appeals Survive Until 1984?: An Essay on Delegation and Specialization of the Judicial Function*, 56 S. CAL. L. REV. 761, 779–80 (1983) (questioning whether a "high quality federal appeals bench" could sustain itself on a diet consisting solely of appeals in discrete substantive areas such as patents); *see also Hruska Comm'n Report*, *supra* note 23, at 235 (referring to similar concerns about quality of appointees).

be uniquely vulnerable to capture by special interest groups. Public choice theory builds upon the premise that a rational politician will act to maximize his or her utility (defined in terms of retaining office).[51] Interest groups can intervene to alter the politician's calculus of social costs and benefits.[52] In particular, powerful interest groups might influence a legislator to act contrary to probable constituent wishes by offering political benefits that exceed the costs of diverging from constituents' wishes.[53] Where the issue involves the creation of a specialized court or the appointment of judges to that court, interest group influence may be particularly powerful because the matter may be of little interest to the public generally, suggesting that the political costs of acting contrary to constituents' best interest are likely to be low.[54]

Commentators routinely have voiced concerns about capture and resultant bias in debates over specialized courts generally,[55] and in debates over the creation of a patents court.[56] Persuasive evidence of capture of the Federal Circuit would certainly justify an aggressively interventionist approach to review on the part of the Supreme Court.[57]

The capture issue is worthy of a much fuller and more nuanced exploration than this brief essay will attempt to provide. However, a brief examination raises questions about the extent to which it would support an interventionist model.

First, public choice theoretical predictions about the formation of the Federal Circuit do not appear to square with the reality. A superficially plausible public choice account would presumably have predicted that wealthy patent owners (and patent lawyers) would have coalesced to pressure Congress to create a specialized patents court and to populate it with "pro-patent" judges. But even a superficial perusal of the legislative history reveals flaws in such an account. Patent lawyers, for example, were deeply split over proposals for the creation of the Federal Circuit.[58]

Perhaps more importantly, the politics of patent enforcement may simply not be conducive to the formation of special interest groups. Individual players in the patent system may well be unable to predict whether they are more likely to be patent enforcers or targets of patent enforcement actions. Large high technology companies are likely to be both, simultaneously. As a result, patent litigation does not inevitably

51. *See* Stempel, *supra* note 45, at 101–02.

52. *See id.*

53. *See id.*

54. *See id.* at 101 (reciting the thesis of the "interest group prong of public choice theory"). Of course, to the extent that the interest group reflects public sentiment generally, the intervention of the interest group would seem to represent harmless error.

55. *E.g.*, *id.* at 97 ("Perhaps the most serious charge against specialized courts, besides the quality problem, is that they are more prone to interest group dominance or even 'capture.'").

56. *E.g.*, *Hruska Comm'n Report*, *supra* note 23, at 235 (noting concerns about the quality of appointees and the ability of special interest groups to dominate the appointments process).

57. Presumably it would justify the examination of legislative reforms as well.

58. *E.g.*, *Hruska Comm'n Report*, *supra* note 23, at 236.

lend itself to stereotypical interest group alignments.[59] Conceivably, patent enforcement litigation is inherently balanced, and this inherent balance discourages capture.[60] This is consistent with the observations of some commentators that public choice predictions may overlook the likelihood that as an interest group forms and applies pressure, competing interest groups may spring up to blunt the impact of the first.[61]

A second way to consider the question of Federal Circuit capture, and hence the potential need for vigorous Supreme Court oversight, is to work backwards—to assess Federal Circuit performance to date and to consider whether case outcomes reflect probable interest group influence in either the creation of the Federal Circuit or the appointments process. This is well-trod ground, ordinarily taking the form of an inquiry into whether the Federal Circuit is biased in favor of patents.

Empirical as well as impressionistic studies of Federal Circuit performance have presented mixed results on the question of Federal Circuit "bias" in favor of patents.[62] Empirical studies, for example, have provided a basis for concluding that the Federal Circuit adjudicates patent validity generously to patent holders, and more generously than predecessor appellate tribunals as a whole.[63] However, it is not clear that

59. *E.g.*, small entity v. large entity, or private entity v. government.

60. For a persuasive argument along these lines, see Dreyfuss, *supra* note 7, at 29–30. The proposition that patent litigation is inherently balanced is an intriguing question, especially in view of increasingly strident claims on behalf of individual inventors that the patent system is biased in favor of large corporations. On a related cautionary note, patent enforcement should be distinguished here from patent acquisition. Patent acquisition would, of course, invariably involve a private entity as a petitioner and the government (the PTO) as respondent. In theory, bias would have a greater likelihood of taking root. Indeed, the CCPA, whose appellate jurisdiction extended only to ex parte appeals from the PTO, and not to patent enforcement matters generally, was arguably subject to this problem. *E.g.*, *id.* at 29 n.176 (noting the contrast and concluding that these criticisms of the CCPA would not extend to the Federal Circuit).

61. *See* Stempel, *supra* note 45, at 101.

62. Perhaps the most sophisticated study can be found in Dreyfuss, *supra* note 7. An updated study would be a welcome addition to the literature. Professor Dreyfuss also offers a methodology for assessing the performance of specialized courts in Rochelle Cooper Dreyfuss, *Forums of the Future: The Role of Specialized Courts in Resolving Business Disputes*, 61 BROOK. L. REV. 1, 11–16 (1995) (evaluating the success of specialized courts in terms of three "constellations" of issues: decision-making quality (accuracy, precision, coherence); efficiency (measured principally by the speed with which specialized courts resolve issues); and due process, or at least the perception of due process, which might include considerations of inherent bias). In her 1995 study, Professor Dreyfuss scores the Federal Circuit high on coherence. *See id.* at 13–14 (observing that "while many commentators express concern that the [Federal Circuit] overly protects patentees, its ability to articulate coherent patent policy, without doubt, has contributed significantly to its public acceptance").

63. For a careful study examining a database of district court and Federal Circuit decisions from 1989–1996, see John R. Allison & Mark A. Lemley, *Empirical Evidence on the Validity of Litigated Patents*, 26 AM. INTELL. PROP. L. ASS'N Q.J. 185, 205–06 (1998) (finding that the overall rate of courts determining validity favorably to patentees is higher after the creation of the Federal Circuit than before, but stopping short of offering broad conclusions about Federal Circuit bias). For a study of precedential and nonprecedential Federal Circuit decisions from October 1, 1982 through March 15, 1994, see Donald R. Dunner et al., *A Statistical Look at the Federal Circuit's Patent Decisions: 1982–1994*, 5 FED. CIR. B.J. 151, 154–55 (1995) (concluding that the Federal Circuit was more likely to affirm validity judgments in favor of patent owners than accused infringers). *See also* Ronald B. Coolley, *What the Federal Circuit has Done and How Often: Statistical Study of the CAFC Patent Decisions—1982 to 1988*, 71 J. PAT. & TRADEMARK OFF. SOC'Y 385 (1989).

the Federal Circuit is especially generous to patentees on patent infringement issues.[64] Moreover, those who assume that the Federal Circuit is biased in favor of patent validity, or patents generally, disagree over the normative implications.[65] At the risk of oversimplifying a topic that is bound to attract scholarly attention for many years to come, one might simply conclude for present purposes that Federal Circuit performance appraisals are too mixed to support an extreme interventionist model for Supreme Court action.

B. Invisibles?

It may be instructive to juxtapose against the "interventionist" model another model lying at the opposite extreme—an "invisibility" model. Here, the Supreme Court cedes all authority over substantive patent law issues to the Federal Circuit. Under the invisibility model, the Supreme Court exists, for substantive patent law purposes, only as a matter of theoretical possibility.[66] That is, the patent community universally perceives that the Supreme Court might be summoned forth if the correct incantation is invoked, but, under the invisibility model, few believe that they will actually ever see it occur. This model, though admittedly hyperbolical in its rhetoric, might actually have a fair amount of descriptive force. But considered normatively, its flaws are manifest.

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64. Dunner et al., found the Federal Circuit slightly more likely to affirm a finding of infringement than a finding of no infringement. *See* Dunner et al., *supra* note 63, at 155. However, restricted to the last five years of the study period, the chances of affirmance were very close irrespective of whether the lower court ruling was infringement or no infringement. *See id.*

65. *E.g.*, Lawrence G. Kastriner, *The Revival of Confidence in the Patent System*, 73 J. PAT. & TRADEMARK OFF. SOC'Y 5, 8 (1991) ("The CAFC has not only succeeded in bringing about uniformity and certainty in interpretation of the patent laws—the express purpose for which it was established—but has also significantly enhanced the economic power of patents."); Gerald Sobel, *The Court of Appeals for the Federal Circuit: A Fifth Anniversary Look at Its Impact on Patent Law and Litigation*, 37 AM. U. L. REV. 1087, 1090–91 (1988) (asserting that primarily by fostering a climate more favorable to patent validity, the Federal Circuit succeeded in its initial five years in strengthening "the incentive to innovate"); *cf.* Allan N. Littman, *Restoring the Balance of Our Patent System*, 37 IDEA 545, 552 (1997) (arguing that "good intentions have gone awry" in the operation of the Federal Circuit, because "the Federal Circuit has in many areas fundamentally shifted the balance of the patent system to favor the patent holder").

66. Or, alternatively, it does not exist at all. Consider an arrangement by which Congress decided to oust the Supreme Court altogether from review of the Federal Circuit's patent decisions. The issue here would be whether eliminating certiorari jurisdiction over patent matters would properly lie within the exceptions clause of Article III (providing that the Court shall have appellate jurisdiction in cases within the judicial power of the United States "with such Exceptions, and under such Regulations as the Congress shall make"). The literature on the extent of Congressional control over the Supreme Court's jurisdiction is substantial and would seem to afford various answers. *E.g.*, Henry J. Merry, *Scope of the Supreme Court's Appellate Jurisdiction: Historical Basis*, 47 MINN. L. REV. 53 (1962); Leonard G. Ratner, *Majoritarian Constraints on Judicial Review: Congressional Control of Supreme Court Jurisdiction*, 27 VILL. L. REV. 929 (1981–82); Martin H. Redish, *Congressional Power to Regulate Supreme Court Appellate Jurisdiction Under the Exceptions Clause: An Internal and External Examination*, 27 VILL. L. REV. 900 (1981–82); Charles E. Rice, *Congress and the Supreme Court's Jurisdiction*, 27 VILL. L. REV. 959 (1981–82); William S. Dodge, Note, *Congressional Control of Supreme Court Appellate Jurisdiction: Why the Original Jurisdiction Clause Suggests an "Essential Role"*, 100 YALE L.J. 1013 (1991).

1. *Structural Objections*

First, there is an obvious structural objection to the invisibility model. Congress deliberately gave the Supreme Court certiorari jurisdiction. Indeed, it appears that every legislative proposal to create a specialized patents court in the United States, tracing back to 1877, contemplated Supreme Court review of the specialized court by certiorari or otherwise.[67] Perhaps Supreme Court review was included as a matter of rote, of political expediency, or for its symbolic value.[68] But it seems equally plausible to posit that proponents expected the Supreme Court actually to do something with its authority beyond dealing with the unusual instances of Constitutional questions arising from cases that happen to involve patents.

2. *Decision-Making Dynamics in a Maturing Federal Circuit*

Moreover, there are powerful institutional reasons for the Court to make deliberate efforts to deploy its authority to review substantive patent issues, whether or not that grant of authority was initially viewed as merely symbolic. As discussed below, these reasons are becoming more compelling as the Federal Circuit matures.

As a result of the Federal Circuit's monopoly over substantive patent law adjudication, the consequences of systematic Supreme Court recusal from patent law are serious—more serious, perhaps, than would be the case of Supreme Court invisibility in other areas of civil litigation deemed especially narrow, especially complex, or both. Unlike other areas of its jurisprudence, Supreme Court silence in substantive patent law readily allows the Federal Circuit to anoint itself a de facto court of last resort in patents. Once this has occurred (and it may well have occurred already), it is likely to become increasingly difficult over time for the Supreme Court to recapture its ceded power. This may be due in part to an erosion of competence at the Supreme Court to deal with patent matters after a long hiatus. Perhaps more significantly, however, it may be due to an erosion of the Supreme Court's power to speak credibly on matters of substantive patent law, in a manner likely to elicit deference (and obedience) from the patent community.

Posner has made similar observations. He notes that an appellate body that monopolizes a discrete substantive area might be expected "to evolve a distinctive, even esoteric legal culture that will be difficult for any generalist body to fathom."[69] He proceeds to suggest that experience

67. *See* SINGLE COURT, *supra* note 12, at 5–9 (Table 1, listing legislative proposals from 1877 to 1899); *id.* at 25–28 (Table 2, listing legislative proposals from 1936 to 1957).

68. *See* Meador, *supra* note 28, at 587.

69. RICHARD A. POSNER, THE FEDERAL COURTS: CHALLENGE AND REFORM 257 (1996).

with the Federal Circuit may demonstrate "that decisions by a specialized court resist effective control by a higher generalist court."[70]

This argument can be extended. One may wonder whether the gradual erosion of a reviewing court's authority affects the expert tribunal's behavior in preparing and writing opinions. For any "specialized" court that monopolizes a substantive area, one should be concerned about the possibility that the specialized court may have less incentive than corresponding generalist courts to develop and carefully articulate a defensible rationale for its decisions, knowing that no other sister tribunal will have the opportunity to pass on the same issue.[71] This concern is greatly heightened if the court that is vested with responsibility for reviewing the specialized court cannot reasonably exercise that authority.

The phenomenon by which a generalist reviewing court gradually loses its actual authority to exercise meaningful control over a specialized inferior court deserves close attention by the Supreme Court and the patent community. It may turn out to be a weakness inherent in our jurisdictional allocation for patent law, one needing fairly rapid redress.

Ironically, values of certainty and uniformity in patent decision making could also be impacted negatively by continued adherence to a de facto invisibility model. Proponents of the concept of the Federal Circuit routinely have cited enhanced certainty and uniformity as the fruits of specialized adjudication.[72] Certainly, it is plausible to conceive of a scenario in which the Federal Circuit aggressively regularizes patent doctrine, damping out doctrinal oscillations over time to the point where the need for Supreme Court oversight gradually diminishes. One could even argue that Federal Circuit experience, at least with selected doctrines, demonstrates admirably the propensity for the Federal Circuit to drive patent law towards equilibrium.[73]

But is this inevitable? That is, does our experience with the Federal Circuit demonstrate that as a specialized subject matter tribunal matures, it will necessarily, inevitably drive its subject matter area towards equilibrium?

There are several reasons to suspect that increased certainty and uniformity are not the inevitable byproducts of a maturing Federal Circuit. Compare the political dynamic of the Federal Circuit at its creation to the political dynamic of the Federal Circuit today. At its creation, as a

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70. *Id.*

71. *See Hruska Comm'n Report*, *supra* note 23, at 235 (acknowledging this concern).

72. *E.g.*, Stempel, *supra* note 45, at 88–89 (noting that the advantages of specialized adjudication are generally held to include "improved precision and predictability of adjudication; more accurate adjudication; more coherent articulation of legal standards; greater expertise of the bench; economies of scale that flow from division of labor, particularly including speed, reduced costs and greater efficiency through streamlining of repetitive tasks and wasted motions"); Dreyfuss, *supra* note 7, at 2 (including among traditional justifications for specialized courts the benefit of efficiency resulting from the specialized tribunal's superior capacity to inject doctrinal stability).

73. For example, as Professor Dreyfuss pointed out, the Federal Circuit performed exceptionally in its early tenure in stabilizing the obviousness standard of 35 U.S.C. § 103. *See* Dreyfuss, *supra* note 7, at 9.

stranger to the patent community and an experiment in adjudication, the Federal Circuit had an immediate need to demonstrate that it could speak credibly, and command respect commensurate with the statutory scope of its power. At a minimum, the Federal Circuit needed to demonstrate basic competence in carrying out the apparent Congressional mandate for uniformity[74]—in short, to justify its existence, in the manner of any other novice. Relatedly, it seems quite possible that several of the Federal Circuit judges (especially those recruited from the ranks of the Court of Customs and Patent Appeals) had long felt a normative impulse to stabilize patent law but could only act on that impulse after appellate jurisdiction was reorganized.

These forces surely motivated the Federal Circuit to speak powerfully with one voice at its creation.[75] But what of today? As an institution, the Federal Circuit is not only a fait accompli, but also widely lauded as the world's most influential patents court. Having established its preeminence in the patent community and perhaps beyond, the Federal Circuit's need to arrogate power to itself is far less urgent (if it be a need at all) and, concomitantly, individual Federal Circuit judges may perceive less of a need to exhibit solidarity to the outside world. Further, backgrounds of judges on the Federal Circuit are quite diverse today as compared to the original Federal Circuit.[76] And, there are simply more cases in the Federal Circuit's jurisprudence, providing greater potential for inconsistencies.

Accordingly, we should not be too quick to accept the proposition that the Federal Circuit, or any other similarly constituted specialized tribunal, is likely inevitably to produce more uniform results over time. Contrary scenarios may be equally plausible.

3. *Other Objections*

Supreme Court invisibility in patent cases is problematic for a number of additional reasons. One derives from the potential positive impact of the Court's status as an outsider to the patent system: outsiders might supply an important moderating influence over experts. Ultimately, this proposition turns on an important empirical inquiry about the behavior

74. *See* H.R. REP. NO. 97-312, at 20 (1981) ("The new Court of Appeals for the Federal Circuit will provide nationwide uniformity in patent law, will make the rules applied in patent litigation more predictable and will eliminate the expensive, time-consuming and unseemly forum-shopping that characterizes litigation in the field.").

75. The backgrounds of the original court members also were surely a contributing factor. Judges on the original court came from the same court—the Court of Customs and Patent Appeals. For biographical information on Federal Circuit judges, see UNITED STATES JUDICIAL CONFERENCE COMMITTEE ON THE BICENTENNIAL OF THE CONSTITUTION OF THE UNITED STATES, THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT: A HISTORY, 1982–1990 (1991); *U.S. Court of Appeals for the Federal Circuit Judicial Biographies*, *at* http://www.fedcir.gov/judgbios.html (last visited Apr. 10, 2000).

76. *See U.S. Court of Appeals for the Federal Circuit Judicial Biographies*, *at* http://www.fedcir.gov/judgbios.html (last visited Apr. 10, 2000).

of expert tribunals. Posner has argued that experts are likely to be extremely sensitive to shifts in thinking, which might lead to severe vacillation in the jurisprudence of a specialized court.[77] But there is an equally plausible opposing claim: a true "hard-core" expert might actually be more bound than a generalist to a particular ideology, and less likely to vacillate.[78]

Case volume may play a role here, too. Federal Circuit judges confront a volume of patent cases unequalled in the history of the federal judiciary (except, perhaps, in the case of CCPA judges). Professor Dreyfuss sees advantages in this concentration. In particular, she has argued that it is advantageous to give a single tribunal a critical mass of patent cases, which "provides . . . judges with the motivation, as well as the time, to elaborate upon the law" and likewise gives the court "the ability to wait for the best vehicle for considering and repairing" patent law problems.[79]

In a recent article, two commentators point out that the very conditions that allow accretion of this critical mass (and the crucial expertise to accompany it) may also give rise to an unfortunate phenomenon that they entitle "judicial hyperactivity."[80] According to this argument, the "familiarity and expertise of the Federal Circuit judges with issues common to the court's specialized jurisdiction" may tempt the court to indulge in "judicial hyperactivity," resulting in usurpation of the fact-finder's role.[81]

This is an important question deserving of careful study, both for what it would tell us about optimal operation of the Federal Circuit, and for the broader lessons about formulating specialized tribunals. In the interim, however, it would be rash to dispense with generalist court review before we know more about the dynamics of expertise on specialized tribunals.

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77. *See* Posner, *supra* note 50, at 781–82.

78. *See* Stempel, *supra* note 45, at 104.

79. Dreyfuss, *supra* note 7, at 66 n.338. Federal Circuit Judge Randall Rader has also spoken of Federal Circuit judges' unprecedented exposure to patent law on a judge-by-judge basis, arguing that it may lead to an "acceleration of common law evolution" in patent law. Randall Rader, Address at Washington University School of Law (Apr. 2000). Such an acceleration, it would seem, could result either in positive change or in hypersensitivity in any given case. In either event, the phenomenon deserves further study.

80. William C. Rooklidge & Matthew F. Weil, *Judicial Hyperactivity: The Federal Circuit's Discomfort with its Appellate Role*, 15 BERKELEY TECH. L.J. 725, 726 (2000). According to the authors, "judicial hyperactivity" seems to describe "what happens when an intermediate appellate court usurps elements of the decision-making process that are supposed to be the province of the lower courts, administrative bodies, or even litigants." *Id.* at 727 (distinguishing the concept from judicial activism).

81. *Id.* at 729. The Hruska Commission noted a similar concern. *See Hruska Comm'n Report*, *supra* note 23, at 235 (observing that judges in a specialized court, having acquired expertise, "might impose their own views of policy even where the scope of review under the applicable law is supposed to be more limited").

A final objection to utter Supreme Court invisibility in patent cases concerns the resolution of "boundary" problems.[82] These problems—Federal Circuit jurisdiction, Federal Circuit choice of law—have proven vexing in the Federal Circuit's short history.[83] Moreover, these problems present an especially compelling case for Supreme Court intervention. It may be awkward, for example, for the Federal Circuit to act as the final arbiter of its own jurisdiction. Presumably even the warmest adherents of Federal Circuit autonomy would concede that Supreme Court invisibility in boundary disputes would be counterproductive for patent law.

C. *Managers?*

The pure interventionist and the pure laissez faire invisibility models—"caricatures" might be a better label than "models"—offer important lessons about optimizing generalist court review of a limited subject matter tribunal. Experience so far with the Federal Circuit tends to provide reassurance that structural arrangements encouraging Federal Circuit autonomy, and discouraging routine Supreme Court intervention in patent law, were well-considered. It demonstrates that the Supreme Court was correct in avoiding vigorous intervention early in the Federal Circuit's tenure, and would seem to counsel against a move to any vigorous interventionist approach in the future. At the same time, the Supreme Court's observance of a prudential model of de facto invisibility poses significant concerns. As the Federal Circuit matures, voluntary Supreme Court invisibility may become terminal Supreme Court invisibility. Supreme Court abstention, even if modulated by periodic, cameo appearances, does not promise optimality in substantive patent law decision making. An intermediate model is required.

1. *Intracircuit Conflict Model*

One response is to construct an intermediate model that simply places the Court where it often is in federal law matters: as a sort of be-

82. *See* Stempel, *supra* note 45, at 108–09 (identifying the emergence of boundary disputes as a predictable disadvantage of specialized tribunals and discussing solutions).

83. Professor Dreyfuss would go further, suggesting that boundary disputes may signal more fundamental conceptual problems:

> The issues that are troubling the CAFC—whether it has power to decide the law, dispose of cases, and supervise—are the very issues that define what it means to be a court. Thus, it is not surprising that these questions will remain intractable so long as the CAFC lacks a coherent vision of itself, of its position in the federal court system, and of its role in shaping competition policy.

Dreyfuss, *supra* note 7, at 52–53. Professor Dreyfuss also faults the Supreme Court's limited effort to assert itself in Federal Circuit boundary disputes. *See id.* at 31 (charging that the Court has "thoroughly failed to grapple with the unique problems that the CAFC presents to the federal system"). In particular, she criticizes the Supreme Court's *Christianson* decision, which imposed the well-pleaded complaint rule for Federal Circuit subject matter jurisdiction and, accordingly, gave rise to the potential that cases involving patent issues that arose outside the well-pleaded complaint would become "stranded in the regional circuits or the state courts." *Id.* at 34.

nign hallway monitor stepping in to resolve intercircuit conflicts, but only when they have become so heated that bloodshed might result. Patent law is a different creature in this regard too; there are no true intercircuit conflicts.[84] It would be easy enough, however, for the Court to construct a vision of itself as a monitor of intracircuit conflicts in Federal Circuit patent decisions. Judge Nies, for example, argued that given the absence of any genuine intercircuit conflicts, the Supreme Court would do well to give special consideration to dissents in Federal Circuit opinions, and use the presence of dissents as a major impetus for Supreme Court review.[85]

This is a very conventional proposal, but presents a number of problems. A first concern derives again from structural considerations. Cumbersome though it may be,[86] the en banc practice enables the Federal Circuit to impose a governing rule in the face of an intracircuit split,[87] suggesting that the "conflict monitor" model may not satisfactorily capture the Supreme Court's role. Second, Supreme Court attention to Federal Circuit dissents could be counterproductive; it may set the review threshold too low, allowing the views of a single Federal Circuit judge to trigger Supreme Court intervention.

Finally, and most significantly, an intermediate "conflict monitor" model presents too impoverished a vision of the Supreme Court's potential for playing a positive role in substantive patent law decision making. Such a model would seem to be guided solely by the principle that there is value in having a settled rule[88]—perhaps irrespective of the wisdom of the rule. Such a model would do little to provide any overarching, coherent vision of the Supreme Court's place among institutions of the patent system.

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84. There could, of course, be intercircuit conflicts where current Federal Circuit practice conflicts with prior regional appellate decisions. *Pfaff* purports to present such a conflict. *See infra* notes 107–08, 113 and accompanying text (analyzing *Pfaff*).

85. *See* Helen W. Nies, *Dissents at the Federal Circuit and Supreme Court Review*, 45 AM. U. L. REV. 1519, 1519–21 (1996).

86. Judge Nies appeared to take the view that logistical difficulties inherent in the en banc procedures thwarted widespread use of en banc practice to harmonize arguably conflicting panel opinions. *See id.* at 1520.

87. Concededly, some Federal Circuit en banc decisions seem to settle very little, especially when they feature perplexing arrays of partial concurrences, partial dissents, and "additional views." *E.g.*, Hilton Davis Chem. Co. v. Warner-Jenkinson Co., 62 F.3d 1512 (Fed. Cir. 1995) (per curiam opinion with concurring opinion filed by Newman, J.; dissenting opinion filed by Plager, J., joined by Archer, C.J., Rich, J., and Lourie, J.; dissenting opinion filed by Lourie, J., joined by Rich, J. and Plager, J.; dissenting opinion filed by Nies, J., joined in part by Archer, C.J.); *In re* Alappat, 33 F.3d 1526 (Fed. Cir. 1994) (opinion by Rich, J.; concurring and dissenting opinion by Archer, C.J., joined by Nieś, J.; concurring opinions by Newman, J., Plager, J., and Rader, J.; dissenting opinion by Mayer, J., joined by Michel, J.; dissenting opinion by Schall, J., joined by Clevenger, J.); Pennwalt Corp. v. Durand-Wayland, Inc., 833 F.2d 931 (Fed. Cir. 1987) (opinion by Bissell, J.; dissenting in part opinion by Bennett, J., joined by Cowen, J., Smith, J., and Newman, J.; separate opinion by Newman, J.; "additional views" by Nies, J.).

88. To be sure, having a settled rule might itself be a considerable feat in some areas of patent doctrine. *See* Thomas K. Landry, *Certainty and Discretion in Patent Law: The On Sale Bar, the Doctrine of Equivalents, and Judicial Power in the Federal Circuit*, 67 S. CAL. L. REV. 1151, 1169 (1994) (identifying doctrinal areas in which the Federal Circuit has arguably failed to take into account the likelihood that the value of simply having a settled rule will be high).

2. *A Managerial Model*

Consider, instead, a managerial model of Supreme Court review of Federal Circuit patent decisions. Such a model might operate on two basic principles:

(1) The Supreme Court should grant certiorari in patent cases to review substantive patent issues only where there is a compelling issue of the allocation of power among institutional actors at stake, which will often manifest itself as an issue of the process by which such actors have taken a decision.

(2) When the Supreme Court does intervene, the Supreme Court should ordinarily limit its opinion in accordance with its rationale for intervention. That is, the Supreme Court should ordinarily take care to see that its opinions are framed as decisions about allocating power. Pronouncements about substantive patent law standards should be couched in terms of the allocation of decision-making authority, thus delegating to other actors (presumably either the Federal Circuit or the PTO) the work of articulating and refining the substantive standards.

This proposal takes significant lessons from Estreicher and Sexton's "managerial" model of Supreme Court decision making.[89] The managerial model is built upon a pair of pragmatic considerations: first, that the Court's judicial resources are limited, such that it would be impossible for the Court as currently constituted to deliver definitive decisions on every important federal question that may come before it; and second, that the Court must take care to deploy its limited judicial resources most efficiently by acting "with great care before it finally resolves a question of federal law."[90]

As would be expected, a central premise of a managerial model is that the Supreme Court deliberately pursue careful delegation. In this context, delegation is institutionalized via a presumption of regularity:

> Except in special situations justifying immediate intervention, however the Court as manager should accord a presumption of regularity and validity to the decisions of state and lower federal courts .... The Supreme Court as manager would trust the subordinate actors in the judicial system, intervening only when some

89. *See* SAMUEL ESTREICHER & JOHN SEXTON, REDEFINING THE SUPREME COURT'S ROLE: A THEORY OF MANAGING THE FEDERAL JUDICIAL PROCESS 50 (1986) [hereinafter ESTREICHER & SEXTON, REDEFINING]. The Court asserted that:

> The reality of scarce resources dictates that the Court conceive of its role not in isolation, as an oracle issuing definitive rulings on national law, but as a manager of a process of federal law adjudication in which important responsibilities are assigned to the state courts at federal courts of appeals.

Id.; *see also* Samuel Estreicher & John E. Sexton, *A Managerial Theory of the Supreme Court's Responsibilities: An Empirical Study*, 59 N.Y.U. L. REV. 681, 710–15 (1984) [hereinafter Estreicher & Sexton, *Managerial*]. The managerial model attempts to provide the Court with a modern endpoint for its evolution from the traditional error-correcting model. *See supra* note 17 and accompanying text (describing the error-correcting model and distinguishing more modern concepts of the Court's appellate role).

90. ESTREICHER & SEXTON, REDEFINING, *supra* note 89, at 49.

structural signal (such as a persistent conflict between subordinates) indicated a problem requiring correction.[91]

The Estreicher and Sexton managerial model is designed to provide guidance for Supreme Court decision making in all aspects of the Court's jurisdiction. Estreicher and Sexton propose that the Court's docket be divided into three distinct segments: a priority docket, a discretionary docket, and an "improvident grant" docket.[92] Under this tripartite framework, Supreme Court review of Federal Circuit patent cases would ordinarily fall to the discretionary docket, in which the Court exercises review "as an exercise of its supervisory authority," rather than as a means for resolving lower court conflicts.[93]

Experience with Supreme Court review of Federal Circuit patent cases to date suggests that the broad principles underlying the model—the emphasis on management and delegation—may have significant force.[94] Specifically, a managerial or "process" model may help explain the Court's past successes and failures in review of Federal Circuit patent decisions, and may provide prudential guidelines for future cases.

3. *Recent Supreme Court Patent Decisions: A Managerial Perspective*

Obvious examples of existing cases in which the Supreme Court may be said to have followed a managerial model include cases that, although they are nominally patent cases, in fact facially present an issue of the allocation of power among institutional actors. Most straightforwardly, in *Dickinson v. Zurko*,[95] the Court held that the Federal Circuit erred in applying the "clearly erroneous" standard of review to PTO fact findings rather than the less stringent APA standard.[96] On its face, *Zurko* bears fundamentally upon the allocation of power between the Federal Circuit and the PTO. Supreme Court intervention to establish the allocation of authority with some measure of finality was vital.

Similarly, in *Cardinal Chemical*,[97] the Court dealt with a jurisdictional issue arising from the Federal Circuit decision-making process: when the Federal Circuit affirmed a district court noninfringement judgment, the Federal Circuit routinely vacated any accompanying declara-

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91. *Id.* at 50.

92. *See id.* at 44–45. The priority docket would include "cases the Court ordinarily should hear when they arise, irrespective of the Justices' own assessment of their significance"; the discretionary docket would include cases that, for example, "provide the Court with vehicles for major advances in the development of federal law" but do not otherwise qualify as priority cases; and the "improvident grant" docket would include cases that lack the qualifications for the discretionary or priority dockets. *Id.* at 44–45.

93. *Id.* at 67–68.

94. I leave aside broader questions, such as whether the Estreicher and Sexton model is appropriate for Supreme Court review generally, and whether the formal proposal for docket division should be accepted.

95. 527 U.S. 150 (1999).

96. *See id.* at 165; *see also* 5 U.S.C. § 706 (1994) (allowing agency fact findings to be set aside when they are arbitrary, capricious, an abuse of discretion, or unsupported by substantial evidence).

97. Cardinal Chem. Co. v. Morton Int'l, Inc., 508 U.S. 83 (1993).

tory judgment on patent validity.[98] The Court found no justification for the practice as a matter of the Article III "case or controversy" requirement, notions of jurisdictional "mootness," or as a matter of the sound exercise of the Federal Circuit's discretion.[99]

In *Markman*,[100] the Court explored the scope of the Seventh Amendment guarantee as applied to patent claim construction. Because the Seventh Amendment historical analysis and the analysis of patent law precedent proved inconclusive, the Court inquired into "functional considerations."[101] Here, the Court arguably operated as manager, deciding how to allocate the work of claim construction as between judge and jury, and necessarily establishing power relationships between fact-finder, district court judge, and the Federal Circuit.

Similar cases seem likely to arise in the future. For example, cases involving other questions of administrative law, such as whether the Federal Circuit should accord *Chevron* deference to PTO decisions,[102] or procedure, such as whether the Federal Circuit should apply its own law to antitrust matters,[103] may be expected to conform with a managerial model, in which the Supreme Court intervenes as arbiter of a power struggle among patent law institutions.

But the managerial model tells us little if it can be extended only to "patent" cases that turn on procedural or even Constitutional issues rather than substantive patent issues. True substantive patent cases pro-

98. *E.g.*, Vieau v. Japax, Inc., 823 F.2d 1510, 1517 (Fed. Cir. 1987).

99. *See Cardinal Chem. Co.*, 508 U.S. at 97–99. The Court did leave open the possibility that some cases might present a different policy analysis that would favor a discretionary vacatur of a validity judgment. *See id.* at 102. Justice Scalia agreed with the Court's analysis as to Article III and jurisdictional mootness, but dissented as to the Court's limits on the Federal Circuit's discretionary vacatur. *See id.* at 103 (Scalia, J., dissenting). Notably, Scalia's dissent clearly evinces the rhetoric of delegation. Scalia worried that the discretionary vacatur issue involved "the practicalities of the Federal Circuit's specialized patent jurisdiction, rather than matters of statutory or constitutional interpretation with which we are familiar." *Id.* at 105 (Scalia, J., dissenting). Accordingly, it was especially important that the practice be assessed against the backdrop of a true adversary proceeding, which was lacking because both parties sought to overturn the Federal Circuit's practice. *See id.* at 103 (Scalia, J., dissenting) (asserting that the discretionary vacatur point "is much less tied to general principles of law with which I am familiar, and much more related to the peculiarities of patent litigation, with which I deal only sporadically").

100. 517 U.S. 370 (1996).

101. *See id.* at 388–91 (resting the decision on "functional considerations" such as the promotion of uniform results and the respective competence of decision makers to carry out interpretation).

102. Scholars have already given the topic rigorous consideration. *E.g.*, R. Carl Moy, *Judicial Deference to the PTO's Interpretations of the Patent Law*, 74 J. PAT. & TRADEMARK OFF. SOC'Y 406, 438 (1992) (characterizing the PTO as an "atypical, non-expert agency excluded from the effects of *Chevron*"); Craig A. Nard, *Deference, Defiance, and the Useful Arts*, 56 OHIO ST. L.J. 1415, 1430–39 (1995); Arti Rai, *Intellectual Property Rights in Biotechnology: Addressing New Technology*, 37 WAKE FOREST L. REV. 827, 843–47 (1999).

103. *See* Nobelpharma AB v. Implant Innovations, Inc., 141 F.3d 1059, 1067–68 (Fed. Cir.), *cert. denied*, 525 U.S. 876 (1998) (holding that "whether conduct in procuring or enforcing a patent is sufficient to strip a patentee of its immunity from the antitrust laws is to be decided as a question of Federal Circuit law"); *see also In re* Indep. Serv. Orgs. Antitrust Litig., 203 F.3d 1322, 1325 (Fed. Cir. 2000) (holding that a claim for unilateral refusal to sell patented parts would be adjudicated under Federal Circuit law, while a claim for unilateral refusal to sell or license copyrighted manuals and software would be decided under the law of the originating circuit).

vide the more instructive and interesting examples. Among the Supreme Court's substantive patent law decisions in the Federal Circuit era, *Pfaff*[104] provides a reasonably good illustration of the ways in which applying the managerial model might subtly alter the tenor of Supreme Court decisions and the impact of the Supreme Court on substantive patent law.

Taken superficially, *Pfaff* appears to be standard fare. The Federal Circuit had invalidated patent claims based on the on-sale bar[105] even though the subject matter of the sale had not yet been reduced to practice. The Court said that it was granting certiorari to resolve a circuit split: "[O]ther courts have held or assumed that an invention cannot be on sale within the meaning of § 102(b) unless and until it has been reduced to practice. . . ."[106] Briefly surveying some of the relevant policy considerations, the Court fashioned its own on-sale standard.[107]

On its face, the *Pfaff* decision seems to be a singularly unsatisfying Supreme Court foray into substantive patent law. The Court's rationale for granting certiorari—the existence of an intercircuit conflict—is suspect. The conflict seems largely contrived; after all, it is a conflict between the Federal Circuit and regional appellate tribunals no longer having jurisdiction over the on-sale bar question.[108] Moreover, it is doubtful whether there was any perception among patent practitioners of the existence of any genuine conflict; rather, the Federal Circuit had expressly considered and definitively rejected the reduction to practice standard in *UMC Electronics*,[109] and the *UMC Electronics* approach was not questioned in subsequent Federal Circuit opinions.[110] Thus, the Supreme Court was not choosing between extant competing rules. Moreover, the

104. Pfaff v. Wells Elecs., Inc., 525 U.S. 55 (1998).

105. *See* 35 U.S.C. § 102(b) (Supp. IV 1998).

106. *Pfaff*, 525 U.S. at 60. The Court also questioned whether the statute supported the Federal Circuit's rhetoric, under which Pfaff's invention was deemed to be on-sale as long as it would "substantially complete," even if not complete to the point of a reduction to practice. *See id.*

107. The Court held that:

> [T]he on-sale bar applies when two conditions are satisfied before the critical date. First, the product must be the subject of a commercial offer for sale. . . . Second, the invention must be ready for patenting. That condition may be satisfied in at least two ways: by proof of reduction to practice before the critical date; or by proof that prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention.

Id. at 67–68.

108. The Court cited precedent from the Seventh and Second Circuits imposing a reduction to practice prerequisite on applicability of the on-sale bar. *See id.* at 60, *citing* Timely Prods. Corp. v. Arron, 523 F.2d 288, 299–302 (2d Cir. 1975); Dart Indus., Inc. v. E.I. Du Pont de Nemours & Co., 489 F.2d 1359, 1365, n.11 (7th Cir. 1973), *cert. denied*, 417 U.S. 933 (1974).

109. UMC Elecs. Co. v. United States, 816 F.2d 647, 653–56 (Fed. Cir. 1987), *cert. denied*, 484 U.S. 1025 (1988).

110. This is not to suggest that the Federal Circuit's rule was free from criticism. Commentators certainly had criticized the Federal Circuit's policy-driven standard as lacking any meaningful constraints on judicial discretion. *E.g.*, Landry, *supra* note 88, at 1169. However, there appears to be no evidence that the patent community was seriously mystified by any apparent "circuit split."

Court's attempt to fashion its own substantive standard leaves something to be desired.[111]

One might conclude that *Pfaff* appears to be an unfortunate venture because it simply involves no compelling allocation issue. But one can easily imagine other, more interesting scenarios. Consider, for example, the Federal Circuit's heavy reliance on the "totality-of-the-circumstances" rubric in its on-sale bar decisions.[112] One could argue that if the Federal Circuit's on-sale bar standard was deficient for its uncertainties, the "totality-of-the-circumstances" overlay was the culprit, not the court's reliance on substantial completion of the invention.[113] Applying the managerial model, the question might then become whether, by its use of the totality-of-the-circumstances standard, the Federal Circuit has arrogated to itself too much of the decision-making responsibility for the on-sale bar determination, leaving too little for the trier of fact.

This alternative rationale for certiorari might have yielded an entirely different opinion emphasizing the relative competence of respective decision makers, assessing their respective capacities for best balancing the substantive policy aims underlying the on-sale bar. Most importantly, the Supreme Court could have definitively resolved this allocation issue without engaging in the messy work of reformulating the substantive standard from scratch. For instance, the Court could have demanded that the Federal Circuit discard the totality-of-the-circumstances standard in favor of a deferential approach, leaving the Federal Circuit to articulate the details of the substantive standard.

Played out in this manner, *Pfaff* would have been an entirely sensible exercise from an institutional perspective.[114] Had it conformed to a managerial model, the Court may well have arrived at the same outcome. But the Court could have contoured its decision very differently, retaining a modicum of meaningful review authority while avoiding micromanagement of the substantive standard.

The much anticipated *Warner-Jenkinson* opinion[115]—another rare instance of Supreme Court intervention into substantive patent standards—provides another opportunity to explore the applicability of a managerial model. The Federal Circuit had upheld a jury verdict of infringement under the doctrine of equivalents. The alleged infringer

111. *See* William C. Rooklidge & Russell B. Hill, *The Law of Unintended Consequences: The On Sale Bar After* Pfaff v. Wells Electronics, 82 J. PAT. & TRADEMARK OFF. SOC'Y 163, 167 (2000) (offering various criticisms).

112. *See Pfaff*, 525 U.S. at 65–67 (citing relevant Federal Circuit authority).

113. In fact, the Court in *Pfaff* made brief mention of the totality of the circumstances approach, and the possibility of shortcomings with it. *See id.* at 66 n.11. For other criticism of the totality of circumstances approach as used in the context of the § 102(b) bar, see Landry, *supra* note 88, at 1192; William C. Rooklidge & Stephen C. Jensen, *Common Sense, Simplicity and Experimental Use Negation of the Public Use and On Sale Bars to Patentability*, 29 J. MARSHALL L. REV. 1, 29 (1995).

114. This is true independently of whether discarding the totality-of-the-circumstances test would be a sensible solution as a matter of patent policy.

115. Warner-Jenkinson Co. v. Hilton-Davis Chem. Co., 520 U.S. 17 (1997).

raised a variety of challenges, including challenges to the very existence of the doctrine, the proper test for the doctrine, whether the doctrine was properly before the jury, and whether resort to the doctrine should have been precluded as a matter of law under the doctrine of prosecution history estoppel. Ostensibly, the Court took the case on certiorari to resolve whether the Seventh Amendment guaranteed a jury trial on the doctrine of equivalents. Instead, the Court delivered a broad-ranging opinion in which it "endeavor[ed] to clarify the proper scope of the doctrine" of equivalents,[116] and instead found itself formulating new standards for prosecution history estoppel while avoiding altogether any definitive resolution of the jury trial issue.[117]

Warner-Jenkinson contains a mixture of statements, at least some of which are consistent with a managerial model. For example, the Court wisely ducked the debate over the proper "linguistic framework" for doctrine of equivalents analysis. Instead, the Court satisfied itself with a brief recitation of limiting principles, and then announced its intention to defer:

> With these limiting principles as a backdrop, we see no purpose in going further and micro-managing the Federal Circuit's particular word-choice for analyzing equivalence. We expect that the Federal Circuit will refine the formulation of the test for equivalence in the orderly course of case-by-case determinations, and we leave such refinement to that court's sound judgment in this area of its special expertise.[118]

This is clearly a reflection of the impulse to delegate, consistent with the broad outlines of the managerial model. While it leaves substantial work to the Federal Circuit, that is as it should be; the Federal Circuit should be able to deploy its expertise to manage more efficiently the linguistic framework for the doctrine of equivalents.

Similarly, in the course of avoiding any definitive ruling on the issue of a Seventh Amendment jury trial right on infringement under the doctrine of equivalents, the Court effectively invoked procedural mechanisms to guide future allocations of decision-making responsibility on substantive patent matters. Offering "only guidance, not a specific mandate,"[119] the Court encouraged the Federal Circuit to address possible lower court reluctance to grant summary judgments on equivalency issues and called for the use of special verdict forms calling out specific

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116. *Id.* at 21.

117. According to the Court:

> The Federal Circuit held that it was for the jury to decide whether the accused process was equivalent to the claimed process. There was ample support in our prior cases for that holding.... Whether, if the issue were squarely presented to us, we would reach a different conclusion than did the Federal Circuit is not a question we need decide today.

Id. at 38–39.

118. *Id.* at 40.

119. *Id.* at 39 n.8.

claim elements to facilitate review of jury verdicts on equivalency.[120] Even as to these procedural matters, the Court carefully refrained from interjecting itself into details of the debate: "We leave it to the Federal Circuit how best to implement procedural improvements to promote certainty, consistency, and reviewability to this area of the law."[121]

Unfortunately, *Warner-Jenkinson* is not an unalloyed embodiment of adherence to the managerial model. In some respects, the Court's reasoning is clearly inconsistent with the model and, tellingly, these are the least successful aspects of the opinion. The Court's commentary on prosecution history estoppel provides an illustration. The Court asserted that in view of the notice function of claims, a patent applicant's silence during prosecution as to the reasons for a claim amendment should be held against the applicant presumptively. The patentee could later overcome the presumption by showing that the patentee made the amendment for reasons other than limiting claim scope. According to the Court:

> Where no explanation is established, however, the court should presume that the PTO had a substantial reason related to patentability for including the limiting element added by amendment. In those circumstances, prosecution history estoppel would bar the application of the doctrine of equivalents to that element.[122]

It is clear, especially in hindsight, that in this foray into substantive prosecution history estoppel standard-setting, the Court was entering unreasonably rough waters, and, worse, seemed to be doing so unwittingly.[123] Whatever its genesis, the Court's inartful phrasing here has bedeviled subsequent litigants, launched a debate between Federal Circuit judges marked by unusual divisiveness and intemperate rhetoric,[124] and

120. *See id.*

121. *Id.*

122. *Id.* at 33.

123. In particular, the Court appears to have been unaware that a body of case law had already developed around the question of the proper scope of estoppel under the prosecution history estoppel doctrine. That case law generally supported the proposition that prosecution history estoppel precluded an assertion of equivalency so broad in scope as to operate as an effort to recapture what the applicant gave up. Narrower assertions of equivalency were still allowed. *E.g.*, Modine Mfg. Co. v. United States Int'l Trade Comm'n, 75 F.3d 1545, 1555–56 (Fed. Cir. 1996), *cert. denied*, 518 U.S. 1005 (1996); Dixie USA, Inc. v. Infab Corp., 927 F.2d 584, 588 (Fed. Cir. 1991) ("A total preclusion of equivalence should not apply."); LaBounty Mfg., Inc. v. United States Int'l Trade Comm'n, 867 F.2d 1572, 1576 (Fed. Cir. 1989) (prosecution history estoppel is not necessarily "fatal to application of the doctrine itself"); Hughes Aircraft Co. v. United States, 717 F.2d 1351, 1363 (Fed. Cir. 1983) (the scope of estoppel can be anywhere "from great to small to zero"). By ruling that prosecution history estoppel would "bar the application of the doctrine of equivalents as to that element," the Court seemed to be imposing a contrary rule that precluded even narrower assertions of equivalency. *Warner-Jenkinson*, 520 U.S. at 33.

124. *See* Litton Sys., Inc. v. Honeywell, Inc., 140 F.3d 1449, 1456–58 (Fed. Cir. 1998). In view of prior case law, including Supreme Court decisions recognizing the concept of scope of prosecution history estoppel, it was improper to construe the Court's *Warner-Jenkinson* statement as endeavoring to "change so substantially the rules of the game." In addition, the Court stated that "[a] careful reading of the Supreme Court's opinion in context shows that *Warner-Jenkinson* did not effect a change in the scope of subject matter precluded by an estoppel, but only in the circumstances that may trigger an estoppel." *Id.* *But cf.* Hughes Aircraft Co. v. United States, 148 F.3d 1384, 1385 (Fed. Cir. 1998) (denial of suggestion for rehear-

spawned an en banc review of the prosecution history estoppel doctrine in a case that may well itself wind up back at the door of the Supreme Court.[125]

Perhaps the Court's oversight here is a mere isolated instance of carelessness. On the other hand, perhaps it exemplifies a potential systemic problem. The potential for gaffes of this sort is especially acute where the Court sits as overseer of an expert tribunal in a complex area of law, and this potential grows as the scope and strength of the autonomy of the expert tribunal expands. The Court should have more carefully considered the reasons for taking *Warner-Jenkinson* on certiorari in the first place. Had it done so, the Court might have directed the Federal Circuit to fashion the appropriate substantive standard for prosecution history estoppel.

The *Eli Lilly* case[126] furnishes even a less satisfying illustration of the Supreme Court's involvement in substantive patent law decision making. *Eli Lilly* involved a dispute over the scope of the infringement exemption of 35 U.S.C. § 271(e)(1),[127] which exempts acts undertaken in connection with "the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs."[128] The alleged infringer, Medtronic, produced an implantable cardiac defibrillator, a medical device subject to an FDA pre-market approval procedure under § 515 of the Federal Food, Drug, and Cosmetic Act (FDCA).[129] The issue, as the Court recognized, was purely one of statutory interpretation:

> The core of the present controversy is that petitioner [Lilly] interprets the statutory phrase, "a Federal law which regulates the manufacture, use, or sale of drugs," to refer only to those individual

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ing en banc) (Clevenger and Gajarsa, JJ., dissenting); Litton Sys., Inc. v. Honeywell, Inc., 145 F.3d 1472, 1472 (Fed. Cir. 1998) (denial of suggestion for rehearing en banc) (Plager, Clevenger, and Gajarsa, JJ., dissenting).

125. *See* Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 172 F.3d 1361 (Fed. Cir. 1999), *vacated and reh'g en banc granted*, 187 F.3d 1381 (Fed. Cir. 1999). En banc questions three and four are most relevant to the *Warner-Jenkinson* statement:

> (3) If a claim amendment creates prosecution history estoppel, under *Warner-Jenkinson* what range of equivalents, if any, is available under the doctrine of equivalents for the claim element so amended?
>
> (4) When "no explanation [for a claim amendment] is established," *Warner-Jenkinson*, 520 U.S. at 33, thus invoking the presumption of prosecution history estoppel under *Warner-Jenkinson*, what range of equivalents, if any, is available under the doctrine of equivalents for the claim element so amended?

Festo, 187 F.3d at 1381–82.

126. Eli Lilly & Co. v. Medtronic, Inc., 496 U.S. 661 (1990).

127. According to that provision:

> It shall not be an act of infringement to make, use, offer to sell, or sell within the United States or import into the United States a patented invention . . . solely for uses reasonably related to the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs . . . .

35 U.S.C. § 271(e)(1) (1994).

128. *Eli Lilly*, 496 U.S. at 665.

129. *See* 21 U.S.C. § 360(e) (Supp. III 1997).

> provisions of federal law that regulate drugs, whereas respondent [Medtronic] interprets it to refer to the entirety of any Act (including, of course, the FDCA) at least some of whose provisions regulate drugs.[130]

Adopting Medtronic's interpretation, the Court majority affirmed, closing with a curmudgeonly flourish:

> No interpretation we have been able to imagine can transform § 271(e)(1) into an elegant piece of statutory draftsmanship. To construe it as the Court of Appeals decided, one must posit a good deal of legislative imprecision; but to construe it as petitioner would, one must posit that and an implausible substantive intent as well.[131]

The prudential limitations of a managerial model would have counseled strongly against a certiorari grant in *Lilly*. An exercise in interpreting the language of a complex provision of the Patent Statute does not present any straightforward allocation issue and, under ordinary circumstances, would seem precisely the sort of task suited to the Federal Circuit, which should be able most efficiently to deploy its expertise in rendering an interpretation that coheres with other complementary statutory provisions and patent policy more generally.[132]

Of course, the Federal Circuit might get it wrong, and the managerial model would still counsel against Supreme Court intervention. But that is just the point: under a managerial model, Court participation is triggered by the presence of a compelling allocation issue, not by the presence of substantive error. The managerial model suggests that the Court may be better-off overall if it lets stand some substantive error, in order to achieve the benefits of conserving judicial resources and applying them to higher priority problems (quite possibly outside of patent law altogether).

It is also worth observing that a managerial model is likely to be fluid enough to allow Supreme Court intervention even in a case like *Lilly*. The Court could, for example, find fault with the methodology of interpretation employed by the Federal Circuit, and justify intervention as an exercise of its superior authority to dictate the interpretive process. While such an argument seems consistent with the principles underlying the managerial model—barely—it offers a strikingly thin pretext for intervention, and would undermine the model if used in any but the most extraordinary case.

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130. *Eli Lilly*, 496 U.S. at 665–66.

131. *Id.* at 679.

132. The same conclusion would be reached under application of Estreicher and Sexton's managerial model: "Rulings framed as interpretations of a statute . . . do not present the kind of confrontation with a coordinate branch that requires immediate intervention by the Court." ESTREICHER & SEXTON, REDEFINING, *supra* note 89, at 61 (urging that such disputes be relegated to the Court's "discretionary" docket, meaning that the Court would choose to take them up only after exhausting all cases on its "priority" docket).

4. *Future Supreme Court Patent Jurisprudence Under a Managerial Model*

Turning finally to an exploration of how a managerial model might be applied in disputes that are likely to generate certiorari petitions in the near future, it appears that a managerial model could offer useful guidance for future Supreme Court patent jurisprudence. Consider first a hypothetical case that features claims to an Internet-implemented business model. Assume that the claims have been held by the Federal Circuit to constitute patent-eligible subject matter under the standard of *State Street Bank* and its progeny.[133] Consider a second case featuring claims to a target gene corresponding to an expressed sequence tag (EST). Assume that the Federal Circuit holds that these claims satisfy the statutory utility requirement[134] under the standard of *In re Brana.*[135]

Some observers would presumably point to cases such as these as the very epitome of Federal Circuit hubris, presenting a compelling case for Supreme Court review under what is seemingly a very mundane rationale: alleged substantive error on the part of the Federal Circuit, with arguably dramatic economic consequences. Considered more carefully, however, this rationale for intervention leans towards a vision of the Supreme Court as an error-correcting institution, which is no longer a viable conception of the Court's function. Moreover, assuming that one rejects an interventionist approach, then merely identifying an alleged substantive error may not alone be sufficient to trigger Supreme Court review.

What result would be obtained under proper deployment of a managerial model? Would adherence to a managerial model shield the Federal Circuit from review in the two hypothetical cases? This is clearly an important question, because it exposes what is presumably the primary objection to a managerial model: that it envisions such a highly attenuated role for the Court in future patent cases that it is practically indistinguishable from the current practice of invisibility.

In fact, though, it would be quite easy to justify Supreme Court intervention in both of the hypothetical cases under a managerial model. Both cases involve a clear allocation issue—indeed, the same allocative issue: the power relationship between the Supreme Court and the Federal Circuit as manifested in Federal Circuit obedience to pre-Federal Circuit era Supreme Court precedent, *Gottschalk v. Benson*[136] in the

133. *See* State St. Bank & Trust Co. v. Signature Fin. Group, Inc., 149 F.3d 1368 (Fed. Cir. 1998), *cert. denied*, 525 U.S. 1093 (1999). Justice Stevens, at least, may have already hinted that the matter of statutory subject matter for software claims has his attention. *See* Excel Communications, Inc. v. AT&T Corp., 172 F.3d 1352 (Fed. Cir.), *cert. denied*, 528 U.S. 946 (1999) (Stevens, J., statement respecting denial of certiorari) ("The importance of the question presented in this certiorari petition makes it appropriate to reiterate the fact that the denial of the petition does not constitute a ruling on the merits.").

134. *See* 35 U.S.C. § 101 (1994).

135. 51 F.3d 1560, 1565 (Fed. Cir. 1995).

136. 409 U.S. 63 (1972).

software hypothetical and *Brenner v. Manson*[137] in the utility hypothetical.[138]

If application of the managerial model, and pursuit of an ad hoc approach to certiorari grant, would both lead to certiorari grants in the hypothetical cases, then what does the managerial model really add? First, the model could help refine the certiorari inquiry in patent cases. The model calls primarily for judgments not only about which issues can be reformulated as issues of allocation, but also about which issues, once formulated, present a compelling case for review. Distinguishing the compelling from the mundane may itself call for some expertise, but the cost, in terms of institutional resources, may be modest.[139]

This function is to be distinguished carefully from the function of dictating the frequency of certiorari grants. One might suppose that the Supreme Court would continue to be highly selective in granting certiorari in patent cases under a managerial model, but this outcome is by no means inevitable. It may turn out to be relatively easy for the Supreme Court to recast many substantive patent law disputes as matters of the allocation of power.[140]

Second, even if the managerial model may have relatively little to say about the frequency of certiorari grants in patent cases, it should have a good deal to say about the way in which Supreme Court patent decisions are constructed. Consider again the hypothetical involving subject matter eligibility for computer software. If the Court grants certiorari on the rationale offered above—the need to relieve possible tension between Supreme Court precedent and current Federal Circuit practice as to subject matter eligibility for software patents—then there is no need for the Court to take on the task of formulating its own standard for software patent, subject matter eligibility. Instead, the Court could, for example, summarily endorse Federal Circuit practice. A summary endorsement would serve a useful purpose, clearing away nagging questions about the continuing effect of *Gottschalk*, confirming the Court's continued relevance as an overseer, yet avoiding the need for the Court to spend scarce resources on substantive detail, critical though that detail may be. The same advantages would be achieved if the Court were to reject summarily the Federal Circuit practice and direct the Federal Cir-

137. 383 U.S. 519 (1966).

138. A similar analysis might be applied to the doctrine of licensee estoppel, where Federal Circuit practice arguably diverges from Supreme Court precedent established in *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969). For a persuasive critique of *Lear*, see Rochelle Cooper Dreyfuss, *Dethroning Lear: Licensee Estoppel and the Incentive to Innovate*, 72 VA. L. REV. 677 (1986).

139. For example, one should not overlook the potential role of the Solicitor General's office in flagging cases where allocation of decision making responsibility is really the issue. Personal communication from Professor John Duffy, Apr. 2000.

140. Indeed, the Supreme Court could presumably justify a certiorari grant in any case on these terms, on the rationale that the fact of Supreme Court intervention is itself inherently a statement about the Supreme Court's own exercise of power as an institutional player in the patent system. Frequent use of this rationale would obviously tend towards interventionism and the problems associated with that approach.

cuit to formulate standards that are consistent with *Gottschalk*. In either instance, the Court would be engaged in quintessential executive decision making, a role for which it is well-suited.

All of this may suggest that adoption of the managerial model may leave the Supreme Court a bit tongue-tied as to substantive patent matters. This, in fact, is a good thing. Or, to put a finer point on it, the model seeks to supply prudential limitations for the Court, reminding the Court that in the ordinary case it can minimize the potential for enmeshing itself in the minutiae of substantive doctrine by disciplining itself to speak in allocative terms. Viewed generously, this is the best of both worlds; less generously, it is a workable compromise. The Court retains its power to influence the direction of the substantive law, but does so indirectly, remaining safely removed from the front lines of the doctrinal fray by resisting the temptation to speak directly on substantive doctrinal matters.

In conclusion, the Court should adopt a managerial model for review of the Federal Circuit's substantive patent decisions. Alternatively, the Court must adopt *some* model that maintains its visibility in patent law while avoiding micromanagement. The Court should view this task not only as an important one within the sphere of patent law, but also as a key question on the absorption of a limited subject matter appellate tribunal into the structure of the federal judiciary.