

Patent Invalidity and the Seventh Amendment: Is the Jury Out?*

I. INTRODUCTION

The role of juries in deciding patent suits has grown dramatically in recent times. In the late 1960s to early 1970s, juries decided patent disputes in less than ten percent of cases.¹ By contrast, in the 1990s, the percentage of patent jury trials now exceeds fifty percent.² Many observers believe that the increase in patent cases tried before juries is related to the increase in verdict awards from patent litigation.³ Not surprisingly, the effect of jury outcomes in patent disputes is a hotly debated issue among the business community, academics, and practitioners. Emerging from the debate are charges of jury bias⁴ and jury difficulty in understanding complex patent and high technology law.⁵

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1. See, e.g., *Blonder-Tongue Lab. v. University of Ill. Found.*, 402 U.S. 313, 336 n.30 (1971) (reporting that 13 of 382 patent suits were decided by juries in the period 1968-1970).

2. See, e.g., *In re Lockwood*, 50 F.3d 966, 980 n.1 (Fed. Cir. 1995) (percentage of jury trials was about 60% from 1992-1994 and reached 70% in 1994).

3. Stephen B. Judlowe & Lee A. Goldberg, *Jury Trials*, 397 PLI/PAT 173, 173 (1994); see also Timothy L. Swabb, *Federal Circuit Cannot Stop Runaway Jury Awards in Patent Suits*, 3 MEALEY'S LITIG. REP.: PAT. 11 (1995) [hereinafter Swabb].

4. Lay juries may be inherently biased towards the patentee because they hold the U.S. Patent Office in high regard. Swabb, *supra* note 3, at 176. Jury bias may also be evident in the preference of awards to independent inventors challenging large corporations or foreign corporations. *Id.* See also Daniel Akst, *The Cutting Edge: Computing/Technology/Innovation INTELLECTUAL PROPERTIES Patent Suit Jury Trials are the Rage*, L.A. TIMES, Apr. 20, 1994, at 8.

5. Juries may be too easily swayed by tangential issues because they are unable to properly understand the complex technologies of today's patents. See Swabb, *supra* note 3, at 177; see also Gregory D. Leibold, *In Juries We Do Not Trust: Appellate Review of Patent-Infringement Litigation*, 67 U. COLO. L. REV. 623, 623 n.4 (1996); *Abolition of Jury Trials in Patent Cases*, 34 IDEA 77 (1994).

In light of such concerns, many practitioners advocate reducing or abolishing the role of juries in patent cases.⁶

The role of the jury in patent trials has remained unclear after a series of recent court decisions. The constitutional question at issue in these decisions was whether the Seventh Amendment barred the elimination of juries from deciding specific issues in patent cases. The actions challenging the Seventh Amendment involve: (1) patent claims, (2) the doctrine of equivalents, and (3) patent invalidity.

Concerning the issue of patent claims, the Court of Appeals for the Federal Circuit ("Federal Circuit"), sitting *en banc*, brushed aside concerns about Seventh Amendment rights in *Markman v. Westview Instruments Inc.*⁷ when it precluded juries from deciding the interpretation and scope of patent claims, the portion of the patent that expressly defines the metes and bounds of a patentee's property interest in an invention.

For the doctrine of equivalents,⁸ the Federal Circuit in *Hilton-Davis Chemical Co. v. Warner-Jenkensen Co.*,⁹ again sitting *en banc*, by a narrow margin upheld the doctrine and the right under the Seventh Amendment to have a jury apply the doctrine. The U.S. Supreme Court, however, reversed and remanded *Hilton-Davis* without discussing the Seventh Amendment issue because the court deemed it unnecessary to decide the case.¹⁰

Finally, patent invalidity is a defense commonly raised in actions for patent infringement when the defending alleged infringer asserts the patent either is invalid or he or she is not liable for infringement.¹¹ The right to a jury under the Seventh Amendment for the question of patent invalidity is a hotly contested issue within the Federal Circuit that

6. See, e.g., *Abolition of Jury Trials in Patent Cases*, 34 IDEA 77 (1994); Kenneth R. Adamo, *Reforming Jury Practice in Patent Cases: Suggestions Towards Learning to Love Using an Eighteenth Century System While Approaching the Twenty First Century*, 78 J. PAT. & TRADEMARK OFF. SOC'Y 345 (1996).

7. *Markman v. Westview Instruments Inc.*, 52 F.3d 967 (Fed. Cir. 1995), *aff'd*, 116 S.Ct. 1834 (1996).

8. The doctrine of equivalents is a critical area of patent infringement litigation. Under the doctrine, a patentee attempts to expand the literal scope of the patent claims to include "equivalents" of the claimed invention. See, e.g., 5 DONALD S. CHISUM, CHISUM ON PATENTS § 18.04 (1997).

9. *Hilton-Davis Chem. Co. v. Warner-Jenkensen Co.*, 62 F.3d 1512, 1521 (Fed. Cir. 1995) (Federal Circuit in a narrow 7 to 6 ruling upheld the right of jury trial to patent infringement suit for evaluating the doctrine of equivalents).

10. *Warner-Jenkensen Co. v. Hilton-Davis Chem. Co.*, 117 S.Ct. 1040, 1053 n.8 (1997). A unanimous court appeared to favor the jury role although it did not directly address the issue ("Nothing in our recent *Markman* decision necessitates a different result than that reached by the Federal Circuit."). *Id.*

11. See *infra* Part II.A.

has yet to be resolved by the court *en banc*. The Federal Circuit in panel decisions recently faced the Seventh Amendment question of patent invalidity in *In re Lockwood*¹² and in *In re SGS-Thomson Microelectronics Inc.*,¹³ which was decided based on the court's holding in *Lockwood*.¹⁴ In both cases, a district court denied the plaintiff's demand to have a jury decide the patent invalidity claim, and in both cases the Federal Circuit granted the plaintiff's request for a writ of mandamus to have a jury try the invalidity claim. Also, in both cases, the Federal Circuit declined a request by the defendant for an *en banc* suggestion to rehear the writ.¹⁵

In *Lockwood*, three members of the Federal Circuit, led by Circuit Judge Nies, filed a vigorous dissent that attacked the panel's decision on its interpretation of the Seventh Amendment.¹⁶ The defendant in *Lockwood* sought review by the U.S. Supreme Court. The Court, without explanation, vacated the Federal Circuit's decision granting the writ of mandamus to *Lockwood* and remanded the case to the district court with instructions to proceed.¹⁷

After vacating the decision in *Lockwood*, the Supreme Court denied a petition for writ of certiorari by the defendant in *SGS-Thomson*, appealing from the Federal Circuit decision to grant a writ of mandamus for a jury trial to hear the patent invalidity action.¹⁸ The denial of request for certiorari may indicate the Supreme Court's satisfaction with the Federal Circuit's apparent majority view favoring the Seventh Amendment right to a jury trial in patent invalidity actions. The Supreme Court's order to vacate the decision in *Lockwood* necessarily eliminates the precedential value of a jury trial right for patent invalidity,

12. *In re Lockwood*, 50 F.3d 966 (Fed. Cir. 1995); see *infra* Part III for additional details of the case.

13. *In re SGS-Thomson Microelectronics*, 60 F.3d 839 (Fed. Cir. 1995). See *infra* Part III for additional details of the case.

14. *SGS-Thomson*, 60 F.3d at 839.

15. *Lockwood*, 50 F.3d at 981; *In re SGS-Thomson*, 60 F.3d at 862.

16. *Lockwood*, 50 F.3d at 981 (Nies J., dissenting); see also *infra* note 23.

17. *American Airlines, Inc. v. Lockwood*, 116 S. Ct. 29 (1995). See also *infra* note 58 and accompanying text, which suggest that the Supreme Court vacated the judgment because *Lockwood* withdrew his demand for a jury trial.

18. *International Rectifier v. SGS-Thomson Microelectronics*, 116 S. Ct. 336 (1995) (denying certiorari).

provided by the Federal Circuit's decisions in *Lockwood* and in *SGS-Thomson*.¹⁹

Thus, the issue of the Seventh Amendment right to a jury trial in patent invalidity actions remains unsettled and continues to raise confusion at the district court level.²⁰ With public pressure rising against jury verdicts, the split in the Federal Circuit and the silence of the Supreme Court on the Seventh Amendment right in patent invalidity actions will continue to fuel the public concern about this important constitutional issue.

This Comment examines the constitutional issues surrounding the Seventh Amendment right to a jury trial on the subject of patent invalidity. Part II of the Comment presents background information about patent validity, infringement, and declaratory relief actions necessary to fully appreciate the procedural issues in patent actions that affect a Seventh Amendment analysis. Part III presents a detailed discussion of the procedural issues in *Lockwood* and in *SGS-Thomson vis-a-vis* patent rights in jury trials. Parts IV and V analyze the Seventh Amendment issues raised in Judge Nies's dissent in *Lockwood*.²¹ Specifically, Part IV evaluates the Seventh Amendment historical test and applies it to a declaratory judgement of patent invalidity. Part V discusses a jury trial right to patent invalidity in view of two known exceptions to the Seventh Amendment: the public rights exception and the matter of law exception. Finally, this Comment concludes that an action for patent invalidity should not be afforded a jury trial right under the Seventh Amendment because the action is arguably equitable rather

19. Decisions that have been vacated and remanded for further proceedings normally carry no precedential value. See *County of Los Angeles v. Davis*, 440 U.S. 625, 634 n.6 (1979) (citing *O'Connor v. Donaldson*, 442 U.S. 563, 578 n.12 ("Of necessity our decision 'vacating the judgment of the Court of Appeals deprives that court's opinion of precedential effect'")); *Fleet Aerospace v. Holderman*, 848 F.2d 720, 722 (1988); but see *William N. Hulsey III et al., Recent Developments in Patent Law*, 4 TEX. INTELL. PROP. L.J. 99, 114 (1995) (suggesting the Supreme Court order to vacate the *Lockwood* judgement might constitute an implicit reversal of the Federal Circuit's judgment).

20. See *Hoechst Marion Roussel v. Par Pharmaceutical*, 39 U.S.P.Q.2d (BNA) 1363, 1367 (D.N.J. 1996) (unpublished opinion; in granting certification for appeal under 28 U.S.C. § 1292(b), the court reasoned that "a controlling question of law exists over whether a jury trial is available on issues of noninfringement and invalidity.>").

21. *In re Lockwood*, 50 F.3d 966 at 981 (Nies J., dissenting). The dissent asserted that (1) patents are public rights and as such, are exempted from the Seventh Amendment; (2) the historical test conclusion that a declaratory judgement action to invalidate a patent is the flipside of a common law infringement action; and (3) policy reasons dictate that the issue of patent invalidity be a matter of law necessitating the judge rather than the jury determine the underlying fact issues. *Id.*

than legal in nature, and the question of patent invalidity should be considered a pure matter of law reserved solely for the court.

II. Background

To fully appreciate the Seventh Amendment issues surrounding patent invalidity actions, a basic understanding of patent infringement is required. Accordingly, a discussion of patent invalidity and declaratory judgment follows.

A. Patent Invalidity

The Constitution, Article I, Section 8, provides the federal government with the authority to enact patent laws.²² Congress has passed many such laws which are now codified under Title 35 of the U.S. Code. Under the patent laws, the government grants a patent for an invention meeting the requirements of patentability as specified in the statutes.²³ The patent grant allows exclusive use of the patented invention by patentees or their assigns for a limited period of time in exchange for disclosing the invention in full to the public. The patent laws also protect established patent rights by specifying infringing activities and remedies available in the courts.²⁴

Traditionally, a patentee sued an alleged infringer for infringement of the patent and requested damages or equitable relief. The alleged infringer could raise any of four major defenses to the infringement claim, including patent invalidity.²⁵ The U.S. Patent and Trademark Office ("Patent Office") issues a patent when a patent application meets three major statutory requirements. First, an invention must fit into one of the statutory classes of subject matter allowed for a patent and have utility.²⁶ Second, the invention must be novel²⁷ and it must not be

22. U.S. CONST. art. I, § 8.

23. 35 U.S.C. §§ 100-135 (1988).

24. 35 U.S.C. §§ 271-296 (1988).

25. The other defenses are inequitable conduct or fraudulent procurement, which renders a patent unenforceable, misuse or violation of anti-trust laws, and laches or estoppel resulting from delay in filing suit. *See, e.g.,* CHISUM, *supra* note 8, § 19.01.

26. 35 U.S.C. § 101 (1988) ("Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or an new useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.").

obvious.²⁸ Finally, the patent application must fully describe the invention (description requirement) so that others can make and use it (the enablement requirement); set out the best mode known to the inventor for carrying out the invention; and have a claim that clearly sets out the metes and bounds of the patented invention.²⁹

Patents issued by the Patent Office carry a statutory presumption of validity under 35 U.S.C. § 282 that attaches separately to each claim of the patent.³⁰ However, the effect of the presumption is not conclusive and a patent's validity can be challenged in the courts.³¹ To overcome the presumption of validity, a patent challenger is required in most instances to provide clear and convincing evidence of patent invalidity, a higher standard of proof than in other civil actions.³²

27. 35 U.S.C. § 102 (1988) (section 102 sets out seven situations that would negate a patent based on lack of novelty.).

28. 35 U.S.C. § 103 (1988). Section 103 provides that although an invention may be novel under § 102 of the title, a patent may not be obtained if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

Id.

29. 35 U.S.C. § 112 (1988). Section 112 provides that the specification (i.e. the patent application) shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise and exact terms as to enable any person skilled in the art to carry . . . out his invention. The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Id.

30. 35 U.S.C. § 282 (1988). While more recent statutory support is provided by section 282, the defense of patent invalidity has been around for a very long time. *See In re Lockwood*, 50 F.3d 966, 974 n.8 (Fed. Cir. 1995).

31. 35 U.S.C. § 282 (1988). It provides in pertinent part that:

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

- 1) Noninfringement, absence of liability for infringement or unenforceability,
- 2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability,
- 3) Invalidity of the patent or any claim in suit for failure to comply with any requirements of sections 112 or 251 of this title,
- 4) Any other fact or act made a defense by this title.

See also *Constant v. Advanced Micro-Devices*, 848 F.2d 1560, 1564 (Fed. Cir. 1988). Under § 282, a patent's validity can be challenged on numerous grounds. *See, e.g.*, Gordon T. Arnold, *Developing Evidence on Patent Validity Issues* 424 PLI/PAT 9 (1995) (discussing patent validity evidence relating to prior art and best mode).

32. *North Am. Vaccine v. American Cyanamid Co.*, 7 F.3d 1571, 1579 (Fed. Cir. 1993) ("a patent is presumed valid, and at trial [the plaintiff] had the burden of proving facts by clear and convincing evidence showing that the patent is invalid"); *but see* *Manufacturing Research Corp. v. Graybar Elec. Co.*, 679 F.2d 1355 (reversing finding

Although the courts acknowledge a public interest in eliminating invalid patents,³³ an invalid patent may not be challenged in the court on this ground alone.³⁴ Patent validity may be challenged in federal court, however, if raised as a defense to infringement or some other claim involving the patent.³⁵ Alternatively, validity may be counter-claimed in response to a claim for infringement or raised as an entirely separate claim for declaratory judgment.

B. Declaratory Judgment

Congress passed the Declaratory Judgment Act in 1934.³⁶ The act authorizes the federal courts to settle the rights and obligations of parties to a dispute that has not yet ripened.³⁷

In the patent field, declaratory judgment actions arise mainly from two situations.³⁸ In one situation, invalidity may be charged by a manufacturer producing a product that potentially infringes another's patent. In the second situation, a licensee may assert invalidity as a defense to a licensing dispute.³⁹

of patent validity for failure to instruct jury on preponderance of evidence standard when patent issued without consideration of the relevant prior art).

33. *Blonder Tongue Lab. v. University of Ill.*, 402 U.S. 313 (1971) (emphasizing the importance of the public in resolving the question of patent validity).

34. As the validity of a patent under the patent statute involves a federal question, one does not have standing to challenge an invalid patent without a case or controversy. *See, e.g., Foster v. Hallco Mfg.*, 947 F.2d 469, 479 (Fed. Cir. 1991) ("The basis for maintaining a declaratory judgment for invalidity rests on the existence of a 'case of actual controversy,' cognizable in federal court.").

35. Although invalidity is raised most often as part of an action to patent infringement, this defense can also be raised in a variety of other actions involving patents, including priority of invention under § 102(g) of the patent statute and patent licensing disputes. *See, e.g., Kimberly-Clark Corp. v. Procter & Gamble Distrib. Co.*, 973 F.3d 911 (Fed. Cir. 1992) (finding infringement claim not required to resolve 35 U.S.C. § 102(g) priority issue between parties); *Cardinal Chem. Co. v. Morton Int'l*, 508 U.S. 83 (1967) (regarding a patent licensing dispute).

36. Declaratory Judgments Act of 1934, Pub. L. No. 73-512, 48 Stat. 955 (codified as amended at 28 U.S.C. §§ 2201-2202 (1994)).

37. *See generally* 6A JAMES WM. MOORE ET AL., MOORE'S FEDERAL PRACTICE R57 (2nd ed. 1996).

38. For a discussion of declaratory judgment in the licensee-patentee dispute, see Neil M. Goodman, *Patent License Standing and the Declaratory Judgment Act*, 83 COLUM. L. REV. 186 (1983).

39. *Id.*

Declaratory judgment is particularly useful to a potential infringer because prior to the Declaratory Judgments Act, a manufacturer was not able to test his or her rights and potential liabilities in court until the patentee decided to bring suit. Thus, a potential infringer was at great disadvantage because the patentee could wait to sue when significant damages had accrued to the manufacturer.⁴⁰

To bring an action for declaratory judgment of patent invalidity, a plaintiff must demonstrate the existence of an actual case or controversy according to Article III of the U.S. Constitution.⁴¹ A case or controversy may exist for declaratory judgment without the manufacturer actually having infringed a patent.⁴² The courts have devised a two-part test to determine if a controversy exists to sustain a declaratory judgment action.⁴³ First, the declaratory judgment plaintiff must have a reasonable suspicion that his/her activities will be considered infringing and result in a lawsuit. Second, the plaintiff must also show that he/she is engaged in, or has the ability to engage in, such infringing acts.⁴⁴

Thus, the flexibility of the case or controversy threshold standard for justiciability of patent validity under a declaratory judgment action provides a powerful weapon to the potential infringing manufacturer. The value of the declaratory judgment, which enables a potential infringer to test the scope and validity of a patent prior to making

40. See *Arrowhead Indus. Water, Inc. v. Ecolochem, Inc.*, 846 F.2d 731, 735 (Fed. Cir. 1988) ("Before the Act, competitors victimized by that tactic [delaying suit] were rendered helpless . . ."); see also Lawrence M. Sung, *Intellectual Property Protection or Protectionism? Declaratory Judgement Use by Patent Owners Against Prospective Infringers*, 42 AM. U. L. REV. 239, 252 nn.70-72 (1992) [hereinafter Sung].

41. The statutory language of the Declaratory Judgments Act "case of actual controversy," 28 U.S.C. § 2201(a) (1988) is interpreted by the Supreme Court as essentially the same as the case or controversy clause of Article III of the U.S. Constitution. See *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227, 240-41 (1937) ("The controversy must be definite and concrete, touching the legal relations of parties having adverse legal interests." (citations omitted)); see also *Foster v. Hallco Mfg. Co.*, 947 F.2d 469, 479 (Fed. Cir. 1991) (finding that without a claim of infringement "no suit under the Declaratory Judgment Act could be maintained because, as the Supreme Court has said, the Declaratory Judgment Act gives no independent basis for subject matter jurisdiction in district court") (citing *Skelly Oil Co. v. Phillips Petroleum Co.*, 339 U.S. 667, 671 (1950)). Although a private individual in the absence of a claim or controversy has no standing to challenge the validity of a patent in the courts, anyone, including the patentee or his or her assigns, may request the U.S. Patent Office to reexamine the validity of a patent based on prior art generally not considered when the patent first issued. See 35 U.S.C. §§ 301-307 (1988) (Request for Reexamination).

42. See, e.g., Sung, *supra* note 40, at 12.

43. *Id.* at 11.

44. See *Foster v. Hallco Mfg. Co.*, 947 F.2d at 479; see also Sung, *supra* note 40, at 252-56 nn.74-94.

significant investments, easily explains why declaratory judgments are now routinely used in federal courts.⁴⁵

III. THE CONSTITUTIONAL ISSUES IN *LOCKWOOD* AND IN *SGS-THOMSON*

The case of *In re Lockwood* arose when the patentee (Lockwood) sued American Airlines for infringement of Lockwood's patents covering self-service terminals and automatic dispensing systems.⁴⁶ Lockwood sought damages and injunctive relief, and filed a timely request for jury trial.⁴⁷ American Airlines raised several defenses including patent invalidity; the company also counterclaimed for declaratory judgment of noninfringement and, alternatively, that the Lockwood patents either were invalid or unenforceable.⁴⁸

After discovery, American moved for summary judgment based on noninfringement of the Lockwood claims. The district court granted the motion, dismissed Lockwood's infringement claim, and denied Lockwood an interlocutory appeal from the judgment. The district court (in the absence of a jury) then proceeded to hear American's counterclaim for patent invalidity based on a recent Supreme Court decision⁴⁹ holding that infringement and declaratory judgment actions are both to be heard in the same trial.

Lockwood subsequently filed a motion to obtain a jury trial in the invalidity action. The district court denied the motion because it considered the remaining claims equitable in nature.⁵⁰ Lockwood petitioned the Federal Circuit under a writ of mandamus directing the district court to reinstate his jury demand.⁵¹ A three-judge panel of the

45. See Donald L. Doernberg & Michael B. Mushlin, *The Trojan Horse: How the Declaratory Judgment Act Created a Cause of Action and Expanded Federal Question Jurisdiction While the Supreme Court Wasn't Looking*, 36 UCLA L. REV. 529, 532 n.15 (1989).

46. *In re Lockwood*, 50 F.3d 966, 968 (1995).

47. *Id.* at 968.

48. *Id.*

49. *Cardinal Chem. Co. v. Morton Int'l, Inc.*, 508 U.S. 83 (1993) (holding that the Federal Circuit must review patent validity even when no basis for infringement is found).

50. *Lockwood*, 50 F.3d at 968-69.

51. *Id.*

Federal Circuit granted the writ, providing grounds for the constitutional standoff with Judge Nies's dissent.⁵²

The U.S. Supreme Court granted certiorari to American Airlines and vacated the Federal Circuit decision without comment.⁵³ The Court's decision to vacate the Federal Circuit judgement most likely stemmed from Lockwood's withdrawal of his demand for a jury trial,⁵⁴ which would render a decision on the issue of a jury trial moot and, therefore, not justiciable in federal court.

A petition for writ of mandamus for a jury trial also arose in *In re SGS-Thomson Microelectronics Inc.*,⁵⁵ although the procedural action in that case differed from that in *Lockwood*. In *SGS-Thomson*, International Rectifier Corp. (IRC) sued SGS-Thomson Microelectronics Inc. (SGS-Thomson) for patent infringement. IRC, instead of seeking money damages in its complaint, sought only the equitable remedy of injunctive relief.⁵⁶ SGS-Thomson asserted its defenses and counter-claimed for declaratory judgments of noninfringement, invalidity, and unenforceability. The declaratory judgment plaintiff, SGS-Thomson, demanded a jury trial on the counterclaims, which IRC moved to strike.

The district court denied the motion for a jury trial and SGS-Thomson, like Lockwood, filed a request for mandamus to the Federal Circuit. A three-judge panel of the Federal Circuit heard the case and decided to grant the writ for the jury trial.⁵⁷ IRC's argument did not persuade the Federal Circuit panel that a jury trial right is controlled by whether the patentee sues first on equitable or legal claims. The court granted the mandamus based on the decision in *Lockwood* and on the Supreme Court's holding in *Dairy Queen v. Wood*.⁵⁸

52. The mandamus was first issued by the Federal Circuit under the reasoning that damages and defenses of the infringement action still remained. This reasoning was later abandoned after the Federal Circuit granted a rehearing to American. *Id.* at 969 ("We no longer rely on the misstatements of our previous order."). Judge Nies dissented with Judges Plager and Archer in response to a denial for a rehearing *en banc* of the mandamus writ. *Id.* at 980.

53. American Airlines, Inc. v. Lockwood, 116 S. Ct. 29 (1995).

54. Petitioner's Brief, American Airlines, Inc. v. Lockwood, 116 S. Ct. 29 (1995) (No. 94-1660); Respondent's Reply Brief, American Airlines, Inc. v. Lockwood, 116 S. Ct. 29 (1995) (No. 94-1660).

55. 60 F.3d 839, 839 (Fed. Cir. 1995).

56. *Id.* at 839.

57. *Id.*

58. *Id.* at 840 (following the *Lockwood* court, which based its decision on the "legal nature of the declaratory judgment action, not the nature of the patentee's claim"). The Federal Circuit in *SGS-Thomson* refused, however, to grant SGS-Thomson's request for a jury trial on the equitable count of patent unenforceability (i.e. inequitable conduct on the Patent Office). *Id.* (citing *Dairy Queen v. Wood*, 369 U.S. 469, 472-73 (1962) ("claims that are legal in nature and thus entitle the parties to a trial by jury may not be treated as subservient to a claim for an injunction so as to deprive a party of its right to

As in *Lockwood*, Judge Nies in *SGS-Thomson* dissented to the denial of an *en banc* rehearing.⁵⁹ The Supreme Court finally denied certiorari to hear IRC's demand regarding the jury trial mandamus.⁶⁰

Several issues are raised by the Federal Circuit majority and *en banc* rehearing dissents in *Lockwood* and in *SGS-Thomson*, concerning a right to a jury trial under the Seventh Amendment. First, does the Seventh Amendment guarantee a right to a jury for a claim of patent invalidity when the only dispute between the parties is equitable in nature, as in *SGS-Thomson*? Second, is patent invalidity historically an equitable rather than a legal claim, thus falling outside the protection of the Seventh Amendment? Third, is the limited monopoly that arises from a patent a public right that should require exemption from the Seventh Amendment? Finally, is patent validity a matter of law to be decided solely by the court? These questions are addressed below in Sections IV and V. This Comment concludes that a Seventh Amendment right should not attach to an action for patent invalidity because the action is more equitable than legal in nature and because the action is a pure matter of law.

IV. SEVENTH AMENDMENT JURISPRUDENCE AND APPLICATION TO PATENT RIGHTS

A. *Seventh Amendment Jurisprudence*

Although the right to a jury in civil trials had been discussed at the Constitutional Convention, the original articles of the U.S. Constitution enacted in 1787 failed to include a provision preserving this right.⁶¹ However, popular sentiment for preserving a jury right in civil actions prompted the first Congress to pass an amendment to the Constitution, ratified as the Seventh Amendment with the Bill of Rights in 1791.

a jury on the issues involved in the legal claims”).

59. *In re SGS-Thomson*, 61 F.3d 862 (Fed. Cir. 1995) (Nies, J., dissenting).

60. *International Rectifier Corp. v. SGS-Thomson Microelectronics Inc.*, 116 S.Ct. 336 (1995).

61. *See, e.g., Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 340 n.2, 342 nn.6, 7 (1979) (Rehnquist J., dissenting) (providing a short history of the Seventh Amendment); Rachael E. Schwartz, “*Everything Depends on How You Draw the Lines*”: *An Alternative Interpretation of the Seventh Amendment*, 6 SETON HALL CONST. L.J., 599, 604-11 [hereinafter Schwartz].

The Seventh Amendment preserves the right to a trial by jury in “[s]uits at common law.”⁶² The Supreme Court has interpreted the reference to common law in the Seventh Amendment as the English common law as it existed in 1791.⁶³ This interpretation of the Seventh Amendment necessarily requires a historical inquiry into English common law actions of 1791 to resolve a question of Seventh Amendment applicability. The courts later expanded the interpretation to include any action that is analogous to “[s]uits at common law” in 1791, excluding actions that would have been tried in courts of equity or admiralty.⁶⁴ The courts further broadened the Seventh Amendment to apply to new statutory causes of action unknown in 1791, provided the statute creates “legal rights and remedies” enforceable in a court of law.⁶⁵

The right to a jury trial in civil cases historically required that a litigant bring his or her legal claims to a court of law.⁶⁶ If a litigant, however, had both legal and equitable claims, the equitable claims could not be pursued in a court of law.⁶⁷ To somewhat mitigate this dilemma, the courts devised the “equitable clean-up doctrine,” which allowed a court in equity to hear equitable claims and any legal claims considered subordinate to the equitable claims.⁶⁸ The clean-up doctrine did not provide a right to a jury for the subordinate legal claims but did provide some relief from the wastefulness of pursuing separate claims in separate courts.⁶⁹

62. U.S. CONST. amend. VII. The amendment provides: “In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.” *Id.*

63. *See, e.g.,* *Dimick v. Scheidt*, 293 U.S. 474, 476 (1935) (“[T]o ascertain the scope and meaning of the Seventh Amendment, resort must be had to the appropriate rules of the common law established at the time of the adoption of that constitutional provision in 1791.” (citations omitted)); John E. Sanchez, *Jury Trials in Hybrid and Non-Hybrid Actions: The Equitable Clean-Up Doctrine in the Guise of Inseparability and Other Analytical Problems*, 38 DEPAUL L. REV. 627, 639 nn.71-72 [hereinafter Sanchez].

64. *See, e.g.,* *Curtis v. Loether*, 415 U.S. 189, 193 (citing *Parson v. Bedford*, 2 U.S. (3 Pet.) 433, 436-37 (1830)); *Tull v. United States*, 481 U.S. 412, 417 (1987).

65. *See, e.g.,* *Curtis*, 415 U.S. at 194 (“The Seventh Amendment does apply to actions enforcing statutory rights, and requires a jury trial upon demand, if the statute creates legal rights and remedies, enforceable in an action for damages in the ordinary courts of law.”).

66. 5 JAMES WM. MOORE ET AL., *MOORE’S FEDERAL PRACTICE* ¶ 38.13 (3d ed. 1996).

67. *See, e.g.,* Sanchez, *supra* note 63, at 641 n.83.

68. *Id.* at 641 nn.85-86.

69. *Id.*

After the merger of equity and law in the 1930s,⁷⁰ the question of whether an action involved primarily equitable or legal issues and required a right to a jury trial became more complex. In many federal courts, the right to a jury turned on whether the “basic nature of the claim” as a whole was equitable or legal.⁷¹ If the claim was basically legal in nature, all legal issues would be heard first by a jury and the equitable issues would follow later.⁷² However, if the nature of the claim was mainly equitable, the court could apply the equitable clean-up doctrine and review both equitable and any legal issues considered incidental to equitable claims in the absence of a jury. Thus, in the post-merger period, the right to a jury trial was often lost if the legal claims were considered incidental to the overall equitable action.⁷³

The Supreme Court, in *Beacon Theatres Inc. v. Westover*,⁷⁴ essentially eliminated the equitable clean-up doctrine. *Beacon Theatres* required that, in virtually all cases involving both equitable and legal claims, if a jury is requested for the legal claims, then all issues common to both the legal and equitable claims must be tried first to a jury.⁷⁵ Thus, after *Beacon Theatres*, inquiry into the nature of the issues rather than the nature of the claims controlled the jury trial question. Shortly after *Beacon Theatres*, the Supreme Court, in *Dairy Queen v. Wood*, extended the Seventh Amendment right to a jury for legal issues that previously would have been considered incidental to the equitable issues in the case.⁷⁶

The decision upholding a jury trial right in *Beacon Theatres*, which involved a declaratory judgment action, indicates that the right to a jury trial is not lost when the claim is set forth in the form of a declaratory

70. See, e.g., Federal Rule of Civil Procedure 18(a), which provides that a plaintiff “may join either as independent or as alternate claims, as many claims, legal, equitable, or maritime, as the party has against an opposing party.”

71. See Sanchez, *supra* note 63, at 642 nn.90-93 and accompanying text; see also 9 CHARLES ALAN WRIGHT & ARTHUR R. MILLER, FEDERAL PRACTICE AND PROCEDURE § 2312 n.11 (1993).

72. See *supra* note 71 and accompanying text.

73. See *supra* note 71 and accompanying text.

74. 359 U.S. 500 (1959).

75. *Id.* at 504.

76. *Dairy Queen Inc. v. Wood*, 369 U.S. 469, 473 n.8 (1962) (“It would make no difference if the equitable cause clearly outweighed the legal cause so that the basic issue of the case taken as a whole is equitable. As long as any legal cause is involved the jury rights it creates control.”).

judgment.⁷⁷ Declaratory judgment, being an action unknown at common law, is considered *sui generis*, having neither a legal nor equitable character of its own.⁷⁸ A declaratory judgment thus is viewed as either legal or equitable based on the nature of the underlying action.⁷⁹ The procedural step of filing a declaratory judgment for an equitable action prior to filing legal counterclaims does not eliminate the Seventh Amendment right to have a jury decide the legal claims.⁸⁰

B. Jury Trial Rights as Determined Under the Seventh Amendment Historical Test

Having provided in *Beacon Theatres* and in *Dairy Queen* that the Seventh Amendment required the right to have a jury hear the legal issues prior to the equitable issues, the next and more difficult question for the Supreme Court involved whether a particular issue was legal within the meaning of “[s]uits at common law” under the Seventh Amendment.⁸¹ In *Ross v. Bernhard*, the Supreme Court described three factors for determining if an issue is legal or equitable in nature.⁸² First, whether the cause of action is analogous to actions at law or equity prior to merger of the two courts; second, the nature of the remedy as legal or equitable; and third, the “practical abilities and limitations of juries” in hearing the issue.⁸³ The first and second *Ross* factors later

77. See *Beacon Theatres*, 359 U.S. at 504 (holding that a defendant who counterclaims for damages cannot be deprived of the right to a jury because the plaintiff sued first for declaratory relief under an equitable cause of action).

78. See, e.g., EDWIN BORCHARD, DECLARATORY JUDGEMENTS 26-28, 239 (2d ed. 1941) (stating an action for “declaratory relief is *Sui generis* and is as much legal as equitable”); *Simler v. Conner*, 372 U.S. 221, 223 (1963) (“The fact that the action is in form a declaratory judgment case should not obscure the essentially legal nature of the action.”).

79. See *In re Lockwood*, 50 F.3d 966, 973 (Fed. Cir. 1995) (“Because the declaratory judgment action is itself neither legal nor equitable, the historical inquiry required by the Seventh Amendment takes as its object the nature of the underlying controversy.”). Judge Nies’s dissent in *Lockwood* took no issue with the majority view that a declaratory judgment is as equitable or as legal as the underlying claims. *Id.* at 981.

80. *Beacon Theatres*, 359 U.S. at 504.

81. See U.S. CONST. amend. VII.

82. 396 U.S. 531, 538 n.10 (1970).

83. *Id.* The third *Ross* factor dealing with “practical abilities and limitations of juries” raises the issue that a court may potentially deny the Seventh Amendment right if the legal issues were too complex for the average juror to handle. *Id.* The Supreme Court in *Dairy Queen v. Wood*, which involved an accounting for profits in a contract and Trademark infringement dispute, considered whether the legal issues were beyond the jury’s ability. 369 U.S. 469, 479 n.17 (1962). The Court decided that the case was not too complex and that a special master, under rule 53(b) of the Federal Rules of Civil Procedure, was an option for the court to help the jury with complex legal issues. *Id.*

became what is known as the Seventh Amendment historical test.⁸⁴

The Supreme Court first applied the Seventh Amendment historical test in *Curtis v. Loether*,⁸⁵ an action arising under section 812 of the Civil Rights Act of 1968. Section 812 authorizes private plaintiffs to redress violations of Title VIII, the fair housing provision of the Civil Rights Act. In applying the Seventh Amendment historical test, the *Curtis* Court held the action was legal rather than equitable because it was analogous to a tort action (first factor) and the relief sought, actual and punitive damages, was “the traditional form of relief offered in the courts of law” (second factor).⁸⁶ The Court further determined that the relief sought was a more important factor than the nature of the action in deciding to apply the Seventh Amendment.⁸⁷

In *Tull v. United States*,⁸⁸ an action involving civil penalties and injunctive relief under the Clean Water Act, the Supreme Court, using the historical test, identified an analogous action in both law and equity.⁸⁹ Although admitting that the equity action may have been the better analogy, the Court held that, as long as the legal action was appropriately analogous, the Seventh Amendment applied.⁹⁰ The Court in *Tull* also reiterated the view from *Curtis* that the nature of the relief sought is a more important factor than the nature of the action. The Court concluded that the relief available under the Clean Water Act was more typical of an action at law than at equity.⁹¹ Thus, applying the Seventh Amendment historical test, the *Tull* Court concluded that the Seventh Amendment applied to the adjudication of rights under the Clean Water Act.⁹²

at 478 n.19. In later cases, the Supreme Court seems to have played down the third *Ross* factor or merged its meaning with the public rights exception to the Seventh Amendment. See *Granfinanciera v. Nordberg*, 492 U.S. 33, 42 n.4 (1989).

84. *Tull v. United States*, 481 U.S. 412, 421 n.6 (1987) (“Our search is for a single historical analog, taking into consideration the nature of the cause of action and the remedy as two important factors.”).

85. *Curtis v. Loether*, 415 U.S. 189 (1974).

86. *Id.* at 196.

87. *Id.*

88. 481 U.S. at 412.

89. *Id.* at 420.

90. *Id.*

91. *Id.* at 421-25 (noting that damages under the act were not limited to restoration of the status quo).

92. *Id.* However, the court concluded that the assessment of penalties by a judge, as required under the Clean Water Act, was outside the Seventh Amendment. *Id.* at 427.

More recently, the Supreme Court applied the Seventh Amendment historical test in *Granfinanciera v. Nordberg*,⁹³ an action involving a Chapter 11 trustee suing in bankruptcy court to block allegedly fraudulent transfers.⁹⁴ In *Granfinanciera*, the Court determined that a claim of fraudulent transfer could be brought in either a court of equity or a court of law.⁹⁵ However, the Court determined that the nature of the remedy sought, a specified sum of money, required that the action be brought to a court of law.⁹⁶ Thus, the Court followed the rule that the nature of the remedy sought was more important than the analogy to the cause of action and upheld a Seventh Amendment right to the trustee action.

In its most recent pronouncement of the Seventh Amendment, however, the Supreme Court obscured the two-part nature of the historical test by ignoring any reference to the remedy sought. In *Markman v. Westview Instruments Inc.*, the Court stated the historical test as a determination of “whether we are dealing with a cause of action that either was tried at law at the time of the Founding or is at least analogous to one that was.”⁹⁷ The Court’s failure to acknowledge the second factor of the historical test does not appear to be significant; no dispute was raised about the number of prongs involved and the Court cited its version of the test to a prior decision that used both factors.⁹⁸ The recitation of an abridged test by the *Markman* Court can be explained because the issue in the case, whether the court or the jury interprets the claims in a patent suit, has no connection with the remedies, the second factor of the historical test. Thus, *Markman* provides no real basis to argue that the Supreme Court has changed the Seventh Amendment historical test from that which is consistently elaborated by the Court in prior cases.

In summary, the Supreme Court’s Seventh Amendment jurisprudence provides a two-part historical test evaluating the cause of action and the remedy to determine whether an issue is equitable or legal in nature. The Court prefers the second factor, the nature of the remedy sought, when performing the historical inquiry.⁹⁹ It has upheld a right under

93. 492 U.S. 33 (1989).

94. *Id.*

95. *Id.* at 43.

96. *Id.* at 46-47 nn.5, 6.

97. *Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384, 1389 (1995).

98. *Id.* at 1389 (citing *Tull v. United States*, 481 U.S. 412, 417 (1987)).

99. *See, e.g.*, *Chauffers v. Terry*, 494 U.S. 558, 565 (1990); *Granfinanciera*, 492 U.S. at 42; *Tull*, 481 U.S. at 417; *Curtis v. Loether*, 415 U.S. 189, 196 (1974).

the Seventh Amendment in all cases when the remedy involved monetary damages exceeding those normally provided by equity.¹⁰⁰

Any historical inquiry under the Seventh Amendment is necessarily complicated by the fact that the line between law and equity was never very clear,¹⁰¹ and that actions at law in eighteenth century England might be too “remote in form and concept that there is no firm basis for comparison.”¹⁰² Despite these concerns, the Supreme Court has resisted any suggestions to discard or modify the two-factor inquiry.¹⁰³ Thus, an historical inquiry into patent invalidity requires evaluation of both the cause of action and the remedy and, depending on the results, either one or both of the inquiries must be legal in nature for the Seventh Amendment to apply.

C. *Application of Seventh Amendment Jurisprudence to Patent Validity*

To determine whether a Seventh Amendment right applies to the action in *Lockwood*, one must look to 1791 English common law for an analogue of a declaration of patent invalidity. The search is complicated, however, by the fact that patents have long been a statutory right and 1791 English patent laws provided for the defense of invalidity in both courts of law and courts of equity.¹⁰⁴ A court of law gave the patentee the option of seeking damages, while a court of equity gave the patentee

100. See, e.g., *Ross v. Bernhard*, 396 U.S. 531, 542; *Tull*, 481 U.S. at 417-18; *Curtis*, 415 U.S. at 194. As further evidence for the controlling nature of the remedy, courts of appeal have denied the Seventh Amendment right when the remedy was equitable in nature but the cause of action could be analogized to an action at law. See Sanchez, *supra* note 63, at 648 n.126 (employment suits under Title VII can be analogized to an action at law, but are considered equitable for Seventh Amendment purposes because the remedies sought, including back pay and reinstatement, are equitable in nature); see also *In re Lockwood*, 50 F.3d 966, 986 (Fed. Cir. 1995) (Nies J., dissenting) (citing circuit cases where a Seventh Amendment right was denied without a damage claim remaining to be tried); but see *Chauffeurs v. Terry*, 494 U.S. 558, 570-71 (1990) (distinguishing back pay under Title VII from a request for back pay under a breach of union’s duty of fair representation).

101. See *Chauffeurs*, 494 U.S. at 577 (citing *Fleming James, Jr., Right to a Jury Trial in Civil Actions*, 72 YALE L.J. 655, 658-59 (1963)).

102. *Id.* at 578 n.7 (Brennan, J., concurring).

103. *Id.* at 558 (Marshall, J., majority); *id.* at 573 (Brennan J., concurring); *id.* at 584 (Kennedy, J., dissenting).

104. See Martin J. Adelman, *En Banc on Claim Construction and Equivalents*, 423 PLI/PAT 767, 774-78 nn.104-115 (1995) [hereinafter Adelman].

the option of seeking an accounting of past use and an injunction against future use.¹⁰⁵ Thus, a right to a jury for patent invalidity historically depended on whether the defense had been pled in law or in equity.¹⁰⁶

Under the procedural facts in *Lockwood*, the district court granted summary judgment to the defendant, American Airlines, for lack of infringement, leaving only a declaration of patent invalidity and unenforceability in the case.¹⁰⁷ To decide whether *Lockwood* deserved a right to a jury under the Seventh Amendment for patent invalidity, the *Lockwood* court determined that the only satisfactory historical analogue for a declaration of patent validity is an action for infringement at law when patent invalidity is pled as an affirmative defense.¹⁰⁸ This argument, however, fails to address the fact that the defense of patent invalidity was also pled in equity without a jury trial.¹⁰⁹ More importantly, the declaration of patent invalidity in *Lockwood* no longer has the character of a defense to an action at law because *Lockwood*'s infringement claim for monetary damages was denied by the court.¹¹⁰

The *Lockwood* court attempted to support its historical analogue by stating that a declaration of patent invalidity is merely the inverse of an action for infringement with the parties in reverse.¹¹¹ In characterizing patent invalidity as the inverse of a suit for infringement, the court could properly hold that a right to a jury trial exists under *Beacon Theatres v. Westwood*.¹¹² As stated in Judge Nies's dissent, however, a declaratory judgment of no infringement, rather than one for patent invalidity, is

105. *Id.* at 782.

106. *Id.* at 774-78 nn.104-115 (arguing the *Lockwood* court was wrong in stating categorically that the defense of invalidity is a legal issue because it is legal or equitable depending on the context of the proceeding). *Cf.* *Markman v. Westwood Instruments, Inc.*, 116 S. Ct. 1384, 1389 ("there is no dispute that infringement cases today must be tried to a jury, as their predecessors were more than two centuries ago.").

107. *In re Lockwood*, 50 F.3d 966, 968 (Fed. Cir. 1995).

108. *Id.* at 974 n.9.

109. Adelman, *supra* note 104, at 777-78 (citing *Barton v. Barbour*, 104 U.S. 126 (1881) ("[I]t is now the constant practice of courts of equity to try without a jury issues of fact relating to the title of the patentee, involving questions of [patent validity] The jurisdiction of a court of equity to try such issues according to its own course of practice it too well settled to be shaken.")).

110. *Lockwood*, 50 F.3d at 968.

111. *Id.* at 975 n.10.

112. 359 U.S. 500, 504 ("[I]f *Beacon* would have been entitled to a jury trial . . . against *Fox* it cannot be deprived of that right merely because *Fox* took advantage of the availability of declaratory relief to sue *Beacon* first."); *see also* *Owens-Illinois, Inc. v. Lake Shore Land Co.*, 610 F.2d 1185, 1189 (3d Cir. 1979) ("If the declaratory judgment action does not fit into one of the existing equitable patterns but is essentially an inverted law suit [sic]—an action brought by one who would have been a defendant at common law—then the parties have a right to a jury.").

the flip side to an action for infringement.¹¹³ The former is limited to the particular claims of the patent that the patentee asserts are infringed, while the latter can be asserted against any claims of the patent.¹¹⁴ As pointed out by Judge Nies, there is no flip side to a declaration of patent invalidity; the patentee has no opportunity to sue in court to have a patent declared valid.¹¹⁵ The Supreme Court decision in *Cardinal Chemical Co. v. Morton International, Inc.*¹¹⁶ provides further support that a declaratory judgment of patent invalidity is not the inverse of an infringement action where the defense of invalidity is pled. The *Cardinal* Court distinguished the action of infringement from patent invalidity by holding that a court of appeal's finding of no infringement does not render moot the review of declaratory judgment of patent invalidity.¹¹⁷ In making its decision, the *Cardinal* court distinguished an affirmative defense of patent invalidity from a declaration of patent invalidity.¹¹⁸ Thus, although a declaration of patent invalidity is a common defense in an infringement action, it cannot be properly characterized as the inverse of an infringement claim when the affirmative defense of patent invalidity is pled and, therefore, is not subject to a jury trial right on that basis.

A better historical analogue for a declaration of patent invalidity may be found in the English writ of *scire facis*, which was available in the English Chancery court to render a patent invalid.¹¹⁹ The Court of Chancery had common law jurisdiction but had no power to summon a jury, and would often transfer the *scire facis* cases to the King's Court

113. *Lockwood*, 50 F.3d at 986 n.12 (Nies, J., dissenting).

114. *Id.*

115. *Id.* at 986. As discussed by Judge Nies, the closest action for a patentee to have the patent declared valid is a Request for Reexamination to the U.S. Patent Office under 35 U.S.C. §§ 301-307 (1988). The request is an ex parte administrative proceeding limited generally to prior art not considered by the Patent Office during examination of the patent application. See, e.g., *Emhart Indus. v. Sankyo Seiki Mfg.*, 3 U.S.P.Q.2d 1889, 1890 (N.D. Ill. 1987).

116. 508 U.S. 83 (1993).

117. *Id.* at 96 (“[A] declaratory judgment of invalidity presents a claim independent of the patentee’s charge of infringement.”).

118. *Id.* at 93-94 (“An unnecessary ruling on an affirmative defense is not the same as the necessary resolution of a counterclaim for a declaratory judgment.”).

119. See, e.g., *Lockwood*, 50 F.3d at 984-85 (Nies J., dissenting); see also Adelman, *supra* note 104, at 790-91 (dismissing the *Lockwood* panel Order’s argument that a writ of *scire facis* was limited to an action for inequitable conduct and supporting that the writ was more analogous to an equitable action for patent invalidity than an action at law).

for a jury to determine any issue of material fact.¹²⁰ The jury's findings were then returned to the Chancellor who rendered the final decision on the patent. A jury trial of the facts under the writ of *scire facis* was not a "matter of right" because the jury findings were no more than advisory—"merely to inform the conscience of the court."¹²¹ Thus, the lack of a true jury right urges that the English writ of *scire facis* be considered equitable rather than legal in nature.

Even assuming *arguendo* the correctness of the *Lockwood* court's view that when the affirmative defense of patent invalidity pled in an action for patent infringement is analogous to an action at law under the Seventh Amendment test, the second factor of the historical test, the nature of the remedy sought, must still be addressed to decide the jury right. The *Lockwood* court and Judge Nies's dissent disagreed over whether one or both factors need to be found legal in nature for a jury trial right to apply. The *Lockwood* court, not surprisingly, maintained that only one factor need be satisfied and rested its conclusion on a footnote in *Tull*.¹²² The footnote, as argued in Judge Nies's dissent, does not support, and even repudiates, the *Lockwood* court's position.¹²³

Indeed, the *Lockwood* court misconstrues the analysis in *Tull* by focusing on the rights and ignoring the second prong of the historical test, the remedy. If one accepts the view that a declaratory judgment of

120. See Adelman, *supra* note 104, at 778-79 (1995).

121. *Lockwood*, 50 F.3d at 985 (Nies, J., dissenting); see Adelman, *supra* note 104 at 778-79, 790-91; *Goodyear v. Day*, 10 F. Cas. 678 (C.C.D.S.C. 1849). In England, the Chancellor in equity, when in doubt about the validity of a patent, had discretion to send the parties to law to resolve the question. The results of the validity analysis were not binding on the Chancellor. *Id.* But see *Lockwood*, 50 F.3d at 975 n.9 (stating that an issue of fact for a writ of *scire facis* was determined by jury trial and, therefore, the writ was legal in nature).

122. *Lockwood*, 50 F.3d at 972 (stating that a jury trial is required when "either the adjudication of legal rights [as found in *Tull*] . . . or, alternatively, the implementation of legal remedies [as found in *Curtis*] . . ." are involved) (citations omitted). As discussed in Judge Nies's dissent, the *Lockwood* court based its either/or position on a footnote in *Tull*. *Id.* at 984 n.6 (Nies, J., dissenting).

The Government contends that both the cause of action and the remedy must be legal in nature before the Seventh Amendment right to a jury trial attaches. It divides the Clean Water Act action for civil penalties into a cause of action and a remedy, and analyzes each component as if the other were irrelevant. Thus, the Government proposes that a public nuisance action is the better historical analog for the cause of action, and that an action for disgorgement is the proper analogy for the remedy. We reject this novel approach. Our search is for a single historical analog, taking into consideration the nature of the cause of action and the remedy as two important factors.

Tull v. United States, 481 U.S. 412, 421 n.6 (1987) (citation omitted).

123. *Lockwood*, F.3d at 984 n.6 (Nies, J., dissenting) ("A reading of the entire *Tull* footnote shows that the [Supreme] Court rejected the panel's position.").

patent validity is an action with a right and a remedy, the only inquiry then is the right; there is no discretion for the penalty which is complete invalidation of the patent claim.¹²⁴ Thus, the relevant question is whether the action and the remedy are both required to determine the right to a declaration of patent invalidity.

The Supreme Court's Seventh Amendment jurisprudence requires, as discussed above,¹²⁵ that both the cause of action and remedy are necessary factors in the historical test. Thus, Judge Nies in *Lockwood* was correct in her interpretation of the footnote in *Tull*.¹²⁶ Judge Nies's dissent, however, takes the categorical position that both factors must be found legal in nature for the jury right to adhere.¹²⁷ This view does not comport with the Supreme Court's Seventh Amendment jurisprudence, as already discussed.¹²⁸ The Supreme Court provides that the right attaches when the two factors "on balance" support a jury trial, but offers little guidance on how to achieve that balance.¹²⁹ Thus, the Seventh Amendment historical test requires that both factors of the test be performed, but there is no absolute requirement that both factors be found legal in nature for the right to apply.¹³⁰

The second factor in the historical test does not support a Seventh Amendment right for a declaration of patent invalidity. The relief sought in *Lockwood*, i.e. invalidation of the patent, is clearly equitable in nature.¹³¹ The remedy for patent invalidity is to render unenforce-

124. Because each claim of the patent is presumed valid, an action for invalidity can be limited to all or to only individual claims. Invalidation of claims in a patent suit has no impact on the ability of the patentee to assert the remaining valid claims. 35 U.S.C. § 288 (1988).

125. See *supra* Part IV.A.

126. A fair reading of footnote six in *Tull* indicates the Court viewed the cause of action and the remedy not as separate inquiries but rather as two factors of a single inquiry. *Tull*, 481 U.S. at 421.

127. *Lockwood*, 50 F.3d at 985 (Nies, J., dissenting) ("Since the first part of the test to determine whether the Seventh Amendment requires a jury trial is negated by this English equity action [*scire facis*], that should end the inquiry.").

128. See *supra* Part IV.A.

129. *Granfinanciera v. Nordberg*, 492 U.S. 33, 41 (1989). See also *supra* Part IV.A.

130. In *Markman*, the question of who interprets the meaning of patent claims was not an action having a right and a remedy but merely a sub-issue in a patent trial. *Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384 (1996). In contrast, a declaration for patent invalidity has a right and remedy like any other action and thus is amenable to the two-part Seventh Amendment historical test.

131. *Lockwood*, 50 F.3d at 985 (Nies, J., dissenting) ("The remedy sought in this case is not legal and therefore, on this ground alone, no jury trial is required.").

able any patent claim so judged and, therefore, is no different from the equitable remedy for patent unenforceability, which renders all patent claims unenforceable for inequitable conduct on the Patent Office.¹³² The remedy for both of these actions is effectively an injunction against the patent.¹³³

Prior circuit decisions have not addressed the nature of patent invalidity as equitable or legal, except for *Shubin v. United States District Court*.¹³⁴ In *Shubin*, the defendant-patentee, facing a declaratory judgment for patent invalidity and non-infringement, stipulated that no actual infringement had occurred and pled only for equitable relief. Acknowledging that the sole disputed issue of fact in the case was the claim for patent invalidity, the court nevertheless held against the defendant-patentee's request for a jury trial and concluded the absence of infringement damages left only equitable issues to be decided.¹³⁵

The decision in *Shubin* is consistent with Judge Nies's position that patent invalidity is historically not a legal issue.¹³⁶ A right to a jury for a declaration of patent invalidity should not turn merely on a pleading for damages when such a pleading may have no basis in fact.¹³⁷ Had the patentee in *Shubin* pled monetary damages, then under *Beacon Theatres v. Westover*¹³⁸ the jury trial right would apply. However, the jury right extends only to any legal issues and, therefore, should not apply to the declaration of patent invalidity under *Shubin*.

The decision to grant a jury trial for patent invalidity in *In re SGS-Thomson Microelectronics Inc.*,¹³⁹ a case decided on the holding in *Lockwood*, is similar to *Shubin* in that the patentee only sought equitable relief. The *Shubin* court decided against a jury trial because

132. 35 U.S.C. § 282 (1988); see also *supra* note 35.

133. But see Adelman, *supra* note 104, at 788 (arguing that the case or controversy remaining in *Lockwood* is an action for cancellation of the *Lockwood* patents).

134. *Shubin v. United States Dist. Ct.*, 313 F.2d 250 (9th Cir. 1963).

135. *Id.* When characterizing the remaining issues as equitable in nature, the court seemed to focus on the defendant-patentee's claim for an injunction without mentioning the plaintiff's claim of patent invalidity. This oversight might suggest that the court did not consider an action for patent invalidity as a significant Seventh Amendment issue.

136. *Lockwood*, 50 F.3d at 984-87 (Nies, J., dissenting). The *Lockwood* court, however, maintained that *Shubin* was distinguishable because the defendant could not bring a claim for damages. 50 F.3d at 977 ("[N]o claim for damages could have been brought."). The court fails to explain how this is any different from *Lockwood*, who lost his damage claim after the trial court dismissed the infringement claim.

137. The court of appeals in *Shubin* upheld the district court decision to deny the defendant-patentee's request to amend the pleadings and allege monetary damages of infringement solely for the purpose of obtaining a jury trial. *Shubin v. United States Dist. Ct.*, 313 F.2d at 250.

138. 359 U.S. 500 (1959).

139. 60 F.3d 839 (Fed. Cir. 1995)

no money damages for infringement were pled and the only action in the case was an injunction, which is an equitable claim.¹⁴⁰ *Shubin*, therefore, should control in *SGS-Thomson* where only equitable relief and no money damages were pled. This conclusion is further supported by the analysis above that a Seventh Amendment right should not apply to a declaration of patent invalidity, as the historical test indicates invalidity is an equitable rather than a legal action.

In summary, application of the Seventh Amendment historical test to a declaration of patent invalidity demonstrates at most a legal basis for only the least important factor, the historical analogy. Thus, “on balance,” the two factors of the historical test indicate that the Seventh Amendment does not apply to a declaration of patent invalidity, and the grant of mandamus for a jury trial in *Lockwood* and *SGS-Thomson* appears in error.

The evaluation of any jury trial right under the Seventh Amendment, however, must also consider whether exceptions to the Amendment would negate that right. The following section of this article, Part V, addresses the public rights exception and the matter of law exception as they pertain to patent invalidity.

V. EXCEPTIONS TO THE SEVENTH AMENDMENT AND PATENT VALIDITY

A. *The Public Rights Exception*

The public rights exception to the Seventh Amendment embodies the power of Congress to transfer actions involving public rights to a non-Article III forum where the right to a jury is absent.¹⁴¹ A “private right” was defined by the U.S. Supreme Court in *Granfinanciera v. Nordberg* as “the liability of one individual to another under the

140. *Shubin*, 313 F.2d at 250.

141. See *Granfinanciera v. Nordberg*, 492 U.S. 33, 42 n.4 (1989) (“The Seventh Amendment protects a litigant’s right to a jury trial only if a cause of action is legal in nature and it involves a matter of ‘private right.’”); see also Martin H. Redish & Daniel J. LaFave, *Seventh Amendment Right to Jury Trial in Non-Article III Proceedings: A Study in Dysfunctional Constitutional Theory*, 4 WM. & MARY BILL RTS. J. 407, 409 (1995) (“[I]t is clear that when the dust settles, in most cases Congress possesses ultimate authority to deny the jury trial right by transferring adjudication to a non-Article III forum.”) [hereinafter Redish & LaFave].

law.”¹⁴² In contrast, a “public right” involves the federal government or involves “a seemingly ‘private’ right that is so closely integrated into a public regulatory scheme as to be a matter appropriate for agency resolution with limited involvement by the Article III judiciary.”¹⁴³

In *In re Lockwood*,¹⁴⁴ Judge Nies cited to *Pantlex v. Mossinghoff*¹⁴⁵ to assert that the Federal Circuit previously held patents to be public rights. In *Pantlex*, the Federal Circuit upheld the constitutionality of the patent statute dealing with reexamination.¹⁴⁶ Under the statutes, reexamination of a patent occurs in an administrative non-Article III proceeding in the Patent Office.¹⁴⁷ Thus, reexamination provides an apparent public right to invalidate a patent in the absence of a jury trial right.¹⁴⁸ The constitutionality of the reexamination statutory procedure which denies a jury trial right strongly supports the view that a patent is a public rather than a private right.

Judge Nies also argued that, because patents involve public rights, the *Lockwood* court’s decision providing a jury trial right for patent invalidity conflicts with Supreme Court precedent holding that a jury trial does not adhere to a public rights determination.¹⁴⁹ The public rights argument, however, fails because it assumes that Congress or the courts are required to remove the Seventh Amendment right from all public rights actions.

The U.S. Supreme Court in *Granfinanciera* gave Congress the discretion to take actions involving public rights away from the Seventh Amendment by placing them in a non-Article III proceeding.¹⁵⁰ In the Patent Statutes, however, Congress did not actually remove invalidity proceedings from Article III courts, but simply established statutory reexamination of issued patents as a parallel non-Article II proceeding

142. 492 U.S. at 51 n.8 (quoting *Crowell v. Bensen*, 285 U.S. 22, 52 (1932)).

143. *Id.* at 54 (citing *Thomas v. Union Carbide Agric. Prod. Co.*, 473 U.S. 568, 586 (1985) (Brennan J., concurring)).

144. *In re Lockwood*, 50 F.3d 966, 981 (1995) (Nies, J., dissenting).

145. *Pantlex Corp. v. Mossinghoff*, 758 F.2d 594 (Fed. Cir. 1985).

146. *See* 35 U.S.C. §§ 301-307 (1988).

147. For a comparison of Article III and Non-Article III courts, see Eric Grant, *A Revolutionary View of the Seventh Amendment and the Just Compensation Clause*, 91 *Nw. U. L. Rev.* 144, 268 (1996).

148. *See Pantlex*, 758 F.2d at 604 (“In contrast with the private rights at issue in *Northern Pipeline*, the grant of a valid patent is primarily a public concern.”); *see also Joy Technologies, Inc. v. Manbeck*, 959 F.2d 226, 228-29 (Fed. Cir. 1992) (upholding *Pantlex*).

149. 50 F.3d at 983.

150. 492 U.S. 33, 52 (quoting *Murray’s Lessee v. Hoboken Land & Improvement Co.*, 4 U.S. (18 How.) 272, 284 (1856) (“Congress ‘may or may not bring within the cognizance of the courts of the United States, as it may deem proper,’ matters involving public rights.”)).

rights exception does not presently exempt a Seventh Amendment jury trial right from patent invalidity actions.

B. *Matter of Law Exception*

For the majority of circumstances, where an issue is subject to a jury trial, the judge decides questions of law pertaining to the issue while any facts in dispute that bear upon the question are decided by the jury.¹⁵⁷ Thus, in principle, a pure question of law does not give rise to a Seventh Amendment right.

The Supreme Court stated in *Graham v. John Deere Co.*,¹⁵⁸ that “[w]hile the ultimate question of patent validity is one of law, the § 103 condition [i.e. obviousness], . . . lends itself to several basic factual inquiries.”¹⁵⁹ The traditional interpretation of that statement would require that the factual inquiry of obviousness be decided by the jury if facts were in dispute (or by the judge if the action was equitable), and whether the facts met the legal requirement would ultimately be decided by the trial judge.¹⁶⁰ Judge Nies in *In re Lockwood* raises the provocative question of whether there is any constitutional basis for a jury to decide the factual issues underlying an ultimate question of law.¹⁶¹ Judge Nies asserts that, as a matter of policy for “reasoned and uniform” decisions, the courts are not precluded by the Seventh Amendment from

157. See, e.g., *Herron v. Southern Pac. Co.*, 283 U.S. 91, 95 (1931) (“In a trial by jury in a federal court, the judge is not a mere moderator, but is the governor of the trial for the purpose of assuring its proper conduct and of *determining questions of law.*” (emphasis added)); *Structural Rubber Prod. Co. v. Park Rubber Co.*, 749 F.2d 207, 233 (Fed. Cir. 1984) (differentiating the standard of review for issues of fact determined by the jury or the judge versus the standard of review for legal decisions).

158. *Graham v. John Deere Co.*, 383 U.S. 1 (1966).

159. *Id.* at 17 (citation omitted) (citing *A. & P. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 152 (1950)). The factual inquiries that must be answered to determine invalidity based on obviousness include “(1) the scope and content of the prior art; (2) the differences between the prior art and the claims at issue; (3) the level of ordinary skill in the art at the time when the invention was made; and (4) objective evidence of nonobviousness.” *Specialty Composites v. Cabot Corp.*, 845 F.2d 981, 989 (Fed. Cir. 1988) (citing *Graham*, 383 U.S. at 17-18).

160. *Newell Companies v. Kenney Mfg.*, 864 F.2d 757, 761 (Fed. Cir. 1988) (summarizing Federal Circuit decisions regarding summary judgment motions and judgment notwithstanding the verdict for patent invalidity based on obviousness holding that no trial right adheres unless there is a dispute in the underlying facts). However, Federal Circuit precedent generally supports using a jury to decide a question of law in patent invalidity. *Lockwood*, 50 F.3d 966, 989 (1995) (Nies, J., dissenting).

161. 50 F.3d at 989-90 (Nies, J., dissenting) (“I can point to no definitive Supreme Court pronouncement respecting a Seventh Amendment right or no right to have a jury decide factual issues underlying an issue of law.”).

taking the factual inquiry underlying patent invalidity from the jury if a litigant so requests.¹⁶²

The question raised by Judge Nies was later addressed by the Supreme Court in *Markman v. Westview Instruments, Inc.*¹⁶³ The issue in *Markman* involved whether the construction of patent claims is a matter of law “reserved entirely for the court, or subject to a Seventh Amendment guarantee that a jury will determine” the factual disputes.¹⁶⁴ Such disputes often arise over the meaning of particular words used in the patent claims.¹⁶⁵ The *Markman* Court held that construction of the patent claims, including any factual questions bearing upon the words used in the claims, is strictly a matter of law reserved for the court.¹⁶⁶

The Court decided the matter of law exception by considering two major questions: (1) whether the statutory action in question was an action at law; and (2) if the action is one at law, whether the trial decision at issue is necessary to preserve the common law right of trial by jury.¹⁶⁷ The Court answered the first question by using the Seventh Amendment historical test.¹⁶⁸ The second question, admittedly difficult to answer, involved inquiry into: (a) 1791 English law (i.e. the historical Seventh Amendment test); (b) existing precedent; (c) the relative interpretive skills of judge and jury; and (d) the statutory policies furthered by the decision.¹⁶⁹ This precedential analysis will be referred to as the “*Markman* legal issue test.”

The *Markman* legal issue test can be applied to the facts in *In re Lockwood* to determine if, as Judge Nies asserts, the facts underlying patent invalidity should be a matter solely for the court. The test is formulated such that if the action or issue is determined to be equitable

162. *Id.* (“[A] litigant has a right to a trial court’s decision with findings of fact and conclusions of law on the issue of validity.”).

163. 116 S. Ct. 1384 (1996).

164. *Id.* at 1387.

165. Confusion in the meaning of terms can arise because the inventor can be his or her own lexicographer and give special meaning to words used in the claim. However, the term may not have a meaning repugnant to its general usage. *In re Hill*, 161 F.2d 367 (CCPA 1947).

166. *Markman*, 116 S.Ct. at 1395.

167. *Id.* at 1389.

168. The formulation of the historical test differed from prior formulations in that it lacked the second factor, the nature of the remedy sought. *Id.* at 1384. The court made no mention of this discrepancy and likely ignored the remedy factor since the action at issue, patent infringement, was indisputably an issue at law.

169. *Id.* at 1390, 1392 n.10.

in nature under the historical test, there is no jury question issue. If so, the second question—whether the action or issue is essential to preserve the jury trial right—becomes moot. As discussed above in Part I.A., the Seventh Amendment historical test indicates that a declaration of patent invalidity is an equitable rather than a legal action, thus, there is no right to a jury trial. However, if one considers patent invalidity as arguably an action at law, then the second question of the *Markman* legal issue test is addressed to determine if a jury factual inquiry is necessary to preserve the substance of the common law right.

The second question of the *Markman* legal issue test also begins with an historical inquiry, but this time the question is whether the right to have a jury for the issue in question is “fundamental, as inherent in and of the essence of the system of trial by jury.”¹⁷⁰ For a declaration of patent invalidity, it cannot be argued that a right to have a jury find the facts in dispute is historically fundamental because under 1791 English patent law, invalidity was a defense raised in both the courts of law and equity.¹⁷¹ The Chancellor in equity had the authority to rule on validity but had discretion to refer the case to a jury in the common law courts and consider the jury’s conclusion only as advisory.¹⁷²

The next factor, whether the existing precedent supports the essential right of a jury trial to patent invalidity, is again complicated by the split between equity and law. Prior to the merger, a patentee seeking equitable relief was required to sue in equity and had no Seventh Amendment right to a defense of patent invalidity.¹⁷³

After the merger of law and equity, the courts continued to deny jury trial rights for patent invalidity when the action sought was primarily equitable.¹⁷⁴ After the Supreme Court decisions in *Beacon Theatres v. Westwood Inc.*¹⁷⁵ and in *Dairy Queen v. Wood*,¹⁷⁶ it became clear that the issues common to both legal and equitable causes must be tried first to a jury if requested. But *Shubin v. United States District Court*,¹⁷⁷ a case interpreted in view of *Dairy Queen*, held that no

170. *Id.* at 1390 (citing *Tull v. United States*, 481 U.S. 412, 426).

171. *See* Adelman, *supra* note 104.

172. *See id.* *See also supra* notes 114-115 and accompanying text.

173. *See* *Barton v. Barbour*, 104 U.S. 126, 133-34 (1881) (“[I]t is now the constant practice of courts of equity to try without a jury issues of fact relating to the title of the patentee, involving questions of [patent validity] The jurisdiction of a court in equity to try such issues according to its own course of practice it too well settled to be shaken.”).

174. *See also supra* notes 71-73 and accompanying text.

175. 359 U.S. 500 (1959).

176. 369 U.S. 469 (1962).

177. *Shubin v. United States Dist. Ct.*, 313 F.2d 250 (9th Cir. 1963). *But see In re Lockwood*, 50 F.3d 966 (Fed. Cir. 1995).

Seventh Amendment right applied to an action for a declaration of patent invalidity in the absence of a standing claim for damages. Thus, although the most recent precedent seems to require that patent invalidity is an action where the Seventh Amendment applies, the weight of authority does not support the view that a declaration of patent invalidity is fundamental to the system of trial by jury.

The relative interpretive skills of judge and jury were key factors in the decision by the Supreme Court in *Markman* to take the responsibility of claim interpretation from the jury.¹⁷⁸ Judge Nies and others continue to assert that juries are not competent for trying patent issues.¹⁷⁹ The *Markman* Court appreciated the need for expert testimony to enable proper construction of patent claims in the context of the patent document, and the Court concluded that credibility judgments of competing experts—a duty best handled by the jury—was less important in this instance than the ability to evaluate the testimony of the experts in association with the patent document.¹⁸⁰

The difficulty faced by juries interpreting a patent and its supporting documents for claim construction also applies to patent invalidity. For example, one must understand the differences between the invention and the prior art to determine if the invention as a whole is obvious. This analysis requires careful consideration of expert testimony and analysis of the art in question. Thus, a strong case can be made that a judge, typically well-educated and experienced in document analysis, is better equipped than a jury to find the facts underlying patent invalidity.

The final factor in the *Markman* legal issue test, the statutory policies furthered, was also important to the decision in that case. The Court determined that a policy for uniformity in patents was an important public issue and that this policy would be ill-served if construction of patents and claims were left to juries.¹⁸¹ The Court reasoned that the singular nature of the Federal Circuit as the sole patent appeals court promotes, in theory, some degree of intra-jurisdictional uniformity by *stare decisis*.¹⁸² This logic, however, applies to any questions of law and would therefore apply to patent invalidity as well.

178. *Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384, 1395 (1996).

179. See *In re Lockwood*, 50 F.3d 996, 990 (1995) (Nies, J., dissenting); see also *supra* notes 3-5 and accompanying text; Adelman, *supra* note 104, at 795.

180. *Markman*, 116 S. Ct. at 1395.

181. *Id.* at 1396.

182. *Id.*

In summary, application of the *Markman* legal issue test, on balance, supports a conclusion that the question of patent invalidity should be considered solely a matter of law, where the facts at issue and the application of the facts to the law are a matter entirely reserved for the court.

VI. CONCLUSION

The quest to establish more uniformity and predictability in patent decisions by eliminating juries from the decision making process raises the issue whether the Seventh Amendment stands in the way of eliminating juries from patent invalidity actions. Under Seventh Amendment jurisprudence, patent invalidity is arguably more equitable than legal and, therefore, a right to a jury should not attach. Also, under the *Markman* legal issue test, patent invalidity is, on balance, not essential to the common law right of trial by jury in patent actions. The public policy for uniformity in patent law supports finding patent invalidity as a matter of law, reserved entirely for the trial court. Finally, by virtue of the fact that patents are public rights, Congress has the power to remove all patent invalidity determinations to the Patent Office with Federal Circuit review. As the positions in this Comment are probably in the minority in the Federal Circuit, patent invalidity will continue to command a Seventh Amendment right in the foreseeable future, unless the Supreme Court or Congress intervenes on behalf of social policy considerations.

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