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Patent Litigation before the New Claims Court

Joseph V. Colaianni
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PATENT LITIGATION BEFORE THE NEW CLAIMS COURT

JOSEPH V. COLAIANNI*

The final chapter was written recently on the United States Court of Claims, a court which from its creation in 1855 had served as the nation's conscience.[1] The existence of this court, which had served long and well in carrying out the task of a sovereign rendering justice against itself, along with the United States Court of Customs and Patent Appeals (CCPA), was terminated on October 1, 1982, and replaced by the Court of Appeals for the Federal Circuit (CAFC) and the United States Claims Court (USCC).[2] It is not the purpose of this paper to outline the history

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*Judge, United States Claims Court. B.E.E., University of Detroit; LL.B., George Washington University. The views expressed in this article are those of the author and do not necessarily represent the views of the United States Claims Court.

[1] President Abraham Lincoln understood the true mission of the court when he stated in an address to Congress: "It is as much the duty of government to render prompt justice against itself, in favor of citizens, as it is to administer the same, between private individuals." First Annual Message to Congress, 7 MESSAGES AND PAPERS OF THE PRESIDENT 3252, *reprinted in* CONG. GLOBE, 37th Cong., 2d Sess., app. 2. (1861).

[2] On April 2, 1982, President Reagan signed into law the Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25 (1982) (codified throughout sections of titles 2,

of the Court of Claims as that task has been done adequately by others.[3] Rather, my aim is to discuss the changes which practitioners may expect in bringing patent suits against the United States in the new Claims Court.

I. Historical Background

In order to provide the perspective needed for an appreciation of the changes in patent litigation which have occurred with the creation of the USCC, it is essential to explain briefly its jurisdictional basis and the manner in which patent suits were tried before the old Court of Claims.

A. Jurisdictional Bases of Patent Suits

Although suits involving patents were before the Court of Claims from its inception,[4] it is fair to say that its patent jurisdiction evolved slowly. Indeed, during the early formative years, recovery for patent infringement was grounded on an implied-in-fact contract. Under this theory, it was necessary for the patentee to show that he had submitted his patented invention to the government with the intention that it be used, and that the government used the invention with the understanding that it would have to pay. In *Schillinger v. United States*,[5] the court carefully distinguished between an action by a patentee for infringement of his patent, a tort claim over which the court had no jurisdiction, and the situation in which a patentee had submitted his invention under circumstances which established an implied-in-fact contract over which the court *would* have jurisdiction.[6]

5, 7, 10, 15, 16, 18, 19, 22, 25, 26, 28, 30, 31, 33, 35, 40, 41, 42, 44, 45 and 50 app. U.S.C. (1982)).

[3] *See* W. Cowen, R. Nichols, Jr., & M. Bennett, The United States Court of Claims, A History, Part II, Origin—Development—Jurisdiction, 1855-1978 (*reprinted in* 216 Ct. Cl. 1).

[4] The first suit involving a patent was referred to the court by Congress on March 3, 1855, and concerned a request by Cyrus H. McCormick, the inventor of the first workable harvester, to extend the life of his expired patent. *See* McCormick v. United States, H.R. Rep. C.C. No. 11, 34th Cong., 1st Sess. 1 Cong. Ct. Cl. (1855-56).

[5] 24 Ct. Cl. 278 (1889), *aff'd*, 155 U.S. 163 (1894).

[6] The Court of Claims in *Schillinger* made this important distinction by noting:

> A careful examination of these cases shows that a contract to pay is implied whenever the Government, acting through a competent agent, takes or uses individual property, acknowledging explicitly or tacitly that the property is individual property. No formal proceedings in condemnation are necessary to this result. Where, however, there is a denial of private right in an alleged patent, and the invention is nevertheless appropriated or used by the Government, the appropriation or use is in the nature of a tort, and an action thereon is not within the general jurisdiction of this court. So if it had not been disputed that the Schillinger patent was valid and the invention had been used by the Government, acting through a competent agent, a contract for royalty would be implied.

This limited approach by the Court of Claims to the problem of compensating patentees for the government's use of their inventions persisted until 1910, when Congress passed an act to provide additional protection to owners of United States patents.[7] An interesting discussion of the Court of Claims' early attempts to redress a patentee for the alleged use of his patented invention and the impact of the 1910 Act on the court's jurisdiction is found in *Crozier v. Krupp*.[8] However, that case is equally important because of the Supreme Court's conclusion that a patentee who had sought to enjoin the United States was entitled to be compensated under the 1910 Act only for the government's eminent domain taking of a license under the patent in suit. In denying the plaintiff's right for a permanent injunction, the Supreme Court pointed out that:

> [C]learly under the circumstances now existing, that is, the acquiring by the Government under the right of eminent domain, as the result of the statute of 1910, of a license to use the patented inventions in question, there could be no possible right to award at the end of a trial the permanent injunction to which the issue in the case was confined. Moreover, taking a broader view and supposing that a final decree granting a permanent injunction had been entered below, in view of the subject-matter of the controversy and the right of the United States to exert the power of eminent domain as to that subject, at most and in any event the injunction could rightfully only have been made to operate until the United States had appropriated the right to use the patented inventions, and as that event has happened the injunction, if granted, would no longer have operative force.[9]

While *Crozier* clearly established that the United States never could be enjoined directly from taking a license under a United States patent,[10] the possibility of enjoining a contractor of the United States remained unresolved. It was not until *William Cramp & Sons Ship & Engine Building Co. v. International Curtis Marine Turbine Co.*[11] that the Supreme Court concluded that the 1910 Act did not prevent a patentee from suing a government contractor in district court for infringement of its patent. Coming as it did at the height of World Warl I, *Cramp* sent

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24 Ct. Cl. at 298.

[7] Act of June 25, 1910, ch. 423, 36 Stat. 851 (codified as amended at 28 U.S.C. § 1498 (1982)). This Act provided in pertinent part that "whenever an invention described in and covered by a patent of the United States shall hereafter be used by the United States without license of the owner thereof or lawful right to use the same, such owner may recover reasonable compensation for such use by suit in the Court of Claims. . . ." *Id.*

[8] 224 U.S. 290 (1912).

[9] *Id.* at 308-09.

[10] In *Crozier* the plaintiff sued an officer and agent of the United States in a district court.

[11] 246 U.S. 28 (1918).

shockwaves through various government agencies which feared that the ultimate unthinkable result could be that a district court could enjoin a United States contractor from supplying equipment which was crucial to the government's war effort.[12] To prevent this possibility, Congress amended the Act of 1910 to provide that a patentee's remedy for the unlicensed use or manufacture of an invention by or for the United States "shall be by suit against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture."[13]

In *Richmond Screw Anchor Co. v. United States*[14] the Supreme Court again was faced with the task of unravelling the rights of a patent owner against the government, but this time the litigation was even more complicated because the rights of a contractor were also involved. This case finally settled the important question of a patentee's rights against a government contractor. The Supreme Court left no doubt that a patentee's exclusive right was against the government:

> The intention and purpose of Congress in the Act of 1918 was to stimulate contractors to furnish what was needed for the War, without fear of becoming liable themselves for infringements to inventors or the owners or assignees of patents. The letter of the Assistant Secretary of the Navy, upon which the Act of 1918 was passed, leaves no doubt that this was the occasion for it. To accomplish this governmental purpose, Congress exercised the power to take away the right of the owner of the patent to recover from the contractor for infringements.[15]

B. Evolution of the 1910 Act Into the Court's Present Patent Jurisdiction

The Act of June 25, 1910, as amended by the Act of July 1, 1918, has evolved into section 1498 of title 28 and provides, as it did in the Court of Claims, the jurisdictional basis of all patent suits in the new United States Claims Court. Indeed, the Federal Courts Improvement Act of 1982 deleted all reference to the Court of Claims and transferred all such jurisdiction to the USCC.[16] Thus, the USCC has exclusive jurisdiction over all suits brought against the United States for the unlicensed use or manufacture of a patented device.

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[12] See Richmond Screw Anchor Co. v. United States, 275 U.S. 331, 343-45 (1928), *rev'g* 61 Ct. Cl. 397 (1925), for a discussion of the rights of a patentee against a government supplier.

[13] Naval Appropriation Act of July 1, 1918, ch. 114, 40 Stat. 704, 705 (codified as amended at 28 U.S.C. § 1498 (1982)).

[14] 275 U.S. 331 (1928).

[15] *Id.* at 345.

[16] Federal Courts Improvement Act, § 133(d), 28 U.S.C. § 1498.

C. The Commissioner System

Contemporaneous with the clarification of the Court of Claim's patent jurisdiction an event occurred which was to have a profound effect on the way that future patent litigation would be conducted in the court. The end of World War I signalled an onslaught of new activity for the Court of Claims. By 1924 new filings amounted to nearly 100 per week, in contrast to the 181 cases which were filed during all of 1918.[17] It was apparent that the court was overwhelmed and that a plan was needed to ease the overload. The judges at the court were in favor of increasing their number temporarily to nine by the appointment of four new judges.[18] However, a different and more novel approach was recommended by the Judiciary Committee of the United States Senate. The committee felt that the crisis at the court could be better solved by the appointment of seven commissioners to perform functions similar to those which masters now perform in the district courts.[19] The duties of these new commissioners were to include the examination of witnesses, the taking of evidence, and the finding and reporting of the facts to the court. The commissioners were to serve for only three years.

There can be no doubt that the 1925 legislation[20] was a signal event in the evolutionary change of the court. It was not long after this that Congress raised the salaries of the Court of Claims article III judges to the same level as judges of the United States Circuit Court of Appeals and thus set the stage for their inclusion years later in the ranks of federal appellate judges.[21] Moreover, after the three-year provision of the 1925 Act had run, the original commissioners remained, the three-year provision being repealed in 1930. The concept was so well received that by 1953, Congress had authorized the installation of fifteen commissioners.

From this small beginning, the commissioner system at the Court of Claims grew in power. For example, by 1948, the commissioners, when directed by the court, could recommend conclusions of law, as well as findings of fact. The authorization to make recommendations of law became mandatory by order of the court on September 23, 1964, in all cases in which findings of fact were made. By 1982, the last year of the Court of Claims, there were sixteen trial judges who performed all of the formal trial functions of the court. The enhanced standing which the trial judges finally attained is illustrated by Rule 13 of the United States Court of

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[17] W. COWEN, R. NICHOLS, JR., & M. BENNETT, *supra* note 3, at 85-88.

[18] The increase was to be temporary, for as the judges retired or died, these positions would not be refilled, and in time the court would revert to its original five judges. *Id.*

[19] While commissioners had served the Court of Claims from its inception, in reality the early appointees served as court reporters and only presided at the taking of depositions.

[20] Act of February 24, 1925, ch. 301, 43 Stat. 964 (codified as amended at 28 U.S.C. § 2503 (1982)).

[21] Congress, in its Act of July 28, 1953, ch. 253, 67 Stat. 226 (codified as amended at 28 U.S.C. § 171 (1982)), declared that the Court of Claims was an article III court.

Claims, which was in effect until October 1, 1982.[22]

II. Specialization of Trial Judges

Thus, over the years, the Court of Claims changed from the simple five-judge trial court originally planned by the Act of 1855, into a two-division operation. The appellate division was manned by seven article III judges, while sixteen trial judges comprised the trial division. The court had jurisdiction over a broad range of claims, including tax refunds, patent infringement, inverse condemnation cases, civilian and military pay, government contracts, Indian claims, and renegotiation board cases. The court, many years ago, recognized that in order to handle expeditiously its wide range of extremely complex litigation, its trial judges should be selected from the ranks of attorneys having a knowledge of the law relating to the various specialities over which the court had jurisdiction. Indeed, because of the large number of pending tax refund cases, the Court of Claims at one time had three trial judges who were specialists in that area. Similarly, persons having knowledge in the fields of civilian pay, military pay, and government contracts were also appointed as trial judges of the court.

The Court of Claims probably had more patent litigation pending before it than any other federal court. Between 1966 and October 1982, all of these cases were divided between two patent-trained trial judges.[23] In addition to dividing the patent cases, which have ranged from a high of about ninety in 1965, to fifty in 1982, the dockets of these trial judges have always included cases from every area of the court's jurisdiction.

III. Patent Litigation Then and Now

A. *Substantive and Procedural Issues*

As explained above, section 1498 of title 28 endowed the Court of

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[22] Ct. Cl. R. 13 (28 U.S.C. app. (1976)). This Rule provided in pertinent part:

> (a) *General*: The trial judges shall constitute the trial division of the court and shall have the power, to the extent authorized by statute and these rules, to do and perform any acts which may be necessary or proper for the efficient performance of their duties and the regulation of proceedings before them. (b) *Responsibility*: In all cases referred to him, the trial judge shall be responsible in the first instance (1) for all orders requisite to the joinder of issue on the pleadings; (2) for the disposition of procedural motions; (3) for the direction and conduct of pretrial proceedings (including discovery and depositions); (4) for the trial of issues of fact; (5) for making findings of fact; and (6) unless otherwise directed by the court, or otherwise provided by these rules, for submitting his recommended decision.

Id.

[23] The author presently shares substantially all of the patent cases with Judge Robert M.M. Seto, although Chief Judge Alex Kozinski and Judge Kenneth R. Harkins each have at least one patent case on their dockets.

Claims with exclusive jurisdiction in patent infringement cases against the United States. While such an action is in reality a suit for just compensation for the unauthorized taking of a nonexclusive license under a patent, the substantive law used by both the old Court of Claims and the new United States Claims Court will remain virtually the same as that used in patent litigation by United States district courts.[24] Thus, similar to the procedure followed in the district court litigation, all patent trials have been and will continue to be divided into liability and accounting phases, with the accounting trial being deferred until liability has been finally established.[25] Moreover, although patent litigation in the United States district courts is based on theories of tort, while patent litigation in the United States Claims Court is founded on a governmental taking by eminent domain, those differences are not significant until the accounting trial when the damages to which the patentee is entitled are calculated.[26] The crucial determination of the liability trial will continue

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[24] *See* South Corp. v. United States, 690 F.2d 1368, 1369 (Fed. Cir. 1982) (holdings of predecessor courts binding as precedent on new Court of Appeals for the Federal Circuit). *See also* Cl. Ct. Gen. Order No. 1, Prec. R. 1, 28 U.S.C. (1982) (issued by Kozinski, C.J., on October 7, 1982).

[25] It is also important to note that all suits in the Claims Court are heard by the judges of that court and the parties are not entitled to a jury trial.

[26] The significance of these different approaches to patent litigation was pointed out by the Court of Claims in Leesona Corp. v. United States, 599 F.2d 958 (Ct. Cl. 1979):

> [The Court of Claims] has traditionally searched the law of eminent domain for legal precedents and principles to apply in determining the "reasonable and entire compensation" to be granted in a valid infringement action against the government. . . .
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> The trial judge used the language of § 1498 to justify the award of double damages, profits, savings to the government, and the attorneys' fees in addition to a reasonable royalty he deemed due plaintiff for infringement. . . .
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> The trial judge progressed from the conclusion that reasonable and entire compensation meant that the United States was assuming liability for more than the fifth amendment's mandated just compensation, to the view that reasonable and entire compensation included more than a reasonable royalty, the traditional benchmark used to measure just compensation for a taking of patent rights. He concluded that § 1498 was a substitute for Title 35, the section of the United States Code granting remedies to patentees and their assignees injured by private parties. Therefore, he concluded that the remedy of "reasonable and entire" compensation awarded under § 1498 would be defined to include most of the elements of Title 35. The injunctive relief of 35 U.S.C. § 263 could not be awarded, of course, since this court lacks the power to grant such relief.
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> . . . . A complete congruence between § 1498 and Title 35 would grant plaintiff a recovery in excess of the just compensation required by the fifth amendment, and in excess of the reasonable and entire compensation contemplated by Congress with the passage of § 1498. The difficulties with . . . [the] incorporation of Title 35 into the definition of a § 1498 recovery can be seen in certain elements of the award he granted Leesona.

Id. at 967-69 (citations omitted).

to be whether the invention in controversy is patentable under section 103 of title 35 as interpreted by the Supreme Court in *Graham v. John Deere Co.*[27] Moreover, the judges of the new USCC shall be called upon, just as the trial judges of the Court of Claims were, to establish if the government has infringed any of the claims of the patent in suit.[28] Similarly, a host of technical and legal defenses are capable of being raised, which will require resolution by today's judges as they were required to be resolved by yesterday's.

B. The Case Against the Fungible Case Docket

1. Detrimental Aspects of Random Case Assignment

While the procedural and substantive issues raised by patent litigation in the new USCC will remain the same as those raised before the old Court of Claims, very little else may remain the same. Indeed, the hallmark of patent litigation before the Court of Claims, that which more than anything else brought favorable comment from the patent bar, will no longer be available in the new USCC: the opportunity of the petitioners to try all patent cases before patent-trained judges. This change may have far-reaching effects on the way patent cases will be tried in the new court, and adjustments by both the bench and the bar will be necessary. Some may argue that the change was needed; however, in truth it was not. For reasons detailed below, the random assignment of patent cases will not be viewed in the long run as a beneficial change by either the judges at the new court or by the practitioners who litigate there.

Under the new USCC Rules, all Claims Court cases are assigned to judges on a random basis. The Rules provide:

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[27] 383 U.S. 1 (1966). The *Graham* analysis centers on § 103 of the Patent Act of 1952, ch. 950, 66 Stat. 792, 798 (codified at 35 U.S.C. § 103 (1976)). That Act prevents the patentability of subject matter which would have been obvious to a person with ordinary skill in the relevant art. (In addition, §§ 101 and 102 of the Act made patentability dependent on the novelty and utility of the invention.) *Graham* held that the shipper-sprayer in question was not patent-worthy, as the invention rested only on "exceedingly small and quite non-technical mechanical differences in a device which was old in the art." 383 U.S. at 36. *See also* Kistler Instruments A.G. v. United States, 628 F.2d 1303 (Ct. Cl. 1980) (secondary considerations, such as commercial success or satisfaction of a long-felt need may reflect on a determination of obviousness under 35 U.S.C. § 103).

[28] The government is held to have infringed a licensee's patent under the doctrine of equivalents if it takes advantage of the licensee's invention by using another only slightly different. In Graver Tank & Mfg. Co. v. Lind Air Prod. Co., 339 U.S. 605 (1950), the Supreme Court stated, " 'if two devices do the same work in substantially the same way, and accomplish substantially the same result, they are the same, even though they differ in name, form, or shape.' " *Id.* at 608 (quoting Machine Co. v. Murphy, 97 U.S. 120, 125 (1877)). *See also* Lockheed Aircraft Corp. v. United States, 553 F.2d 69 (Ct. Cl. 1977) (even if equipment in question literally reads on the claims in suit, accused device must also be shown to substantially infringe licensee's patent by performing same work, in substantially same manner to achieve substantially the same result).

> After the complaint has been served on the United States, or after recusal or disqualification of a judge to whom a case has been assigned, the case shall be assigned forthwith to a judge on the basis of random selection by the clerk, except that related cases shall be assigned to the judge who has been assigned the earliest case filed. With the consent of the judge to whom a case has been assigned, the chief judge may reassign any case if he deems such action necessary for the efficient administration of justice.[29]

However, the assignment of patent cases to the judges of the USCC on a random basis not only ignores the results achieved by the Court of Claims over the last thirty years, but also flies in the face of the advice of some of the best judicial minds who have reflected on the subject. No less an authority than Justice Felix Frankfurter remarked in his dissent in *Marconi Wireless Telegraph Co. v. United States*[30] that "[i]t is an old observation that the training of the Anglo-American judges ill fits them to discharge the duties cast upon them by patent legislation."[31] While this may be felt by some to be an overstatement, it is this author's feeling that it does not miss the mark by much. In fact, if we are to believe the comments of Judge Abraham L. Marovitz, Justice Frankfurter merely articulated the feeling held by judges generally. Concerning Justice Frankfurter's dissent, Judge Marovitz said:

> I sometimes think that Mr. Justice Frankfurter had judges like me in mind . . . in his dissent in *Marconi Wireless Co. v. United States* . . . . That observation . . . voiced by Justice Frankfurter in 1943 . . . to a certain degree is as true today as it was thirty years ago.[32]

Judge Marovitz explained that cases in the Northern District of Illinois are assigned by lot, just as they are at the USCC. His description of the fear of being assigned a patent case is pertinent:

> [W]hen I drew an antitrust case, a multi-defendant criminal case, or an involved securities case, I was unperturbed. Nevertheless, when I drew a patent case, to be perfectly honest, I was less than overjoyed. I envisioned inordinate amounts of trial time, mountains of documents, reams of testimony, countless mysterious diagrams, and endless verbal duels between experts who speak in a foreign tongue and write in an alien language. I was overcome by a feeling that I was being compelled to perform in a

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[29] Cl. Ct. R. 77(f).

[30] 320 U.S. 1 (1943) (Frankfurter, J., dissenting).

[31] *Id.* at 60-61.

[32] Marovitz, *Patent Cases in the District Courts—Who Should Hear Them?*, 58 J. PAT. OFF. SOC'Y 760, 760 (1976).

> role for which I was dreadfully ill prepared, and to witness the judicial system operating at its poorest. I might venture to guess that these feelings are not unusual among patent-inexperienced judges in the federal judiciary.[33]

Such sentiments cannot be dismissed as rare; rather, they are typical of an attitude which appears with disturbing regularity in patent cases.

I do not mean to imply that only patent-trained judges are capable of handling patent litigation, for this, of course, is not true. The subject matter can be handled in an exemplary fashion by any judge who is willing to invest the time and energy to learn about a subject which has been totally ignored by the majority of the lawyers and judges in this country. The random assignment of patent cases in the new USCC will require a willingness on the part of its judges to commit vast expenditures of trial time and out-of-court study time to familiarize themselves with the technical subject-matter of such cases. Unfortunately, time is the one thing which judges of the Claims Court may have little of. In Judge Marovitz's view:

> [T]here is something beyond the outward appearance of patent cases that is responsible for the large amounts of time necessary. Antitrust and securities cases are also inherently time consuming. They too involve multiple defendants and plaintiffs and large amounts of money, yet they are resolved more efficiently than patent cases. Why? The simple answer is that a judge has en-

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[33] *Id.* at 761-62. Other judges have expressed similar reservations with regard to patent litigation. For example, Senior Circuit Judge Woodbury in Nyyssonen v. Bendix Corp., 342 F.2d 531 (1st Cir.), *cert. denied*, 382 U.S. 847 (1965), stated:

> The patents are long. One consists of 11 pages of drawings (26 figures) and almost 50 columns of text, and the other 9 pages of drawings (21 figures) and almost 44 columns of text. Both are highly technical in the fields of advanced mathematics and electrical engineering in which no member of this court can profess any competence. We can say with the court below that this case presents great difficulties to judges like ourselves who have only the most elementary training in science and mathematics and little experience with modern technological developments.
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> . . . .
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> Resolution of [the plaintiff's] contention takes us into the construction and operation of generators and motors in general and then leads on into technical details many of which we find beyond our comprehension, for the plaintiff's patents are not only voluminous but are couched in a technical vocabulary with which we are wholly unfamiliar. We frankly admit that we cannot read them intelligently. . . . Moreover, we have great difficulty in understanding, even in a general way, the technical testimony of the experts and the discussion of that testimony by counsel orally and in their briefs. However, we must do the best we can.

Id. at 532-33 (footnote omitted). Another example is the remark of Judge Wortendyke who, after quoting the above language of Judge Woodbury, laments: "The undersigned is equally ignorant in the scientific field involved in the patent in suit." Kraftco Corp. v. Beatrice Foods Co., 342 F. Supp. 1361, 1363 (D.N.J. 1971).

> countered the elements of these areas of law on numerous occasions, both in his practice prior to being appointed to the bench, and afterwards, and he is therefore intimately familiar with their terms, language, and underlying circumstances. Patent litigation, on the other hand, is infrequently encountered by judges and even less frequently, if ever, dealt with by practicing non-patent lawyers.[34]

Unfortunately, the judges at the USCC may find, just as many of the district court judges have, that while reaching a decision in a non-patent case requires the three-step process of determining the facts, choosing the applicable statutory or case law, and applying the law to the facts, an additional step is required in all patent litigation: learning the technical language needed to understand the invention.[35]

In addition, from the point of view of counsel, the random assignment of patent cases will require changes in the way cases are tried. Counsel under the Court of Claims practice were assured of trying their cases before judges who had engineering degrees and who were familiar with the law and language of patents. This assurance no longer holds true. No longer can counsel assume that the judge will be familiar with, for example, the doctrine of file wrapper estoppel or the duties of honesty and candor on the part of counsel when they are prosecuting an application of a patent through the Patent and Trademark Office (PTO). Thus when speaking of such esoterica as file wrapper estoppel or fraud in the Patent Office, it will be necessary for counsel to cover these areas with a much greater degree of care. It may also be prudent to consider having an expert assist the court by explaining such things as the way a patent is prosecuted through the PTO and other matters foreign to the court.

The random assignment of patent cases may also affect the attitude of

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[34] Marovitz, *supra* note 32, at 763. This sentiment echoes the thought expressed years earlier by Judge Learned Hand:

> I cannot stop without calling attention to the extraordinary condition of the law which makes it possible for a man without any knowledge of even the rudiments of chemistry to pass upon such questions as these. The inordinate expense of time is the least of the resulting evils, for only a trained chemist is really capable of passing upon such facts, *e.g.*, in this case the chemical character of Von Furth's so-called "zinc compound," or the presence of inactive organic substances.

Parke-Davis & Co. v. H.K. Mulford Co., 189 F. 95, 115 (S.D.N.Y. 1911).

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> Aside from discerning the facts and segregating the law, a judge must learn an entirely new technical and foreign language —call it "patenteese" if you will. It is principally the language of physics, chemistry, and engineering—a language with which the judge has no familiarity—both in regard to underlying circumstances, and to the very terms used. It is a jargon in which a judge must be re-educated before he can proceed to properly understand the basic facts and to render a proper decision.

Marovitz, *supra* note 32, at 764.

counsel regarding settlement. While a certain predictability existed when patent cases were tried before patent-trained judges, this may no longer be true with the random assignment of patent cases to non-patent-trained judges. The change may result in a drop in settlements over the next several years. In a 1979 speech before the American Patent Law Association in Washington, D.C., Mr. Vito J. DiPietro, then the Assistant Director of the Commercial Litigation Branch of the Civil Division, Department of Justice, reported that of the fifty-four patent cases concluded between the years 1975 and 1979, twenty were settled.[36] It remains to be seen whether counsel for both plaintiff and defendant will feel that the uncertainty which the new system brings to the trial will improve each of their chances for success and thus make each less willing to negotiate a settlement. While this may be the unfortunate short-term effect of random assignment, the situation should improve as time goes on.

2. The Verdict from Abroad

The random assignment of patent cases in the new Claims Court not only breaks with a thirty year tradition established by the Court of Claims—it also counters the increasing tendency of technically-oriented foreign countries to refer patent litigation to patent-trained judges. As early as 1911, Judge Hand, in the *Parke-Davis* case, favorably commented on the progressive step taken in Germany to use technically trained judges to hear and decide patent cases. His plea for a similar practice in this country, although largely unheeded outside of the Court of Claims, is nonetheless noteworthy:

> In Germany, where the national spirit eagerly seeks for all the assistance it can get from the whole range of human knowledge, they do quite differently. The court summons technical judges to whom technical questions are submitted and who can intelligently pass upon the issues without blindly groping among testimony upon matters wholly out of their ken. How long we shall continue to blunder along without the aid of unpartisan and authoritative scientific assistance in the administration of justice, no one knows; but all fair persons not conventionalized by provincial legal habits of mind ought, I should think, unite to effect some such advance.[37]

Since Judge Hand's appeal, the British have turned to patent-trained judges to hear all patent infringement suits. One commentator, Richard L. Gausewitz, has written: "In this age, when it is becoming common to do something about problems—not just talk about them—the United

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[36] Address by Vito J. DiPietro, APLA Spring Meeting (May 23-25, 1979), *reprinted in* 1979 Am. Pat. L.A. Bull. 359, 386.

[37] 189 F. 95, 115 (S.D.N.Y. 1911).

States should follow the lead of other major industrial nations of the free world by initiating some reasonable form of judicial specialization in patent cases."[38] His conclusion is based largely on the favorable experience of the British. Since 1945 the English Patents and Design Act has called for the addition of a patent lawyer to the English High Court (its trial court) to deal primarily with patent cases. Further, the requirement that all patent infringement matters in England be tried before "patent lawyers turned judges" has proven to be so successful that it prompted the following recommendation to Parliament:

> It is an important corollary to the establishment of a special Patents Court that the Court of Appeal should also dispose of some patent expertise. We note with satisfaction that one of the specialist judges recently sat as a member of the Court of Appeal when that court was hearing a Registered Design action and *we believe that this should be the practice for every patent action if there is no judge with patent experience in the Court of Appeal.*[39]

Resort to patent-trained judges to hear all patent infringement litigation is not limited to Germany and England. Similar referrals are made in Japan.[40]

3. Judicial Approval of the Patent-Specialized Docket

Judges have, for good reason, consistently resisted the urge to specialize. This is true not only with regard to specialization on an individual judge basis, but also extends to the establishment of specialized courts. However, this resistance toward specialization persists only until the subject of patent litigation is raised, whereupon the bench almost unanimously shifts its position to favor specialization. Thus, while nonspecialization is generally encouraged, the majority of judges still would favor the handling of patent litigation by judges expert in that field. Judge Marovitz may well have expressed this majority view when he commented:

> I agree wholeheartedly that a federal judge, given his exalted position, should be a good enough lawyer to handle anything that comes his way—and that there is a great danger in segmenting the courts and judges into specialized areas—but such statements beg the question. The issue is not whether a judge can or ought to train himself to properly handle patent cases, but rather whether

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[38] Gausewitz, *Toward Patent-Experienced Judges*, 58 A.B.A. J. 1087, 1090 (1972).

[39] *Id.* at 1089 (quoting BANKS COMMITTEE, REPORT TO PARLIAMENT at ¶ 180 (1970)) (emphasis added).

[40] *Id.* at 1090.

> he should be required to do so given the large amount of time it requires. My thesis then, given the critical drain on judicial time that can be attributed to assignment of patent cases to patent-inexperienced judges, given the uniqueness of patent litigation, and given the alternatives for the preservation of that time, is that patent cases should not be assigned to patent-inexperienced judges.[41]

C. *Beneficial Effects of the 1982 Federal Courts Improvement Act on Patent Litigation*

The 1982 Federal Courts Improvement Act and the random assignment of patent cases at the USCC are more than academic topics raised for the mere purpose of discussion. It is appropriate to consider the practical effects which these changes will have on patent litigation before the court.

There can be no doubt that the hearings during the legislative pendency of the Federal Courts Improvement Act focused primarily on the creation of the Court of Appeals for the Federal Circuit. It is fair to say, having attended a meeting at which Assistant Attorney General Daniel J. Meador discussed his proposal of merging the Court of Claims and the Court of Customs and Patent Appeals, that the need for a court to handle the trial functions of the Court of Claims was an afterthought. This is evident from Judge Jack R. Miller's article, where, in discussing Assistant Attorney General Meador's proposal, he stated:

> Already we have been hearing informal criticisms of this proposal, such as . . . what to do with the 16 Court of Claims Commissioners, who are neither Article I nor Article III judges but whose decisions would have to be "final" in the same sense as those of the U.S. District Courts and the Tax Court . . . .[42]

Nonetheless, the 1982 Act ultimately resulted in the creation of a new trial court and empowered the President to appoint, with the advice and consent of the Senate, sixteen judges who constituted an article I court

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[41] Marovitz, *supra* note 32, at 766. In a similar vein, Mr. Gausewitz favorably commented regarding specialization in the patent field:

> It is frequently said that a federal judge should have jurisdiction to preside over any matter that is presented. This very natural attitude is also held by many practicing attorneys concerning their competence to practice in every field except one. The one exception, made by even the most ardent advocates of nonspecialization, is patent law. This is because patent law is an anomaly, a hybrid of law with a rapidly proliferating technology. To treat patent law as a special, anomalous case does not require or even suggest that there should be further specialization of the judiciary.

Gausewitz, *supra* note 38, at 1090.

[42] Miller, *Future of the CCPA*, 60 J. PAT. OFF. SOC'Y 676, 679 (1978).

known as the United States Claims Court.[43] The Act goes on to explain that the judicial power of the USCC, except in congressional reference cases, shall be exercised by a single judge.[44]

One of the most beneficial results to flow from this landmark legislation is the empowering of the judges of the USCC to render final decisions. The beneficial effects go beyond the obvious and may even fashion attitudinal changes. The new judges will be recognized as being in control of the litigation, and the tendency to question or appeal such matters as denials of extensions of time and rulings on pretrial discovery motions will be reduced. This fact alone will go a long way towards securing the just, speedy, and inexpensive determination of every action which should be the goal of both the bench and the bar. Even more, while the trial judges of the old Court of Claims were not empowered to act on dispositive motions, the new USCC Rules permit such action with the hopeful result that summary disposal can take place where warranted.[45] In addition, it is now possible for a judge of the USCC to render bench decisions. While the typical patent case may only rarely lend itself to such treatment, there are occasions when this may be possible. Such action will obviously cut down on the pendency of cases before the court.

There are further advantages which result from the ability of the judge to enter a final judgment. Heretofore, a trial judge of the Court of Claims could only make non-binding recommended conclusions of law and findings of fact. Because of the non-mandatory nature of the decisions of the trial judge, the losing side, and often even the winning side, tended to take extensive exceptions to them. This not only complicated matters at the trial level, but also created problems in the appellate division. Not only did the former arrangement provide little incentive to end the litigation after a decision at the trial level, it also promoted lengthy and complicated appeals. Indeed, in some instances exceptions encompassed a challenge on every point covered by the trial judge. Moreover, the inability, and perhaps unwillingness, of the appellate division judges to provide that a trial judge's findings of fact would not be set aside unless they were clearly erroneous[46] may have encouraged litigants to take exceptions to facts that would have gone uncontested in a conventional district court/court of appeals relationship.

The ability to enter final judgments will also encourage the judges to render shorter and more focused decisions. Under the former system in which the trial judge could render only recommendations, the appellate

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[43] Federal Courts Improvement Act, § 105, 28 U.S.C. § 171(a).

[44] *Id.* § 105, 28 U.S.C. § 174.

[45] *See* Cl. Ct. R. 57.

[46] *See* Bringwald, Inc. v. United States, 334 F.2d 639, 643 (Ct. Cl. 1964) ("[w]hile the findings and opinion of a trial commissioner are entitled to much consideration and weight, yet under our rules and procedure the court has the ultimate responsibility for determining these matters.").

division was aided by a full treatment of each issue raised by the parties. In addition, the trial judges did not want to limit their decisions to a single issue that the appellate level might conclude was not dispositive and then face the possibility that the case would be remanded for treatment of the other issues. In order to prevent such a remand, even the most obscure issues were considered. Needless to say, this lengthened the trial judge's report and required the expenditure of countless hours in considering unnecessary issues and fashioning supernumerary findings of fact.

While the above considerations will go far toward streamlining the handling of patent cases in the new USCC, it will also require practitioners to make certain adjustments. Lawyers must expect to conform their patent practices to the manner in which cases are handled and tried in the federal district courts. Under the new system judges will be less likely to monitor each of the moves of counsel and more likely to rely on opposing counsel to call matters of importance to the court's attention. This is especially true at the pretrial discovery level where it will no longer be necessary, as the old Court of Claims Rules required, for counsel to ask leave to conduct discovery.[47]

IV. Conclusion

The recent creation of the United States Claims Court, 127 years after the birth of the Court of Claims, provides an opportunity to streamline the trial procedures for handling claims against the United States government. The trial judges have within their means the ability to give life to the aspiration expressed in the court's Rule 1[48] and provide the parties to government litigation with a just, speedy, and inexpensive determination of every action. Congress has spoken. It is now up to the judges of this new court to carry out the legislative mandate in such a manner that the Claims Court will become the standard by which judicial efficiency and fairness are measured.

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[47] *See* Cl. Ct. R. 26.

[48] *Id.* 1: "These rules shall be construed to secure the just, speedy, and inexpensive determination of every action."