

THE SUPREME COURT AS “PRIME PERCOLATOR”:
A PRESCRIPTION FOR APPELLATE REVIEW
OF QUESTIONS IN PATENT LAW

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Generally speaking, the Supreme Court of the United States is a tribunal with the final say on “what the law is.” But the desirability of the Supreme Court’s acting as “final law sayer” is questionable in patent law, where the Court primarily reviews the work of the Federal Circuit, a comparatively expert body having virtually exclusive jurisdiction over initial appeals. Nonetheless, in recent years, the Supreme Court has spoken repeatedly and forcefully on questions of substantive patent law. I argue that such Supreme Court activity is best justified and conceived not as directed toward final law saying, but instead as involving limited interventions to stimulate new or renewed judicial examination of important legal questions. Centralized appellate review in the Federal Circuit makes patent law unusually susceptible to doctrinal ossification. By engaging in periodic merits review of patent law doctrines that the Federal Circuit may have locked into place either too quickly or for too long, the Supreme Court can help initiate escapes from suboptimal legal equilibria. But the Court’s competence is limited. Consequently, when intervening in substantive patent law, the Court should generally leave primary responsibility for developing precise legal formulas to the Patent and Trademark Office, district courts, and the Federal Circuit.

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INTRODUCTION

Generally speaking, the Supreme Court of the United States is a tribunal with the final say on “what the law is.”¹ But the Court’s role in this regard is open to question when, as with patent law, the Court reviews the work of another appellate tribunal having virtually exclusive jurisdiction over initial appeals. In such a situation, there are generally no circuit splits or other regional differences for the Supreme Court to resolve. Further, the initial appellate court, the Court of Appeals for the Federal Circuit, is comparatively expert in patent law. Thus, there may be little reason to think that the Supreme Court will, on average, produce better doctrine or case-by-case results.

Nonetheless, the Supreme Court has, in the past six years, asserted its dominion over patent law with frequency and force. In *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*,² a unanimous Court struck down a rule regulating patent scope in the very case in which the en banc Federal Circuit had adopted it.³ In *eBay Inc. v. MercExchange, L.L.C.*,⁴ a similarly unanimous Court vacated part of a unanimous Federal Circuit panel decision that had reversed a district court’s denial of a permanent injunction.⁵ In *KSR International Co. v. Teleflex Inc.*,⁶ the unanimous Court reversed a unanimous and nonprecedential panel decision⁷ because the panel had analyzed the nonobviousness of a claimed invention in an overly “rigid” way.⁸ This year, in *Quanta Computer, Inc. v. LG Electronics, Inc.*,⁹ the unanimous Court reversed another unanimous Circuit

1. *Marbury v. Madison*, 1 U.S. (Cranch) 137, 177 (1803).

2. 535 U.S. 722 (2002).

3. *Id.* at 729–30, 737.

4. 547 U.S. 388 (2006).

5. Compare *id.* at 390–91, with *MercExchange, L.L.C. v. eBay Inc.*, 401 F.3d 1323, 1339 (Fed. Cir. 2005), vacated, 547 U.S. 388.

6. 127 S. Ct. 1727 (2007).

7. See *Teleflex, Inc. v. KSR Int’l Co.*, 119 F. App’x 282 (Fed. Cir. 2005), rev’d, 127 S. Ct. 1727.

8. See 127 S. Ct. at 1741.

9. 128 S. Ct. 2109 (2008).

panel¹⁰ with respect to its understanding and application of the doctrine that patent rights are exhausted by an authorized first sale.¹¹

How can such Supreme Court activity be justified? In the interest of long-term quality in legal decisionmaking, such interventions should be desirable as a structural matter and not merely because, on a particular issue raised at a particular point in time, a litigant or other individual expects that the Supreme Court will provide a more favorable result.

One argument for intervention by the supposedly generalist Supreme Court is that legal decisionmaking by an allegedly specialized Federal Circuit has, predictably, gone horribly awry.¹² A number of commentators¹³ have concluded that, since the Federal Circuit’s creation in 1982, the Circuit has come to embody a number of long-theorized problems with specialized courts, such as tendencies toward interest-group capture, bias in favor of an overly muscular view of the laws under its special care,¹⁴ and an esotericism or tunnel vision that disconnects the circuit from broader social or legal concerns.¹⁵ Supreme Court justices have appeared to sympathize with such concerns about Federal Circuit specialization. Justice Stevens has spoken of “occasional decisions by courts with broader jurisdiction” as “an antidote to the risk that the specialized court may develop an institutional bias.”¹⁶ In opposing dismissal of a patent case as improvidently granted, Justice Breyer has urged that the “generalist Court” may have something valuable to “contribute to the important ongoing debate, among both specialists and generalists,” about the patent system’s current state.¹⁷

10. LG Elecs., Inc. v. Bizcom Elecs., Inc., 453 F.3d 1364 (Fed. Cir. 2006), *rev'd*, 128 S. Ct. 2109.

11. 128 S. Ct. at 2122.

12. See, e.g., Craig Allen Nard & John F. Duffy, *Rethinking Patent Law's Uniformity Principle*, 101 NW. U. L. REV. 1619, 1629–37 (2007) (discussing criticisms of the Federal Circuit).

13. See, e.g., Stuart Minor Benjamin & Arti K. Rai, *Fixing Innovation Policy: A Structural Perspective* 18 (Duke Law Sch. Pub. Law & Legal Theory Paper No. 218; Duke Sci., Tech. & Innovation Paper No. 29, 2008), available at <http://ssrn.com/abstract=1259850> (stating that the Federal Circuit’s behavior “has been consistent with standard accounts of capture of regulatory processes by well-represented interest groups”).

14. See WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 335 (2003) [hereinafter LANDES & POSNER, *ECONOMIC STRUCTURE*] (concluding that the Federal Circuit had predictably “turned out to be a pro-patent court”).

15. See Arti K. Rai, *Engaging Facts and Policy: A Multi-Institutional Approach to Patent System Reform*, 103 COLUM. L. REV. 1035, 1110 (2003) (“That the Federal Circuit’s jurisprudence would be narrowly formalist is not surprising. Tunnel vision is a well-known liability for specialist courts.”). See generally Rochelle Cooper Dreyfuss, *The Federal Circuit: A Case Study in Specialized Courts*, 64 N.Y.U. L. REV. 1, 3 (1989) [hereinafter Dreyfuss, *Case Study*] (listing concerns with specialized courts).

16. *Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826, 839 (2002) (Stevens, J., concurring in part and in the judgment).

17. *Lab. Corp. of Am. Holdings v. Metabolite Labs., Inc.*, 548 U.S. 124, 138 (2006) (Breyer, J., dissenting).

I nonetheless find the generalist court rationale for Supreme Court review unconvincing. The Federal Circuit's variegated docket, the diverse backgrounds of its judges, and its use of processes of judicial exchange whereby judges sit by designation mean that the Circuit is significantly less specialized and isolated than commonly supposed.¹⁸ Further, regardless of how misguided the Federal Circuit's jurisprudence may be as a whole, its body of patent decisions has been more nuanced than simple caricatures of it as pro-patent allow. Even assuming that a "patent court" would predictably be biased toward lax enforcement of patentability requirements rather than their strict enforcement,¹⁹ the Federal Circuit's jurisprudence contains numerous doctrinal choices that defy this prediction.²⁰ Consequently, there is little proof that the Federal Circuit exhibits dire symptoms of specialization.

On the other hand, the Circuit hears enough patent cases to acquire unquestionable expertise on questions of substantive patent law. The Supreme Court lacks such expertise and has typically demonstrated little in the way of generalist legal craft that can add significant value to the resolution of such substantive questions.²¹ Under these circumstances, the generalist court rationale for Supreme Court review is unpersuasive.

I find a different institutional concern about the Federal Circuit more compelling. Craig Nard and John Duffy have recently argued that centralization, not specialization, is the primary problem. According to this view, centralization of appeals in the Federal Circuit not only decreases competition among judges

18. See *infra* text accompanying notes 40–50, 99–103.

19. Administrative agencies such as the Environmental Protection Agency (EPA) have sometimes been criticized for approaching their regulatory missions with narrow-minded zeal. See STEPHEN BREYER, *BREAKING THE VICIOUS CIRCLE: TOWARD EFFECTIVE RISK REGULATION* 11 (1993) (describing as "a classic administrative disease" the "single-minded pursuit of a single goal" "to the point where it brings about more harm than good"). Likewise, the Court of Appeals for the District of Columbia Circuit (D.C. Circuit), which plays a special role in overseeing federal administrative agencies, has been characterized as pushing for more stringent, rather than more lax, regulation. See, e.g., RICHARD A. POSNER, *THE FEDERAL COURTS: CHALLENGE AND REFORM* 264 (1996) [hereinafter, POSNER, *FEDERAL COURTS*] ("Consistent with what I have suggested is a tendency of specialized courts, the D.C. Circuit had—by its own report—defined its responsibility in relation to the administrative agencies it reviews as being not to act as a buffer between the agencies and the citizens they were trying to coerce but to spur the agencies on to regulate more effectively."); Harold H. Bruff, *Coordinating Judicial Review in Administrative Law*, 39 *UCLA L. REV.* 1193, 1202 (1992) (noting the D.C. "Circuit's reputation as a relatively strict overseer of agencies"). Experiences with the D.C. Circuit and administrative agencies thus might indicate that a court with a special responsibility for patent law should be expected to favor robust enforcement of statutory requirements for patentability and public notice of patent scope, rather than robust and readily available patent rights. As an explanation of pro-patent bias, the Federal Circuit's special responsibility for patent law does not seem as probative as commentators sometimes suggest. See, e.g., LANDES & POSNER, *ECONOMIC STRUCTURE*, *supra* note 14, at 335 (describing the Federal Circuit as predictably "pro-patent").

20. See *infra* text accompanying notes 122–128.

21. See *infra* text accompanying notes 174–177.

to produce high-quality decisions but also reduces opportunities for judicial innovation and the acquisition of information about legal alternatives.²² As a result of such concerns, Nard and Duffy have proposed adoption of something of a geometric mean between the Federal Circuit’s virtually exclusive jurisdiction over patent appeals and the more common federal model of appellate jurisdiction shared among a dozen regional circuits. Specifically, Nard and Duffy have proposed a system under which two to four circuit courts, including the Federal Circuit, “comprise the appellate decisionmaking structure in patent law.”²³

I agree with Nard and Duffy that concentration of appellate review in the Federal Circuit is a significant structural concern. Further, I agree that such concentration threatens both the evolutionary flexibility and the long-term quality of judge-made patent law.

But Nard and Duffy’s halfway house solution threatens to sacrifice substantial benefits of unified review under the Federal Circuit while providing little assurance of adequate percolation. Use of only a small number of circuits to review patent appeals will make difficult or even impossible the timely development of so-called deep splits having at least two circuits on one side of an issue.²⁴ Further, if each circuit has a heavy enough caseload to make it expert in patent law, each circuit may suffer from innovation-damping effects of expertise,²⁵ further calling into question—to borrow Rochelle Cooper Dreyfuss’ words—whether there will be “enough new voices to make a significant difference.”²⁶ Consequently, I am not persuaded of the net benefits of Nard and Duffy’s few-court “oligocrisy.”²⁷

22. See Nard & Duffy, *supra* note 12, at 1629–37.

23. *Id.* at 1664; cf. JAMES BESSEN & MICHAEL J. MEURER, PATENT FAILURE: HOW JUDGES, BUREAUCRATS, AND LAWYERS PUT INNOVATORS AT RISK 25 (2008) (“We thus think it likely that effective reform will require structural changes, including, possibly, multiple appellate courts . . .”).

24. Deep splits are impossible if only two circuits are used, and they require decisions from all the circuits if only three circuits are used. Cf. EUGENE GRESSMAN ET AL., SUPREME COURT PRACTICE 246 (9th ed. 2007) (indicating that a “[w]ell-[d]eveloped [c]onflict” may require holdings from at least three different circuits (emphasis omitted)).

25. See *infra* text accompanying note 279.

26. Rochelle Cooper Dreyfuss, *In Search of Institutional Identity: The Federal Circuit Comes of Age*, 23 BERKELEY TECH. L.J. 787, 811 (2008) [hereinafter Dreyfuss, *Institutional Identity*].

27. An “oligocrisy” in which a few courts of appeals decide cases might be contrasted to the monopolistic structure for appeals (“monocrisy”) currently characterizing patent law or the more competitive structure (“polyocrisy”) that arguably characterizes review by over ten regional circuits. Analogy to oligopolistic, monopolistic, and competitive markets might then flag further cause for caution in embracing Nard and Duffy’s proposal: The results of oligopolistic market structures are notoriously hard to predict. See, e.g., DAVID A. BESANKO & RONALD R. BRAEUTIGAM, MICROECONOMICS 508 (3d ed. 2007) (observing that different economic “models make dramatically different predictions about the quantities, prices, and profits that will arise under oligopolistic competition”).

I therefore consider how current institutions—namely, the Supreme Court and the Federal Circuit—can address the concerns generated by concentrated appellate review. In particular, I describe how the Supreme Court and the Federal Circuit can work to ensure better and more complete percolation of patent law issues over *time*. I contend that this improved percolation can occur even without the possibility for percolation through greater appellate *space*—the larger number of circuits that Nard and Duffy propose.

In my view, the Supreme Court can help effect this improvement by more consciously viewing its role with respect to substantive patent law as that of “prime percolator,”²⁸ rather than “final law sayers.” The Court’s primary role in this area should be to combat undesirable ossification of legal doctrine. Consequently, the Court should generally confine its review of substantive patent law to situations where there is a substantial risk that Federal Circuit precedent has frozen legal doctrine either too quickly or for too long. Further, the Court’s decisions in this area should typically be modest, seeking to spur, rather than foreclose, subsequent legal development.

Thus, I envision a more robust role for the Court in substantive patent law than that previously advocated by Mark Janis. According to Janis, “[t]he Supreme Court should grant certiorari in patent cases to review substantive patent issues only where there is a compelling issue of the allocation of power among institutional actors.”²⁹ I advocate instead a role for the Supreme Court that can reflect concerns with outcomes and doctrinal substance alone. On the other hand, my percolation rationale for Supreme Court review is too constrained to be considered robustly activist.

Consistent with Samuel Estreicher and John Sexton’s earlier focus on the Court’s role as a manager,³⁰ the percolation rationale only counsels action

28. The concept of the United States Supreme Court acting as a “prime percolator” is meant to recall the concept of a “prime mover” in Aristotelian astronomy. See generally GERALD HOLTON & STEPHEN G. BRUSH, *PHYSICS, THE HUMAN ADVENTURE: FROM COPERNICUS TO EINSTEIN AND BEYOND* 7 (3d ed. 2001) (describing Aristotle’s “system of celestial spheres”). Just as the prime mover was understood to be distant from the Earth, *id.*, the Supreme Court is, by comparison with the lower courts and Patent and Trademark Office, distant from the everyday administration of patent law. Nonetheless, just as the prime mover could have a great effect on terrestrial phenomena by first causing the daily rotation of the stars and thereby stimulating the less regular motions of closer objects, *id.* (“The prime mover turns the starry sphere at a regular rate; this motion is transferred, by friction with some loss, to the spheres of the outer planets, and thence to the spheres of the sun and inner planets.”), the Supreme Court can have a significant effect on patent law even through merely occasional review of patent law questions.

29. Mark D. Janis, *Patent Law in the Age of the Invisible Supreme Court*, 2001 U. ILL. L. REV. 387, 408.

30. Samuel Estreicher & John E. Sexton, *A Managerial Theory of the Supreme Court’s Responsibilities: An Empirical Study*, 59 N.Y.U. L. REV. 681, 717 (1984) (“We believe that the Court should recognize the inappropriateness of the nineteenth-century model of direct intervention and move toward a view of its role as manager of a system of courts . . .”).

of limited scope under limited circumstances. The Court’s activity as prime percolator should come sparingly. Given the Federal Circuit’s relative expertise, the Supreme Court should be reluctant to review patent law issues where Federal Circuit judges are already engaged in active debate or recognize significant room for legal development.

Moreover, when addressing a question of substantive patent law, the Court’s goal should not be to end debate or simply to provide a new doctrinal formula to replace the Federal Circuit’s. Instead, the Court as percolator should look to provide only partial direction, leaving the lower courts and Patent and Trademark Office (PTO) considerable room to come to a more complete and refined understanding. The Court should also recognize that, even when it commits itself to treading minimally, it must still tread carefully. A poorly conceived or poorly executed decision can have dramatic negative consequences even if its intent is modest. The Court’s limited competence can render it blind to problems that apparently innocuous aspects of its opinions will create.

Of course, the Court need not work alone in its role as prime percolator. The Federal Circuit can also do more to mitigate the concerns that its concentrated power creates. Federal Circuit judges can resist the temptation to extend their precedents unthinkingly. Likewise, they can use en banc review to reconsider questions that might otherwise trigger Supreme Court intervention. Goals of certainty and predictability do not require unreflective persistence in potential error.

My argument proceeds in three parts.

In Part I, I discuss the nature of the Federal Circuit as an “only semi-specialized,”³¹ rather than truly specialized, court. I then provide a historical synopsis of Supreme Court review of the Federal Circuit’s patent law jurisprudence, highlighting the Court’s mid-1990s shift toward more frequent and substantive involvement in patent law.

In Part II, I explore potential justifications for such involvement. I first reject the argument that robust Supreme Court review is largely justified by negative consequences of the Federal Circuit’s supposed specialization. I question the capacity of the Court to do better than the Circuit in developing substantive patent law. Moreover, I argue that the best justification for Supreme Court involvement is the Court’s capacity to act as a catalyst for new or renewed judicial examination of issues that the Federal Circuit has settled with excessive speed or, given new understandings or circumstances, excessive finality.

31. William M. Landes & Richard A. Posner, *An Empirical Analysis of the Patent Court*, 71 U. CHI. L. REV. 111, 112 (2004) [hereinafter Landes & Posner, *Empirical Analysis*].

In Part III, I provide recommendations for how, in practice, the Supreme Court can properly act in this catalyst role. I list criteria that the Court should consider in deciding whether to review a question of substantive patent law. I also describe how the Court should act after certiorari is granted. I then discuss how the Federal Circuit itself can promote beneficial percolation, thereby further limiting the need for Supreme Court involvement.

I. THE FEDERAL CIRCUIT AND SUPREME COURT REVIEW

A. The Makeup and Functions of the Federal Circuit

Since October of 1982, a single United States court of appeals, the Court of Appeals for the Federal Circuit, has had jurisdiction over all appeals from district courts in cases “arising under an Act of Congress relating to patents.”³² The Federal Circuit also has exclusive jurisdiction over appeals from decisions of the PTO’s Board of Patent Appeals and Interferences “with respect to patent applications and interference”³³ and from decisions of the United States International Trade Commission (ITC) “relating to unfair practices in import trade.”³⁴ Consequently, this single court has a near lock on patent appeals that may be taken as of right.³⁵

Of course, litigants disappointed by Federal Circuit decisions can petition the Supreme Court for certiorari review. But the odds of such review are small. In recent years, the Supreme Court has tended to grant no more than

32. See 28 U.S.C. § 1338(a) (2000) (granting district courts “original jurisdiction of any civil action arising under an Act of Congress relating to patents”); *id.* § 1295(a)(1) (granting the Federal Circuit “exclusive jurisdiction” over certain appeals in cases where a district court’s jurisdiction “was based, in whole or in part, on section 1338 of this title”).

33. *Id.* § 1295(a)(4)(A).

34. *Id.* § 1295(a)(6). The International Trade Commission (ITC) has become a favored forum for patent infringement claims involving imported material. See Steve Seidenberg, *Patent Rocket Docket: Patent Holders Choose the International Trade Commission for Fast, Powerful Results*, A.B.A. J., Jan. 2007, at 38, 38.

35. The lock is no more than nearly complete because, in *Holmes Group, Inc. v. Vornado Air Circulation Systems, Inc.*, 535 U.S. 826 (2002), the Supreme Court held that patent questions raised in a counterclaim do not trigger the Federal Circuit’s “arising under” jurisdiction. See *id.* at 832 (“[W]e decline to transform the longstanding well-pleaded-complaint rule into the ‘well-pleaded-complaint-or-counterclaim rule’ urged by respondent.”). But this exception to the Federal Circuit’s jurisdiction over patent appeals has apparently produced only a negligible number of patent appeals in other circuits. See Nard & Duffy, *supra* note 12, at 1650 n.107 (identifying only two such appeals yielding opinions “in the first five years after *Holmes Group*”). Moreover, even when a patent appeal goes to another circuit, that circuit may choose to follow Federal Circuit precedent. See *Schinzing v. Mid-States Stainless, Inc.*, 415 F.3d 807, 811 (8th Cir. 2005) (adopting “the Federal Circuit’s precedent on substantive issues of patent law”).

about ninety petitions from the several thousand filed in each year-long term.³⁶ According to my tally, in any term out of the last twenty-five, no more than three such grants have been directed to patent questions.³⁷ By way of contrast, Federal Circuit panels typically decide on the merits a few hundred patent cases each year.³⁸

Moreover, in developing authoritative interpretations of the Patent Act, the Federal Circuit faces little competition from patent law’s administrative agency, the PTO. According to Federal Circuit precedent, the PTO lacks substantive rulemaking power and thus receives only weak deference for its interpretations of the Patent Act.³⁹ As a result, the Federal Circuit generally provides the last word on interpretive questions in substantive patent law.

But the Federal Circuit has responsibilities beyond interpretation of the Patent Act. Patent appeals typically form only about a third of the court’s docket.⁴⁰ The Federal Circuit also has exclusive jurisdiction over appeals from the Court of Federal Claims⁴¹ and Court of International Trade,⁴² and over specified appeals from the Merit Systems Protection Board,⁴³ the Court

36. LEE EPSTEIN ET AL., *THE SUPREME COURT COMPENDIUM: DATA, DECISIONS, AND DEVELOPMENTS* 75 tbl.2-6 (4th ed. 2007).

37. See *infra* app. (listing patent cases for which the Supreme Court has granted certiorari and issued a decision on the merits from the October 1983 term on).

38. See U.S. Court of Appeals for the Fed. Circuit, Appeals Filed and Adjudicated, by Category, FY 2008, <http://www.cafc.uscourts.gov/pdf/TableAppealsFiledTerminated08.pdf> (last visited Jan. 9, 2009) [hereinafter 2008 Appeals] (showing that, in fiscal year 2008, Federal Circuit panels decided on the merits 290 patent cases from district courts or the Patent and Trademark Office (PTO)); U.S. Court of Appeals for the Fed. Circuit, Appeals Filed and Adjudicated, by Category, FY 2007, <http://www.cafc.uscourts.gov/pdf/TableAppealsFiledTerminated07.pdf> (last visited Jan. 9, 2009) [hereinafter 2007 Appeals] (showing that, in fiscal year 2007, Federal Circuit panels decided on the merits 321 patent cases from district courts or the PTO); U.S. Court of Appeals for the Fed. Circuit, Appeals Filed and Terminated, by Category, FY 2006, <http://www.cafc.uscourts.gov/pdf/TableAppealsFiledTerminated06.pdf> (last visited Jan. 9, 2009) [hereinafter 2006 Appeals] (showing that, in fiscal year 2006, Federal Circuit panels decided on the merits 276 patent cases from district courts or the PTO).

39. See *Merck & Co. v. Kessler*, 80 F.3d 1543, 1550 (Fed. Cir. 1996) (stating that, because the Patent Act “does not grant the Commissioner the authority to issue substantive rules,” “the rule of controlling deference set forth in *Chevron* does not apply” (emphasis omitted)).

40. See 2008 Appeals, *supra* note 38 (showing that, in fiscal year 2008, patent cases from the PTO or district courts accounted for about 31 percent of Federal Circuit appeals filed and about 35 percent of appeals adjudicated on the merits, with ITC appeals (which are not necessarily patent cases) accounting for less than an additional 2 percent of appeals filed and less than an additional 1.5 percent of appeals adjudicated); 2007 Appeals, *supra* note 38 (showing that, in fiscal year 2007, the corresponding figures were 28 percent, 35 percent, 3 percent, and 0.5 percent respectively); 2006 Appeals, *supra* note 38 (showing that, in fiscal year 2006, the corresponding figures were 28 percent, 33 percent, 1 percent, and 1 percent respectively).

41. 28 U.S.C. § 1295(a)(3) (2000).

42. *Id.* § 1295(a)(5).

43. *Id.* § 1295(a)(9).

of Appeals for Veterans Claims,⁴⁴ and agency boards of contract appeals.⁴⁵ The Circuit's judges must therefore grapple regularly with legal issues from the areas of "tort, contract, and property, the law of damages," tax, administrative law, and international law.⁴⁶ Instead of being a truly specialized court, the Federal Circuit is, as Judge Richard Posner has observed, only "specialized by contrast to the regional courts, whose jurisdiction is breathtakingly broad."⁴⁷

Historically the diversity of the judges' pre-Federal Circuit backgrounds has at least roughly corresponded with the diversity of the Circuit's docket. The Circuit's active and senior members include former trial judges, legislative aides, Justice Department officials, law professors, private practitioners, and patent examiners.⁴⁸ Since the Circuit's formation, only a minority of its judges have had notably substantial pre-Federal Circuit involvement with patent law.⁴⁹

44. 38 U.S.C. § 7292 (2000).

45. 28 U.S.C. § 1295(a)(10).

46. Daniel J. Meador, *A Challenge to Judicial Architecture: Modifying the Regional Design of the U.S. Court of Appeals*, 56 U. CHI. L. REV. 603, 613–14 (1989) ("The Federal Circuit is not a 'specialized' court in any meaningful sense of the word . . ."); see also Dreyfuss, *Case Study*, *supra* note 15, at 4 ("Congress did not make the [Federal Circuit]'s patent jurisdiction specialized in the traditional sense of possessing jurisdiction in but a single area of the law."); cf. Bruff, *supra* note 19, at 1202 (observing that "the Court of Appeals for the Federal Circuit (CAFC) hears about as many administrative appeals as does the D.C. Circuit").

47. POSNER, *FEDERAL COURTS*, *supra* note 19, at 245.

48. See Paul R. Michel, *Chief Judge Paul R. Michel's Address to the Federal Circuit Judicial Conference on the State of the Court*, 7 J. MARSHALL REV. INTELL. PROP. L. 647, 647–48 (2008); cf. Matthew F. Weil & William C. Rooklidge, *Stare Un-Decisis: The Sometimes Rough Treatment of Precedent in Federal Circuit Decision-Making*, 80 J. PAT. & TRADEMARK OFF. SOC'Y 791, 805 (1998) (describing Federal Circuit judges as having "a kaleidoscopic array of backgrounds and views of the law").

49. Based on the information that I have found, seven of the Circuit's current twelve active judges—Judges Newman, Lourie, Rader, Gajarsa, Linn, Dyk, and Moore—might be said to have had significant pre-Federal Circuit patent experience, but the same can be said of only twelve of the twenty-seven individuals who have served as active judges on the Federal Circuit since its inception. See, e.g., ADVISORY COUNCIL TO THE U.S. COURT OF APPEALS FOR THE FED. CIRCUIT, THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT, A HISTORY: 1990–2002, at ix (Kristen L. Yohannan ed., 2004) (listing Federal Circuit judges); COMM. ON THE BICENTENNIAL OF THE CONSTITUTION OF THE U.S., JUDICIAL CONFERENCE OF THE U.S., THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT: A HISTORY: 1982–1990, at 17–99, 109–10 (1991) (providing biographies of Federal Circuit judges); U.S. Court of Appeals for the Fed. Circuit, *Judicial Biographies*, <http://www.cafc.uscourts.gov/judgbios.html> (last visited Jan. 29, 2009) [hereinafter *Federal Circuit Biographies*] (providing information on Federal Circuit judges); Rochelle Cooper Dreyfuss, *The Federal Circuit: A Continuing Experiment in Specialization*, 54 CASE W. RES. L. REV. 769, 797 n.103 (2004) [hereinafter Dreyfuss, *Continuing Experiment*] ("Two active Federal Circuit judges—Gajarsa and Linn—have experience as patent examiners . . ."); Kimberly A. Moore, *Are District Court Judges Equipped to Resolve Patent Cases?*, 15 HARV. J.L. & TECH. 1, 26 n.97 (2001) (describing Judge Dyk as having pre-Federal Circuit experience "represent[ing] Lubrizol in a number of patent litigations and argu[ing] five patent appeals to the Federal Circuit"). Moreover, crediting seven of the Federal Circuit's current active judges with significant pre-Federal Circuit patent experience may involve overcounting. At least one commentator, Rochelle Cooper Dreyfuss, has not included in such a category Judge Rader, who served as counsel for a Senate subcommittee on intellectual property from 1987 to 1988 before

As many as seven of its twelve active judges appear arguably eligible for this description now, but, depending on one’s understanding of “substantial,” the number that truly meets the description may be only four.⁵⁰

Of course, whatever their backgrounds, Federal Circuit judges quickly accumulate experience in patent law. Regardless of whether the Federal Circuit is properly characterized as a specialized court, the typical Federal Circuit judge has participated in deciding several hundred patent cases on the merits,⁵¹ a depth of experience far beyond that of the average district court judge, regional circuit judge, or Supreme Court justice.

B. Supreme Court Decisions in Patent Cases

The relative expertise of the Federal Circuit may have played a role in the Supreme Court’s declining to review on the merits any core questions of

serving on the U.S. Claims Court, Federal Circuit Biographies, *supra*; Judge Gajarsa, who briefly served as a patent examiner and then as a “patent adviser” from 1962 to 1968, about three decades before his appointment to the Federal Circuit in 1997, Chicago-Kent Coll. of Law, *8th Annual Charles Green Lecture in Law and Technology: About the Lecture*, <http://www.kentlaw.edu/depts/ipp/greenlecture.html> (last visited Oct. 4, 2008); and Judge Dyk, who represented clients in patent litigation as part of his pre-Federal Circuit legal practice, *compare* Moore, *supra*, at 26 n.97 (describing Judge Dyk’s pre-Federal Circuit experience with patent litigation), *with* ADVISORY COUNCIL TO THE U.S. COURT OF APPEALS FOR THE FED. CIRCUIT, *supra*, at 71 (describing Judge Dyk as having “argued cases in the Supreme Court of the United States, the majority of the federal circuits, and various state appellate courts”). See Dreyfuss, *Institutional Identity*, *supra* note 26, at 820 n.158 (“At present, four judges have substantial [pre-Federal Circuit] patent experience (Judges Linn, Lourie, Moore, and Newman).”).

50. See *supra* text accompanying note 49.

51. A rough estimate for the number of merits decisions in which a typical active judge has participated may be derived as follows. Given that the pool of judges available to sit on a three-judge panel typically consists of the Federal Circuit’s twelve active judges, a few senior judges, and occasionally a judge sitting by designation, the odds of a given active judge sitting on a Federal Circuit panel may be estimated as something like 3/15 or 0.2. Given that panels decide a few hundred patent cases on the merits each year and given that the average and median durations of service for the Federal Circuit’s current active judges can both be approximated as about fourteen years, see *supra* text accompanying note 38 (noting a typical annual number of Federal Circuit patent decisions); see also *Federal Circuit Biographies*, *supra* note 49 (indicating that the average and median durations of service for the Federal Circuit’s current active judges are both about fourteen years), the estimated average number of merits decisions in which an active judge has participated may then be estimated as something like 0.2 x (300 decisions per year) x 14 years = 840 decisions. This estimate may be compared to another rough number: the number of Federal Circuit case hits for which, according to Westlaw, each active judge has sat on the associated panel and in which the word “patent” or the word “patents” appears. According to electronic searches performed on September 24, 2008, the average number of such case hits per active judge was 842.75, and the median number was between 979 and 901, which average to 940. These electronic search numbers undoubtedly reflect some overcounting due to the failure to weed out nonmerits decisions and nonpatent decisions that use the word “patent” or the word “patents.” But in combination with the rough estimate calculated earlier in this footnote, the electronic search numbers seem to provide adequate support for the text’s assertion that the typical Federal Circuit judge has participated in deciding several hundred patent cases on the merits.

substantive patent law for more than a decade after the Circuit's creation. From the October 1983 term through the October 1994 term, the Supreme Court decided only five patent law cases on the merits. One of these involved review of a state supreme court's decision on whether federal patent law preempted a state law.⁵² In the other four cases, the Supreme Court reviewed Federal Circuit decisions that dealt with questions of procedure,⁵³ jurisdiction,⁵⁴ or the interaction between patent law and another legal regime.⁵⁵ Further, the results of Court review were evenly mixed: In two cases, the Court agreed with the Federal Circuit's resolution of the primary issue at hand;⁵⁶ in two others, the Court disagreed;⁵⁷ and in one, the Court vacated and remanded for further explanation of the Circuit's decision.⁵⁸

In the October 1995 term, the Supreme Court decided *Markman v. Westview Instruments, Inc.*⁵⁹—a significant case but one consistent with the established trend. The issue in *Markman* was procedural: whether, despite the Seventh Amendment right to a jury trial, the construction of patent claims⁶⁰ is a matter for a trial judge rather than a jury, even when parties contest the meaning of a “term of art about which expert testimony is offered.”⁶¹ The Supreme Court affirmed the Federal Circuit's determination that the matter is one for a judge.⁶² Moreover, in doing so, the Court gave substantial nods to the importance of the Circuit's expertise and exclusive jurisdiction. The Court quoted an 1849 decision declaring that “[p]atent construction . . . ‘is a special

52. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989).

53. *Dennison Mfg. Co. v. Panduit Corp.*, 475 U.S. 809, 811 (1986) (per curiam) (addressing the standard of review for determinations of nonobviousness).

54. *Cardinal Chem. Co. v. Morton Int'l, Inc.*, 508 U.S. 83, 89 (1993) (rejecting the supposed mootness of “declaratory judgments regarding patent validity following a determination of noninfringement”); *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 807–08 (1988) (addressing the scope of Federal Circuit jurisdiction).

55. *Eli Lilly & Co. v. Medtronic, Inc.*, 496 U.S. 661 (1990) (examining a special exemption from patent infringement for activities relating to food and drug laws).

56. See *id.* at 669 (affirming the Federal Circuit's statutory construction); *Christianson*, 486 U.S. at 817 (expressing “agreement with the Federal Circuit's conclusion that it lacked jurisdiction”).

57. See *Cardinal Chem.*, 508 U.S. at 102 (noting that the Supreme Court was “rejecting the Federal Circuit's practice”); *Bonito Boats*, 489 U.S. at 163–65 (criticizing a Federal Circuit decision).

58. *Dennison*, 475 U.S. at 811 (“In the absence of an opinion clearly setting forth the views of the Court of Appeals on these matters, we are not prepared to give plenary consideration to petitioner's claim . . .”).

59. 517 U.S. 370 (1996).

60. Patent claims are “numbered clauses at the end of a patent” that indicate the scope of a patentee's rights to exclude. See John M. Golden, *Construing Patent Claims According to Their “Interpretive Community”: A Call for an Attorney-Plus-Artisan Perspective*, 21 HARV. J.L. & TECH. 321, 322 (2008) (describing patent claims).

61. *Markman*, 517 U.S. at 372.

62. *Id.* at 391.

occupation, requiring, like all others, special training and practice.”⁶³ It also emphasized “the importance of uniformity in the treatment of a given patent,”⁶⁴ adding, “It was just for the sake of such desirable uniformity that Congress created the Court of Appeals for the Federal Circuit as an exclusive appellate court for patent cases.”⁶⁵

In contrast, the Court’s 1997 decision in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*⁶⁶ was a watershed. For the first time, the Court reviewed a Federal Circuit decision on core questions of substantive patent law—namely, the continued viability and scope of a judge-made doctrine, the doctrine of equivalents, that permits a finding of patent infringement even where an accused product or process falls outside the literal scope of a patent’s claims.⁶⁷

I discuss this case in more detail in Part II.B. For the moment, it suffices to say that, although the Court not only confirmed the Federal Circuit’s view that the doctrine of equivalents retained force,⁶⁸ but also expressed a lack of interest in “micromanaging the Federal Circuit’s particular word choice for analyzing equivalence,”⁶⁹ the Court specifically rejected a Federal Circuit holding that a restriction on the doctrine’s application did not apply.⁷⁰ Thus, the Court reversed the Federal Circuit’s judgment⁷¹ and sent a strong signal of its willingness to refute the Circuit’s understanding on a detailed question of substantive patent law.

63. *Id.* at 388 (quoting *Parker v. Hulme*, 18 F. Cas. 1138, 1140 (C.C.E.D. Pa. 1849) (No. 10,740)).

64. *Id.* at 390.

65. *Id.*

66. 520 U.S. 17 (1997).

67. More specifically, under current law, the doctrine of equivalents provides that, even when an accused product or process does not fall within the literal scope of a patent claim, the accused product or process still infringes the claim if, for each element of the claim, the product or process contains either that element or its “equivalent.” ROGER E. SCHECHTER & JOHN R. THOMAS, *INTELLECTUAL PROPERTY: THE LAW OF COPYRIGHTS, PATENTS AND TRADEMARKS* § 20.2.2.3.1, at 486 (“[A] finding of infringement may arise only if each element of a claim is expressed in the accused infringement, either literally or equivalently.”). The question of equivalence is generally an issue of fact for a jury. See *Leggett & Platt, Inc. v. Hickory Springs Mfg. Co.*, 285 F.3d 1353, 1357 (Fed. Cir. 2002) (“[T]his court will only affirm the district court’s grant of summary judgment if the record . . . leaves no room for a reasonable jury to find equivalence.”). There is no single formula for what constitutes equivalence, although the courts often describe the condition as involving (1) whether there are “insubstantial differences” between a claim element and an aspect of the accused process or product, or (2) whether an aspect of the accused product or process performs substantially the same function as a claim element and does so in substantially the same way with substantially the same result. See *id.* at 1359 (citing both the “insubstantial differences” and function-way-result tests); see also *Warner-Jenkinson*, 520 U.S. at 40 (“Different linguistic frameworks may be more suitable to different cases, depending on their particular facts.”).

68. *Warner-Jenkinson*, 520 U.S. at 40 (“Today we adhere to the doctrine of equivalents.”).

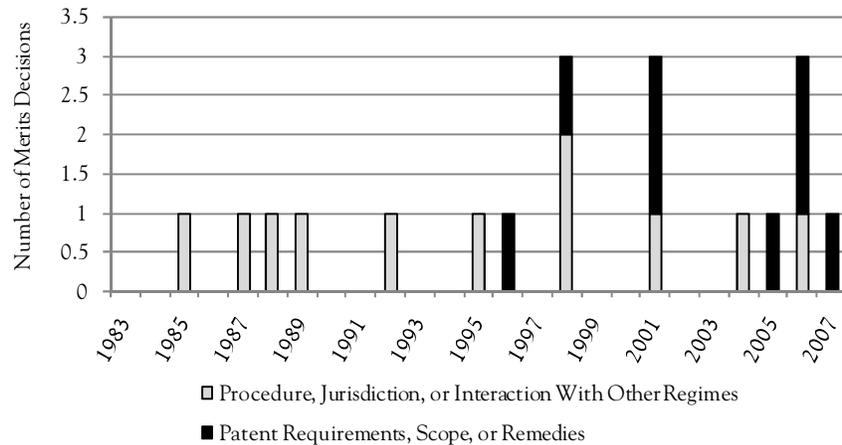
69. *Id.*

70. See *id.* at 33–34 (concluding that the patentee did not discharge its burden to provide “a reason for the addition of a lower pH limit” that “could properly avoid an estoppel”).

71. *Id.* at 41.

Warner-Jenkinson was a prelude to an ensuing decade of active Supreme Court review. In the ten terms from October 1998 to the present, the Supreme Court has decided on the merits an average of 1.2 patent cases per term.⁷² This is more than 2.5 times the rate of decision during the prior fifteen years.⁷³ What accounts for the dramatic rise?

FIGURE: SUPREME COURT PATENT DECISIONS ON THE MERITS
(OCTOBER 1983–2007 TERMS)



As the Figure shows, the rise in the Court's frequency of review is almost wholly attributable to the advent of its involvement in core questions of substantive patent law—questions regarding patent remedies, patent scope, and requirements for patentability.⁷⁴ The Court has maintained a fairly consistent rate of review of questions relating to procedure, jurisdiction, or the interaction between United States patent law and other legal regimes. The Court decided

72. For a list of Supreme Court patent cases and elaboration on my categorizations and subcategorizations, please see the Appendix *infra*.

73. See *supra* text accompanying notes 52–56.

74. See Donald S. Chisum, *The Supreme Court and Patent Law: Does Shallow Reasoning Lead to Thin Law?*, 3 MARQ. INTELL. PROP. L. REV. 1, 3 (1999) (“[I]ncreasingly the cases [reviewed by the Supreme Court] are on matters of core significance to patent law, not simply jurisdictional questions or cases interpreting special statutory exemptions and the like.”); Timothy R. Holbrook, *The Return of the Supreme Court to Patent Law*, 1 AKRON INTELL. PROP. J. 1, 1–2 (2007) (“In the past, the Supreme Court typically addressed issues on the periphery of patent law; the Court’s recent cases, however, have jumped into its heart.” (internal footnote omitted)).

on the merits six such cases in the fifteen years prior to October 1998,⁷⁵ and it has decided five such cases in the decade since.⁷⁶ With respect to core questions of substantive patent law, however, there has been a dramatic shift. *Warner-Jenkinson* was the only such case decided by the Court in the first fifteen terms shown in the Figure.⁷⁷ Since then, the average rate of review of such cases has increased by more than a factor of ten. In the ten years from October 1998 through September 2008, the Court decided on the merits seven such cases, with four of those decisions coming in the last three years of that period.⁷⁸

Moreover, the increased frequency and substance of Supreme Court review has coincided with an increase in the rate and severity of adverse results for Federal Circuit decisions.⁷⁹ In the last ten terms studied, the Supreme Court has affirmed the Federal Circuit’s decisions in only two patent cases,⁸⁰ vacated the Circuit’s decisions in four,⁸¹ and reversed the Circuit’s decisions in six.⁸² All four of the most recently decided cases ended in a reversal.⁸³

Thus, it seems undeniable that, within the last several years, the Court has plunged deep into the heart of patent law. Given Mark Janis’ earlier analysis suggesting that the Court should do no more than act as a mediator between

75. See *infra* app. (characterizing *Markman*, *Cardinal Chemical*, *Eli Lilly*, *Bonito Boats*, *Christianson*, and *Dennison* as involving procedural, jurisdictional, or regime-interaction concerns).

76. See *infra* app. (characterizing *Microsoft*, *MedImmune*, *Merck*, *Holmes*, *Florida Prepaid*, and *Zurko* as involving procedural, jurisdictional, or regime-interaction concerns).

77. See *infra* app. (characterizing *Warner-Jenkinson* as a case about patent scope and *Eli Lilly* as a case involving the interaction between patent law and another legal regime).

78. See *infra* app. (characterizing *Quanta*, *Microsoft*, *KSR*, *eBay*, *Festo*, *J.E.M.*, and *Pfaff* as involving questions about patent remedies, patent scope, or the requirements for patentability).

79. Cf. Debra D. Peterson, *Can This Brokered Marriage Be Saved? The Changing Relationship Between the Supreme Court and the Federal Circuit in Patent Law Jurisprudence*, 2 J. MARSHALL REV. INTEL. PROP. L. 201, 201 (2003) (“The early part of the Federal Circuit’s life may be viewed as its ‘honeymoon’ period with the Supreme Court.”).

80. See *J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred Int’l, Inc.*, 534 U.S. 124, 146 (2001); *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 69 (1998). Significantly, in *Pfaff*, the Court affirmed but also rejected the test that the Federal Circuit had adopted to govern the central issue in that case. See 525 U.S. at 65–66 & n.11 (criticizing the Federal Circuit’s “totality of the circumstances” test to determine the trigger for the on-sale bar”).

81. See *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 394 (2006); *Merck KGaA v. Integra Lifesciences I, Ltd.*, 545 U.S. 193, 208 (2005); *Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826, 834 (2002); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 742 (2002).

82. See *Quanta Computer, Inc. v. LG Elecs., Inc.*, 128 S. Ct. 2109, 2122 (2008); *Microsoft Corp. v. AT&T Corp.*, 127 S. Ct. 1746, 1753 (2007); *KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1746 (2007); *MedImmune, Inc. v. Genentech, Inc.*, 127 S. Ct. 764, 777 (2007); *Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627, 648 (1999); *Dickinson v. Zurko*, 527 U.S. 150, 165 (1999).

83. See *Quanta*, 128 S. Ct. at 2122; *Microsoft*, 127 S. Ct. at 1753; *KSR*, 127 S. Ct. at 1746; *MedImmune*, 127 S. Ct. at 777.

patent law's institutional players,⁸⁴ a natural question is whether such active Supreme Court involvement can be justified by anything other than an issue-specific sense that, on certain questions, the Federal Circuit has gotten things wrong. If such discrete issue-specific judgments, rather than a consistent institutional rationale, are all we have to justify Supreme Court review, we can have little assurance that the Supreme Court will not generally make matters worse. In Part II, I therefore turn to the question of how best to justify the Court's involvement in substantive patent law.

II. THE PROBLEM OF JUSTIFYING SUPREME COURT INVOLVEMENT IN SUBSTANTIVE PATENT LAW

Many conventional justifications for Supreme Court review are unlikely to apply to questions of substantive patent law. If, as the Freund Committee concluded in 1972,⁸⁵ the Supreme Court's "distinctive and essential" role is "to define and vindicate the rights guaranteed by the Constitution," "to assure the uniformity of federal law, and to maintain the constitutional distribution of powers,"⁸⁶ it is unclear how the Court fulfills that role by reviewing decisions of substantive patent law. Typically, such questions do not concern constitutional rights or power allocation. Further, as the Supreme Court recognized in *Markman v. Westview Instruments, Inc.*, the United States Congress created the Federal Circuit to foster uniformity in the interpretation and application of patent law.⁸⁷

Of course, structural concerns are implicated if the Federal Circuit makes a decision contrary to binding Supreme Court precedent. But a conflict squarely implicating the Court's Article III primacy would seem the odd case. The Court's precedent on patent law is commonly sparse, ambiguous, and at least partly overtaken by statutory developments.⁸⁸ In such a context, claims of a square conflict often constitute little more than rhetorical posturing.

84. See Janis, *supra* note 29, at 408 (arguing that, in the patent law context, the Supreme Court should confine merits review to questions "of the allocation of power among institutional actors").

85. See Fed. Judicial Ctr., *Report of the Study Group on the Caseload of the Supreme Court*, 57 F.R.D. 573, 627 (1972) (listing Professor Paul Freund as the chairman of the study group).

86. *Id.* at 578.

87. See *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 390 (1996) (indicating that "[i]t was just for the sake of such desirable uniformity that Congress created the Court of Appeals for the Federal Circuit as an exclusive appellate court for patent cases").

88. Much still-cited Supreme Court precedent predates the Patent Act of 1952, which specifically abrogated certain aspects of Supreme Court decisions and at least implicitly recast others. See Judge Giles S. Rich, *Laying the Ghost of the "Invention" Requirement*, 1 AIPLA Q.J. 26, 35 (1972) (noting that the 1952 Act was "specifically and officially described as a codification and revision"); see also *Graham v. John Deere Co.*, 383 U.S. 1, 15 (1966) (concluding "that Congress intended by the

So what structural justification can there be for the Court’s current level of involvement in substantive patent law? What can warrant the considerable costs, as well as the risk of error, that the Court’s review almost invariably inflicts? Absent evidence that both (1) an abstract ability in judicial craft makes proper resolution of questions of substantive patent substantially more likely and (2) the Supreme Court is likely to possess a great advantage in such craft, there is real reason to wonder whether the Supreme Court should be expected to make substantive patent law better, rather than simply different or perhaps worse.

In a dissent from the dismissal of *Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.*,⁸⁹ Justice Breyer obliquely referenced one potential justification for the Court’s review. Breyer asserted that “a decision from this generalist Court could contribute to the important ongoing debate, among both specialists and generalists, as to whether the patent system, as currently administered and enforced,” is out of balance.⁹⁰ Breyer thus struck a chord with what might be called the “generalist court rationale” for review: a contention that a generalist Supreme Court can act to check various ills that Federal Circuit specialization is thought to entail.⁹¹

In Parts II.A and II.B, I cast doubt on this generalist court rationale by questioning (1) the extent to which the Federal Circuit is properly considered specialized, (2) the evidence that the Circuit suffers from specialization’s alleged defects, and (3) the capacity of the Supreme Court to perform better. In Part II.C, I offer a different rationale for Supreme Court review. According to this rationale, the problem with the Federal Circuit is not so much its relative specialization but instead its virtual monopoly on patent appeals. As Craig Nard and John Duffy have pointed out, decentralized review by multiple circuits can often promote a more thorough exploration of legally plausible paths for doctrinal development.⁹² Centralized review by the Federal Circuit may therefore be more likely to produce a suboptimal body of legal doctrine that sticks—that is unlikely to be abandoned or seriously questioned, even after its negative consequences have become clear.

last sentence of § 103 to abolish [a] test it believed this Court [had] announced”); F. SCOTT KIEFF ET AL., *PRINCIPLES OF PATENT LAW* 22 (4th ed. 2008) (observing that various portions of the Act abrogated Supreme Court precedent).

89. 548 U.S. 124 (2006).

90. *Id.* at 138 (Breyer, J., dissenting).

91. See, e.g., Rai, *supra* note 15, at 1126 (contending that “greater generalist input would address the problems of [the Federal Circuit’s] limited vision and possible bias”); cf. *Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826, 839 (2002) (Stevens, J., concurring in part and in the judgment) (stating that “occasional decisions by courts with broader jurisdiction will provide an antidote to the risk that the specialized [Federal Circuit] may develop an institutional bias”).

92. See *supra* text accompanying note 12.

Somewhat paradoxically, therefore, the special value of Supreme Court review in patent cases may not lie in the Court's capacity to settle the law, but instead its capacity to disrupt it. In Part II.C, I argue that Supreme Court review may be justified as a way to relieve the danger of sticky suboptimality. Although the Court itself is a locus of centralized review, it is at the very least an additional locus. Further, the relative infrequency with which the Court addresses any particular area of substantive patent law can in this respect be advantageous: It enables a freshness of perspective that is not realistically available to the typical judge on the Federal Circuit.

A. The Weakness of the Generalist Court Rationale

A 1975 report from a commission chaired by Senator Roman Hruska listed a number of maladies associated with specialized courts: (1) lower "quality of decision-making" because "the specialized judges become subject to 'tunnel vision'"; (2) a tendency toward inappropriate policymaking; (3) possible "difficulties in finding truly able individuals who will be willing to serve"; and (4) an increased probability of "captur[e]" by special interest groups.⁹³ More modern commentators have noted additional concerns about bias stemming from (a) repeated exposure to "the bar that regularly practices before" the court⁹⁴ or (b) excessive "identif[ication]" with the statutory scheme that [the court] is charged with administering.⁹⁵ Further hypothesized ailments include (c) a possibility that a specialized court will develop an "impenetrable specialized jargon" that makes the law less transparent⁹⁶ and, somewhat inconsistent with concerns about systematic bias or capture, (d) a risk that the jurisprudence of a specialized court will be unusually divisive⁹⁷ or vacillating.⁹⁸

The generalist court rationale for Supreme Court review is thus relatively easy to state. Specialization in patent law, it is posited, makes the

93. Comm'n on Revision of the Fed. Court Appellate System, *Structure and Internal Procedures: Recommendations for Change*, 67 F.R.D. 195, 234–35 (1975) [hereinafter Commission on Revision].

94. Dreyfuss, *Case Study*, *supra* note 15, at 3.

95. LANDES & POSNER, *ECONOMIC STRUCTURE*, *supra* note 14, at 335.

96. Dreyfuss, *Case Study*, *supra* note 15, at 3.

97. See Janis, *supra* note 29, at 404 (noting that "more cases" "provid[e] greater potential for inconsistencies"). But see Ian Ayres & Paul Klemperer, *Limiting Patentees' Market Power Without Reducing Innovation Incentives: The Perverse Benefits of Uncertainty and Non-Injunctive Remedies*, 97 MICH. L. REV. 985, 1023 (1999) (arguing that "reallocations of authority from nonspecialist judges and juries to the specialist Federal Circuit presumptively reduce the uncertainty of patent law—for the simple reason that specialists with greater knowledge and a thicker stock of precedent are more likely to rule consistently than nonspecialist decisionmakers who must first attempt to learn a rarely encountered and complicated body of statutory and common law").

98. See POSNER, *FEDERAL COURTS*, *supra* note 19, at 251 (warning that a specialized court could become a politically sensitive creature of "warring camps").

Circuit particularly susceptible to any of a variety of ills, including bias, intellectual stagnancy, relative incompetence, internal division, and judicial activism. Hence, active involvement by a generalist Supreme Court can help correct for the Circuit’s institutional weakness.

A first problem with using this rationale to justify Supreme Court review of substantive patent law is that, as Part I.A has indicated, the Federal Circuit is not a truly specialized court, but at most a semispecialized one. Nonpatent disputes typically constitute about two-thirds of the Federal Circuit’s docket and are highly differentiated, requiring Federal Circuit judges to apply principles of law ranging from those of common law tort to those of modern international law.⁹⁹ Further, the Federal Circuit is not as isolated from the rest of the Article III judiciary as the formal structure of its jurisdictions might suggest. Judges from other Article III courts regularly sit by designation on the Circuit’s panels,¹⁰⁰ and each year a subset of the Circuit’s judges sits by designation elsewhere.¹⁰¹ Finally, the diversity of backgrounds of Federal Circuit judges¹⁰² suggests both that the Circuit’s membership has built-in resistance to patent-induced myopia, and that patent lobbies have failed to dominate the appointments process.¹⁰³ If the Federal Circuit’s last thirteen en banc opinions on patent questions are representative, there is little reason to believe that the Court’s patent jurisprudence is being excessively shaped by judges who are former members of the patent bar: Only four (about 31 percent) of the thirteen opinions were authored by judges with known pre-Federal Circuit patent experience, one (about 8 percent) was per

99. See *supra* text accompanying notes 45–46.

100. See Michel, *supra* note 48, at 649 (stating that, “[s]ince September 2006, we have invited those district judges . . . who often try patent cases to sit with us”); see also U.S. Court of Appeals for the Federal Circuit, Visiting Judges 1–3 (listing judges who have recently sat by designation on the Federal Circuit), available at http://www.cafc.uscourts.gov/pdf/Visiting_Judges.pdf (last visited July 14, 2008).

101. See Michel, *supra* note 48, at 3 (stating that, “[r]ecently, our judges have sat with the First, Third, Sixth, and Ninth circuits” and that one judge was presently “trying a major patent infringement case in the Northern District of New York”); see also U.S. Court of Appeals for the Fed. Circuit, *Judges Sitting by Designation With Other Circuits to Date in 2008*, at 1 (listing three senior judges and three active judges as having sat by designation with other circuits from January through July of 2008), available at http://www.cafc.uscourts.gov/pdf/Judges_by_designation_2008.pdf (last visited July 14, 2008); U.S. Court of Appeals for the Federal Circuit, *Judges Sitting by Designation With Other Circuits to Date in 2007*, at 1 (listing five active judges as having sat by designation with other circuits in 2007), available at http://www.cafc.uscourts.gov/pdf/Judges_by_designation_2007.pdf (last visited July 14, 2008).

102. See *supra* text accompanying notes 47–50.

103. See Anne-Marie C. Carstens, *Lurking in the Shadows of Judicial Process: Special Masters in the Supreme Court’s Original Jurisdiction Cases*, 86 MINN. L. REV. 625, 691 (2002) (“The concern that specialized courts would create a monopoly within a field is more valid if ‘specialized court’ is understood as a court of specialists.”).

curiam, and the other eight (about 62 percent) were written by judges without known pre-Federal Circuit patent experience.¹⁰⁴

Specialized courts tend to trigger another appointments-based worry, however—namely that, because of their comparatively narrow dockets and possible lack of prestige relative to generalist courts, they may end up with comparatively inferior personnel.¹⁰⁵ If one evaluated federal judicial appointments solely based on the American Bar Association’s (ABA) ratings of federal judicial nominees, there might be some argument for concern here: Whereas ABA ratings for circuit court nominees are generally heavily weighted toward a rating of “Well Qualified,”¹⁰⁶ the ratings of the last eleven judges appointed

104. See *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008) (en banc) (Michel, C.J.); *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665 (Fed. Cir. 2008) (en banc) (Bryson, J.); *In re Seagate Tech., LLC*, 497 F.3d 1360 (Fed. Cir. 2007) (en banc) (Mayer, J.); *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1304 (Fed. Cir. 2006) (en banc in part) (Rader, J.); *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc) (Bryson, J.); *Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337 (Fed. Cir. 2004) (en banc) (Newman, J.); *Honeywell Int’l Inc. v. Hamilton Sundstrand Corp.*, 370 F.3d 1131 (Fed. Cir. 2004) (en banc) (Dyk, J.); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 344 F.3d 1359 (Fed. Cir. 2003) (en banc) (Lourie, J.); *Johnson & Johnston Assocs. Inc. v. R.E. Serv. Co.*, 285 F.3d 1046 (Fed. Cir. 2002) (en banc) (per curiam); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000) (en banc) (Schall, J.), *vacated*, 535 U.S. 722 (2002); *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356 (Fed. Cir. 1999) (en banc) (Bryson, J.), *overruled in part* by *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001); *In re Zurko*, 142 F.3d 1447 (Fed. Cir. 1998) (en banc) (Mayer, C.J.), *rev’d*, 527 U.S. 150 (1999); *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448 (Fed. Cir. 1998) (en banc) (Archer, S.J.). In two other cases, the Federal Circuit issued en banc orders vacating at least part of a panel opinion and remanded the case to the panel for further proceedings. See *SmithKline Beecham Corp. v. Apotex Corp.*, 403 F.3d 1328, 1329 (Fed. Cir. 2005) (en banc) (per curiam); *Eli Lilly & Co. v. Barr Labs., Inc.*, 251 F.3d 955, 958 (Fed. Cir. 2001) (explaining that the en banc Federal Circuit had “vacated the panel’s original opinion”).

105. See Carstens, *supra* note 103, at 692 (observing that “judges on a specialized court generally attain less prestige than do their generalist counterparts”); Dreyfuss, *Case Study*, *supra* note 15, at 3 (noting speculation that doctrinal “isolation, coupled with the repetitive nature of the workload, is unlikely to attract the most talented jurists”); see also *supra* text accompanying note 93 (discussing concerns with specialized courts).

106. See, e.g., Standing Comm. on the Judiciary, Am. Bar Ass’n, *Ratings of Article III Judicial Nominees: 109th Congress* (2008), available at <http://www.abanet.org/scfedjud/ratings/ratings109.pdf> [hereinafter *109th Congress Ratings*] (providing, for all distinct circuit court nominees, seventeen majority ratings of “Well Qualified,” eight majority ratings of “Qualified,” and one majority rating of “Not Qualified”); Standing Comm. on the Judiciary, Am. Bar Ass’n, *Ratings of Article III Judicial Nominees: 106th Congress* (1999–2000), available at <http://www.abanet.org/scfedjud/ratings/ratings106.pdf> [hereinafter *106th Congress Ratings*] (providing, for circuit court nominees, twenty-one majority ratings of “Well Qualified” and thirteen majority ratings of “Qualified”); Standing Comm. on the Judiciary, Am. Bar Ass’n, *Ratings of Article III Judicial Nominees: 103rd Congress* (1993–1994), available at <http://www.abanet.org/scfedjud/ratings/ratings106.pdf> [hereinafter *103rd Congress Ratings*] (providing, for circuit court nominees, seventeen majority ratings of “Well Qualified” and five majority ratings of “Qualified”).

to the Federal Circuit have been weighted more toward a rating of “Qualified.”¹⁰⁷ But whatever the significance of this discrepancy, the general view appears to be that the quality of Federal Circuit appointments has been satisfactory.¹⁰⁸ With the Federal Circuit’s current active and senior ranks featuring, for example, four former Supreme Court clerks,¹⁰⁹ “two former patent examiners,”¹¹⁰ “two former lower court judges, two Ph.D. chemists, and two law professors,”¹¹¹ there seems little basis for believing that the Circuit is not up to its job. Indeed, although the substance of the Court’s jurisprudence has drawn much criticism, most commentators appear to agree that the Circuit has generally improved the coherence and predictability of judge-made aspects of patent law—something of a testament, however grudging, to the Circuit’s possession

107. See *109th Congress Ratings*, *supra* note 106, at 4 (providing a rating of “Qualified” for one Federal Circuit nominee); Standing Comm. on the Judiciary, Am. Bar Ass’n, *Ratings of Article III Judicial Nominees: 107th Congress 4* (2001–2002), available at <http://www.abanet.org/scfedjud/ratings/ratings107.pdf> (providing a majority rating of “Qualified” and a minority rating of “Not Qualified” for one Federal Circuit nominee); *106th Congress Ratings*, *supra* note 106, at 1, 3 (providing ratings of “Qualified” for two Federal Circuit nominees); Standing Comm. on the Judiciary, Am. Bar Ass’n, *Ratings of Article III Judicial Nominees: 105th Congress 1, 5* (1997–1998), available at <http://www.abanet.org/scfedjud/ratings/ratings105.pdf> (providing a rating of “Qualified” for one of the two Federal Circuit nominees also rated for the 106th Congress and providing a rating of “Qualified” with “1 abstention” for another Federal Circuit nominee); Standing Comm. on the Judiciary, Am. Bar Ass’n, *Ratings of Article III Judicial Nominees: 104th Congress 5* (1995–1996), available at <http://www.abanet.org/scfedjud/ratings/ratings104.pdf> (providing a “substantial majority” rating of “Qualified” with “1 abstention” for the Federal Circuit nominee receiving a similar rating for the 105th Congress); *103rd Congress Ratings*, *supra* note 106, at 5 (providing a rating of “Well Qualified” for one Federal Circuit nominee); Standing Comm. on the Judiciary, Am. Bar Ass’n, *Ratings of Article III Judicial Nominees: 102nd Congress 5* (1991–1992), available at <http://www.abanet.org/scfedjud/ratings/ratings102.pdf> (providing a “substantial majority” rating of “Well Qualified” and a minority rating of “Qualified” for one Federal Circuit nominee); Standing Comm. on the Judiciary, Am. Bar Ass’n, *Ratings of Article III Judicial Nominees: 101st Congress 1–3* (1991–1992), available at <http://www.abanet.org/scfedjud/ratings/ratings101.pdf> (providing a “substantial majority” rating of “Well Qualified” and a minority rating of “Qualified” for one Federal Circuit nominee, providing “substantial majority” ratings of “Qualified” and minority ratings of “Well Qualified” for two other Federal Circuit nominees, and providing a rating of “Qualified” for a fourth Federal Circuit nominee).

108. See, e.g., Donald R. Dunner, *A Retrospective of the Federal Circuit’s First 25 Years*, 17 FED. CIR. B.J. 127, 128 (2007) (“The quality of the Federal Circuit judges compares with the best of the federal courts of appeals.”); Nard & Duffy, *supra* note 12, at 1622 (“[T]he judges of the Federal Circuit, past and present, have been highly qualified and highly experienced individuals who are at least as able in their high positions as the judges on other circuits.”); Sarang Vijay Damle, Note, *Specialize the Judge, Not the Court: A Lesson From the German Constitutional Court*, 91 VA. L. REV. 1267, 1308 (2005) (“[T]here is no evidence that the Federal Circuit has had any difficulty in attracting highly qualified individuals to serve as judges.”).

109. See Federal Circuit Biographies, *supra* note 49 (indicating that Senior Judges Plager and Clevenger and also Judges Bryson and Dyk each clerked for a Supreme Court justice).

110. Michel, *supra* note 48, at 1.

111. Dunner, *supra* note 108, at 128 (footnotes omitted).

of adequate adjudicatory skill.¹¹² And the Circuit's relative success in making patent law more coherent and predictable seems to constitute an at least partial rebuttal of other concerns with specialization: concerns that a specialized court will make the law unintelligible or capricious.¹¹³

This still leaves a potential charge that the Federal Circuit exhibits predicted problems of bias or capture. A number of commentators have suggested that the Federal Circuit has been more "pro-patent" than the regional circuits were.¹¹⁴ Even if true, however, such a pro-patent tilt might be more attributable to a general social shift than anything particular to the Federal Circuit. The Federal Circuit's creation in 1982 followed closely on the heels of the Bayh-Dole Act,¹¹⁵ which, by promoting the patenting of government-funded technologies, embodied a spirit of renewed commitment to using patents as a lever for commercializing invention.¹¹⁶ And as late as 1987, Richard C. Levin and others observed the existence of "considerable interest in making patent protection more effective" by, for example, "mak[ing] the legal requirements for a valid patent claim less stringent."¹¹⁷ Pro-patent aspects of the Federal Circuit's jurisprudence with roots in this time period may thus reflect broad social currents that might have similarly swept along the regional circuits and Supreme

112. See, e.g., John F. Duffy, *The Festo Decision and the Return of the Supreme Court to the Bar of Patents*, 2002 SUP. CT. REV. 273, 283 ("The Federal Circuit was created in the hope that the court would develop a unified and coherent body of patent precedents and, to a great extent, the court has fulfilled that aspiration."); John R. Thomas, *Formalism at the Federal Circuit*, 52 AM. U. L. REV. 771, 810 (2003) (indicating that, "in a time of sweeping change, U.S. patent law is in many ways becoming more certain"); cf. Scott Atkinson et al., *The Economics of a Centralized Judiciary: Uniformity, Forum Shopping and the Federal Circuit* 32 (2008) (unpublished manuscript), available at <http://ssrn.com/abstract=1129846> ("Viewed broadly, our results suggest that in the [Federal Circuit] era the outcome of patent litigation has been more predictable and the decision of where to litigate has been simpler.").

113. See *supra* text accompanying notes 96–97.

114. See, e.g., BESSEN & MEURER, *supra* note 23, at 69 (citing various studies suggesting a "pro-patent" shift in the law); ADAM B. JAFFE & JOSH LERNER, *INNOVATION AND ITS DISCONTENTS: HOW OUR BROKEN PATENT SYSTEM IS ENDANGERING INNOVATION AND PROGRESS, AND WHAT TO DO ABOUT IT* 110 (2004) (stating that the Federal Circuit "makes the rules" and the rules "have been systematically altered in favor of the patent holders"); LANDES & POSNER, *ECONOMIC STRUCTURE*, *supra* note 14, at 335 (stating that "[t]he Federal Circuit has indeed turned out to be a pro-patent court").

115. Pub. L. No. 96-517, § 6, 94 Stat. 3015, 3019–27 (1980) (codified at 35 U.S.C. §§ 201–211 (2000)).

116. See John M. Golden, *Biotechnology, Technology Policy, and Patentability: Natural Products and Invention in the American System*, 50 EMORY L.J. 101, 120 (2001) ("[T]he Bayh-Dole Act epitomized the newfound confidence in strong intellectual property rights as the route to quick and cheap commercialization.").

117. Richard C. Levin et al., *Appropriating the Returns From Industrial Research and Development*, 3 BROOKINGS PAPERS ON ECON. ACTIVITY 783, 804 (1987).

Court.¹¹⁸ After all, it was in years immediately prior to the Circuit’s creation that the Supreme Court’s “pro-patent” opinions in *Diamond v. Chakrabarty*¹¹⁹ and *Diamond v. Diehr*¹²⁰ themselves emphasized the notion “that Congress intended statutory subject matter to include anything under the sun that is made by man.”¹²¹

Further, careful analysis of the Federal Circuit’s patent jurisprudence tends to undermine charges of systematic bias.¹²² True, there is substantial evidence that, at least prior to the Supreme Court’s grant of certiorari in *KSR International Co. v. Teleflex Inc.*,¹²³ the Federal Circuit had lowered the barrier to patentability presented by patent law’s nonobviousness requirement.¹²⁴ But this apparently pro-patent shift appears to have been accompanied by an effort to take a more restrictive approach to patent breadth. Under the Federal Circuit, patents may be more likely to be issued and upheld, but they may also be more likely to have a relatively narrow scope.¹²⁵

Moreover, even before the Supreme Court’s grant of certiorari in *KSR*, the Federal Circuit’s record on patentability was more mixed than its treatment

118. See, e.g., Dreyfuss, *Case Study*, *supra* note 15, at 26–27 (observing that the Federal Circuit’s pro-patent tendencies may have reflected “a major reorientation of national competitive policy and increased appreciation of the role of high technology in the nation’s economy”); Matthew Sag, Tonja Jacobi & Maxim Sytch, *Ideology and Exceptionalism in Intellectual Property: An Empirical Study*, 97 CAL. L. REV. (forthcoming 2009) (suggesting that “the creation of the Federal Circuit and the Supreme Court’s increased receptivity to IP claimants [may] both [be] manifestations of a broader trend”).

119. 447 U.S. 303 (1980).

120. 450 U.S. 175 (1981).

121. *Id.* at 182 (internal quotation marks omitted); see also *Chakrabarty*, 447 U.S. at 309 (internal quotation marks omitted).

122. See Rai, *supra* note 15, at 1112–15 (pointing out problems with charges of Federal Circuit bias); Thomas, *supra* note 112, at 772 (“[I]n recent years, the view that the Federal Circuit serves as a patent law proponent has become oversimplified.”); cf. Dreyfuss, *Continuing Experiment*, *supra* note 49, at 770 & n.5 (stating that “suspicions of a pro-patentee bias” “have largely abated”).

123. 127 S. Ct. 1727 (2007).

124. See, e.g., John R. Allison & Mark A. Lemley, *Empirical Evidence on the Validity of Litigated Patents*, 26 AIPLA Q.J. 185, 206 (1998) (finding that the rate at which courts uphold patent claims against validity challenges “is significantly higher than it was before the Federal Circuit was created”); Glynn S. Lunney, Jr., *Patent Law, the Federal Circuit, and the Supreme Court: A Quiet Revolution*, 11 SUP. CT. ECON. REV. 1, 15 (2004) (finding that “patent invalidity is significantly less likely to be the reason why a claim of patent infringement fails under the Federal Circuit” (internal footnote omitted)).

125. See, e.g., Donald S. Chisum, *The Supreme Court and Patent Law: Does Shallow Reasoning Lead to Thin Law?*, 3 MARQ. INTEL. PROP. L. REV. 1, 10 (1999) (asserting that the Federal Circuit has “ma[de] it more and more difficult to establish infringement”); Rai, *supra* note 15, at 1112 (concluding that “the court has clearly not accepted the most assertive version of patents-as-ordinary-property claim, which counsels in favor of broad grants”). To the extent selection bias does not render reference to overall litigation success rates useless, it bears mentioning that Glynn Lunney found that patent holders’ success rate in infringement litigation had not increased following the Federal Circuit’s creation. See Lunney, *supra* note 124, at 11 (“Although not statistically significant, the drop in success rates following the creation of the Federal Circuit contradicts, or at least, does not support, the usual portrait of the Federal Circuit as a pro-patent holder forum.”).

of nonobviousness alone suggested. Prior to *KSR*, the Circuit had upheld controversial utility guidelines issued by the PTO as part of an effort to restrict the patenting of certain genetic sequences.¹²⁶ The Circuit had also taken an aggressive view of the requirement that a patent provide an adequate written description of the invention, enforcing this requirement against “originally filed claims” as well as claims amended during prosecution, the process of obtaining a patent from the PTO.¹²⁷ Likewise, the Circuit had strictly enforced requirements for an adequate description of “corresponding structure” for claim limitations specified in terms of their function.¹²⁸

In short, a complex of factors—including inconsistencies in the Federal Circuit’s record, the role of pro-patent sentiment in Congress’s decision to create the Circuit, and common expectations that Article III courts will only slowly turn against the zeitgeist of earlier eras—suggest that the pro-patent aspects of the Federal Circuit’s jurisprudence may not have exceeded what might have been expected from any court system in the wake of the era in which the Circuit was created. I am therefore skeptical of assertions that the Federal Circuit has taken a somehow illegitimately and hopelessly excessive pro-patent stance, one reflecting institution-fostered corruption of the Circuit’s worldview or congressionally created role.

But perhaps the Federal Circuit’s true bias has been not so much pro-patent as pro-litigation. Perhaps the Circuit’s own desire for power or the selfish interests of the patent bar have led the Circuit to devise rules likely to produce more business for itself and the attorneys who practice before it. Permitting many more patents to issue and making their scope the focus of dispute might be viewed, at least in hindsight, as a recipe for a litigation explosion.¹²⁹

Here again, however, close examination tends to undermine the charge. To the extent more litigation, or at least, more appellate litigation has resulted

126. See *In re Fisher*, 421 F.3d 1365, 1372 (Fed. Cir. 2005) (“The PTO’s standards for assessing whether a claimed invention has a specific and substantial utility comport with this court’s interpretation of the utility requirement of § 101.”).

127. *Nard & Duffy*, *supra* note 12, at 1663 (asserting that the written description requirement “traditionally applied [only] to amendments to claims made during the prosecution of an application”); see also *LizardTech, Inc. v. Earth Res. Mapping, Inc.*, 433 F.3d 1373, 1381 (Fed. Cir. 2006) (en banc) (Rader, J., dissenting) (arguing that the “court should not postpone further *en banc* reconsideration of its evolving written description doctrine”).

128. See, e.g., *Default Proof Credit Card Sys., Inc. v. Home Depot U.S.A., Inc.*, 412 F.3d 1291, 1301–02 (Fed. Cir. 2005) (holding that “material incorporated by reference cannot provide the corresponding structure” and that, “while it is true that the patentee need not disclose details of structures well known in the art, the specification must nonetheless disclose some structure” (internal citation omitted)).

129. Cf. BESSEN & MEURER, *supra* note 23, at 150 (“The timing of many of the legal changes that eroded the notice function [of patents] corresponds well with the surge in litigation hazards.”).

from the separation of claim construction from determinations of infringement or validity, the Supreme Court may have helped to foster this separation by agreeing that claim construction is a matter for a judge and not a jury.¹³⁰ In addition, the Federal Circuit’s repeated expressions of hostility to broad application of the doctrine of equivalents¹³¹ and its dedication to a strong presumption of validity¹³² both seem reasonably understood as moves designed to produce greater certainty regarding patent rights and thereby to reduce the likelihood of extended litigation. Indeed, the Circuit has commonly been criticized¹³³ and sometimes praised¹³⁴ for embracing formal rules that, whatever their faults, appear intended to promote goals of certainty, predictability, and fidelity to recent directions from the Supreme Court,¹³⁵ a disproportionate share of which have been authored by two of the Court’s most formalist judges, Justices Scalia and Thomas.¹³⁶

130. See *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 391 (1996) (“Uniformity would . . . be ill served by submitting issues of document construction to juries.”).

131. See, e.g., *Johnson & Johnston Assocs. Inc. v. R.E. Serv. Co.*, 285 F.3d 1046, 1054 (Fed. Cir. 2002) (en banc) (per curiam) (“Application of the doctrine of equivalents to recapture subject matter deliberately left unclaimed would conflict with the primacy of the claims in defining the scope of the patentee’s exclusive right.” (internal quotation marks omitted)); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558, 578 (Fed. Cir. 2000) (en banc) (“The application of a complete bar to the doctrine of equivalents . . . reduces the conflict and tension between the patent protection afforded by the doctrine of equivalents and the public’s ability to ascertain the scope of a patent.”), *vacated*, 535 U.S. 722 (2002).

132. Lunney, *supra* note 124, at 18 (describing the Federal Circuit’s “relentles[s] enforce[ment] of] the presumption of validity”).

133. See, e.g., Timothy R. Holbrook, *The Supreme Court’s Complicity in Federal Circuit Formalism*, 20 SANTA CLARA COMPUTER & HIGH TECH. L.J. 1, 1 (2003) (“The Federal Circuit increasingly has articulated rules of law to promote certainty, at the expense of fairness.”); Rai, *supra* note 15, at 1122 (concluding that “a substantial number of functional arguments mitigate against formalism in the arena of patent law”).

134. See R. Polk Wagner & Lee Petherbridge, *Is the Federal Circuit Succeeding? An Empirical Assessment of Judicial Performance*, 152 U. PA. L. REV. 1105, 1179 (2004) (asserting that “a new Federal Circuit is emerging—one that appears to be more rules-driven and more consistent than before”).

135. Both Timothy Holbrook and John Thomas have conjectured that the Federal Circuit may have substantially followed the Supreme Court’s lead in turning toward formalism. See Holbrook, *supra* note 133, at 6 (“[T]he Supreme Court has actively encouraged the Federal Circuit’s drive toward bright-line rules.”); Thomas, *supra* note 112, at 781 (“It is perhaps not a coincidence that adjudicative rule formalism achieved an upswing in Federal Circuit jurisprudence in the late 1990s following the issuance of *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55 (1998).”).

136. Justices Scalia and Thomas are commonly viewed as having strong “formalist” tendencies. See, e.g., Michael C. Dorf, *Does Federal Executive Branch Experience Explain Why Some Republican Supreme Court Justices “Evolve” and Others Don’t?*, 1 HARV. L. & POL’Y REV. 457, 465 (2007) (noting “the jurisprudential commitments to formalism of Justices Scalia and Thomas”). Justice Thomas has authored four out of seven of the Supreme Court’s opinions on core questions of substantive patent law since the creation of the Federal Circuit. See *Quanta Computer, Inc. v. LG Elecs., Inc.*, 128 S. Ct. 2109, 2113 (2008); *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 389 (2006); *J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred Int’l, Inc.*, 534 U.S. 124, 127 (2001); *Warner-Jenkinson, Inc. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 21 (1997); cf. Richard A. Epstein, *The Disintegration of Intellectual*

Likewise, the Circuit's major jurisdictional rulings have tended to exhibit something less than overweening ambition.¹³⁷ In *Christianson v. Colt Industries Operating Corp.*,¹³⁸ *Cardinal Chemical Co. v. Morton International, Inc.*,¹³⁹ and *MedImmune, Inc. v. Genentech, Inc.*,¹⁴⁰ the Supreme Court dealt with situations where the Federal Circuit had taken a restrictive view of jurisdiction. Only in *Holmes Group, Inc. v. Vornado Air Circulation Systems, Inc.*,¹⁴¹ did the Supreme Court conclude that the Federal Circuit had overstepped in claiming jurisdiction based on a compulsory counterclaim—a mistake with which at least three justices sympathized.¹⁴²

Property 43 (Univ. of Chicago Law & Econ., Olin Working Paper No. 423, 2008), available at <http://ssrn.com/abstract=1236273> (describing Justice Thomas' opinion for the Court in *Quanta* as "a pure exercise in idle formalism"). Justice Scalia has written four opinions for the Court in patent law cases. See *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 119 (2007); *Merck KGaA v. Integra Lifesciences I, Ltd.*, 545 U.S. 193, 195 (2005); *Holmes Group, Inc. v. Vornado Air Circulation*, 535 U.S. 826, 827 (2002); *Eli Lilly v. Medtronic, Inc.*, 496 U.S. 661, 663 (1990). Together, the pair have therefore authored eight of the Court's sixteen patent decisions from the October 1989 term to the present and six of the Court's nine opinions from the October 1999 term on. See *infra* app. On the other hand, if Federal Circuit formalism has roots in Supreme Court jurisprudence, those roots do not spring entirely from opinions by Justices Scalia and Thomas. In *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55 (1998), Justice Stevens wrote an opinion for the Court that rejected an existing "totality of the circumstances' test," one that had required consideration of "the policies underlying" a section of the Patent Act. *Id.* at 66 n.11. The Court stated that "such a rule finds no support in the text of the statute" and "undermines the interest in certainty." *Id.* at 66. See generally Holbrook, *supra* note 133, at 9 (concluding that *Pfaff* "demonstrates that . . . the Supreme Court in fact is encouraging the formalistic tendencies of the Federal Circuit"); Thomas, *supra* note 112, at 781 (suggesting that *Pfaff* may have spurred increased formalism at the Federal Circuit).

137. Similarly, the Federal Circuit's current chief judge has criticized, rather than embraced, a legislative effort to expand the Federal Circuit's power to take interlocutory appeals of district court claim constructions, a change that would presumably increase the Circuit's ability to control the outcomes of cases that would otherwise settle prior to an appeal. See Letter From Chief Judge Paul R. Michel, U.S. Court of Appeals for the Fed. Circuit, to Patrick Leahy and Orrin G. Hatch, U.S. Senators 1 (May 3, 2007), available at <http://www.patentbaristas.com/wp/wp-content/uploads/2007/05/michelletermay3rd.pdf> (predicting that a proposed legislative change would increase the length and inefficiency of litigation).

138. 486 U.S. 800, 806 (1988) (reporting that the Federal Circuit had "concluded that it lacked jurisdiction" and sought to have the case decided by the Seventh Circuit).

139. 508 U.S. 83, 91–102 (1993) (reviewing the Federal Circuit's holding that, where the Circuit has determined that no asserted patent claim is infringed, a district court's declaratory judgment on patent validity "is 'moot' in a jurisdictional sense").

140. 127 S. Ct. 764, 768–77 (2007) (reviewing the Federal Circuit's holding that a patent licensee lacked standing "because the license agreement obliterate[d] any reasonable apprehension that the licensee will be sued for infringement" (internal quotation marks omitted)).

141. 535 U.S. 826, 829 (2002) (observing that, "[n]otwithstanding petitioner's challenge to its jurisdiction, the Federal Circuit vacated the District Court's judgment").

142. See *id.* at 835 (Stevens, J., concurring in part and in the judgment) (finding "well-reasoned precedent supporting [a] conclusion" in favor of Federal Circuit jurisdiction); *id.* at 839–40 (Ginsburg, J., concurring) (asserting that, if the compulsory counterclaim had been "actually adjudicated," the Federal Circuit would have had jurisdiction).

Moreover, the notion that the Federal Circuit may be systematically promoting pro-patent or pro-litigation policy because of its intellectual capture by the patent bar seems substantially implausible. As Rochelle Cooper Dreyfuss has long noted, the quality of representation before the Circuit tends to be reasonably balanced, with high-priced advocates commonly appearing on both sides.¹⁴³ Such advocates can be expected to make whatever arguments they believe will best advance their client’s interests, regardless of whether those arguments are pro-patent or anti-patent. Given the relative balance in advocacy presented, there seems, at first blush at least, little basis for picking out a single systematic direction for capture to take.¹⁴⁴

On the other hand, it might be conjectured that, because technology companies accused of patent infringement are commonly patent holders themselves, there may be some arguments, involving hostility to broad swaths of patent rights, that parties appearing in patent cases will be systematically unlikely to make.¹⁴⁵ Until recently, I might have included in this category broad challenges to patentability of whole classes of subject matter—for example, business methods, genetically engineered organisms, or software. An accused infringer might hesitate to make such a challenge if the challenge would call into question the accused infringer’s own patents, as well as those of the accuser.

But as an initial point, such a failure to make certain kinds of arguments would seem no more likely to occur under a system of regional circuit review than before the Federal Circuit. The posited problem seems more a general shortcoming of legal development in an adversarial system than a shortcoming of the Federal Circuit in particular.

Additionally, recent events have run contrary to such a conjecture. Neither in the Supreme Court case of *Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.*,¹⁴⁶ nor in the Federal Circuit case of *In re Bilski*¹⁴⁷

143. Dreyfuss, *Case Study*, *supra* note 15, at 29 (“In the case of courts that entertain actions between well-matched adversaries, there is little reason to suspect that the court will favor [any] particular group’s interests.”).

144. One might have conjectured that capture of the Federal Circuit would favor industry or patent-holder incumbents, but in 2000, Adam Jaffe found a lack of evidence of such favoritism. See Adam B. Jaffe, *The U.S. Patent System in Transition: Policy Innovation and the Innovation Process*, 29 RESEARCH POLY 531, 539 (2000) (concluding that increased patenting did not suggest regulatory capture because “the increase [in patenting] is not confined to large firms” and, in fact, “the fraction of patents going to new firms and the fraction going to firms that previously had relatively few patents have both increased”).

145. Cf. Rai, *supra* note 15, at 1110 n.340 (suggesting that the patent bar may be generally pro-patent because “most alleged patent infringers are also patent holders”).

146. 548 U.S. 124 (2006).

147. 264 F. App’x 896 (Fed. Cir. 2008) (en banc) (per curiam) (granting a hearing en banc).

was there a dearth of patent-holding amici arguing for stricter definitions of patentable subject matter.¹⁴⁸ Moreover, the Federal Circuit's embrace of restrictions on patentable subject matter in two pre-*Bilski* panel decisions appears to belie robust conjectures of Circuit capture on this subject.¹⁴⁹

Further, an implicit assumption of theories of patent bar capture—namely, that there is a coherent bar to do the capturing—should not go unquestioned. Nowadays, there is no monolithic patent bar to speak of. Patent boutiques may have dominated patent practice in the past. But over the last two decades, large general practice law firms have emerged as major players in patent litigation, including appeals to the Federal Circuit.¹⁵⁰ Arguments before the Circuit are now frequently made not only by lawyers from general practice firms who may nevertheless, as individuals, specialize in patent litigation, but also by well-known general appellate litigators¹⁵¹ such as Carter Phillips,¹⁵² Seth Waxman,¹⁵³ and, formerly, attorney John Roberts.¹⁵⁴ A community of patent law academics has also emerged to supply a swarm of critical commentators, oral advocates,¹⁵⁵ and even a member of the Federal Circuit itself.¹⁵⁶

148. See, e.g., Brief for Financial Services Industry as Amici Curiae Supporting Petitioner, *Lab. Corp.*, 548 U.S. 124 (No. 04-607); Brief for American Clinical Laboratory Ass'n as Amicus Curiae Supporting Petitioner, *Lab. Corp.*, 548 U.S. 124 (No. 04-607); Brief for the American Medical Ass'n et al. as Amici Curiae Supporting Petitioner, *Lab. Corp.*, 548 U.S. 124 (No. 04-607); Brief for Affymetrix, Inc. & Professor John H. Barton as Amici Curiae Supporting Petitioner, *Lab. Corp.*, 548 U.S. 124 (No. 04-607); Brief for Computer & Communications Industry Ass'n as Amicus Curiae Supporting Appellee, *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008) (en banc) (No. 2007-1130); Brief for Consumers Union et al. as Amici Curiae Supporting Hearing En Banc, *In re Bilski*, 545 F.3d 943 (No. 2007-1130); Brief for Eli Lilly & Co. and the Ass'n of American Medical Colleges as Amici Curiae Supporting Affirmance, *In re Bilski*, 545 F.3d 943 (No. 2007-1130); Brief for Financial Services Industry as Amicus Curiae Supporting Affirmance, *In re Bilski*, 545 F.3d 943 (No. 2007-1130); Brief for Yahoo! Inc. & Professor Robert P. Merges as Amici Curiae Supporting Appellee, *In re Bilski*, 545 F.3d 943 (No. 2007-1130).

149. See *In re Nuijten*, 500 F.3d 1346, 1357 (Fed. Cir. 2007) (holding that a “transitory, propagating signal” “cannot be patentable subject matter”); *In re Comiskey*, 499 F.3d 1365, 1378 (Fed. Cir. 2007) (holding “that the present statute does not allow patents to be issued on particular business systems—such as a particular type of arbitration—that depend entirely on the use of mental processes”).

150. S. Jay Plager & Lynne E. Pettigrew, *Rethinking Patent Law's Uniformity Principle: A Response to Nard and Duffy*, 101 NW. U. L. REV. 1735, 1755 (2007) (noting “the shift in [patent law] practice from the once-small boutique firms to large corporate and even larger general practice firms”).

151. *Id.* (“It is not unusual for advocates in major patent cases to be lawyers who specialize in appellate advocacy rather than patent law.”).

152. *Sinorgchem Co. v. Int'l Trade Comm'n*, 511 F.3d 1132, 1133 (Fed. Cir. 2007).

153. *TiVo, Inc. v. Ecostar Commc'ns Corp.*, 516 F.3d 1290, 1293 (Fed. Cir. 2008).

154. *Intergraph Corp. v. Intel Corp.*, 241 F.3d 1353, 1353 (Fed. Cir. 2001).

155. See, e.g., *Monsanto Co. v. McFarling*, 488 F.3d 973, 975 (Fed. Cir. 2007) (reporting that Mark Lemley “argued for defendant-appellant”); Joe Palazzolo, *Judges Struggle With Patent Case: Federal Circuit Argument Over Business Method Test Answers Few Questions*, LEGAL TIMES, May 12, 2008, at 1 (reporting John Duffy's argument before the en banc Federal Circuit on behalf of an amicus curiae).

156. Before joining the Federal Circuit in 2006, Judge Kimberly Moore was a tenured professor who specialized in patent law. *Federal Circuit Biographies*, *supra* note 49.

Given the heterogeneous nature of the “patent bar” and its members’ interest in zealously representing individual clients, whether they are frustrated patent applicants, patent holders alleging infringement, or alleged or adjudicated infringers, it stretches credulity to argue that the bar has reduced the Circuit to a corrupt state of systematically pro-patent or pro-litigation captivity. Indeed, the difficulty in making such an argument is highlighted by disagreement among commentators about what the patent bar seeks—a pro-patent jurisprudence,¹⁵⁷ an anti-patent jurisprudence,¹⁵⁸ a jurisprudence emphasizing “precision and uniformity,”¹⁵⁹ or a jurisprudence under which uncertainty¹⁶⁰ or complexity¹⁶¹ proliferates. Both a pro-patent jurisprudence and a certainty-promoting jurisprudence might be understood as promoting the bar’s interests by supporting “a relatively robust” patent system¹⁶² in which commercial actors will invest. On the other hand, anti-patent decisions, uncertainty, or complexity helps to generate demand for legal services, whether to prosecute patents more carefully or thoroughly, to conduct a lawsuit, or to provide advice.¹⁶³ The truth is that interests plausibly ascribed to the patent bar can be used to explain virtually any shift in the law, regardless of its direction. Even a resort to Supreme Court decisionmaking or broad-based legislative reform can be viewed as serving attorney interests as both can be expected to generate significant legal work directed toward interpreting or applying new precedents or statutory language. But if the diversity of plausible attorney interests means that attorney capture arguments can explain anything, those arguments explain nothing. Consequently, present

157. Stuart Minor Benjamin & Arti K. Rai, *Who’s Afraid of the APA? What the Patent System Can Learn From Administrative Law*, 95 GEO. L.J. 269, 314 (2007) [hereinafter Benjamin & Rai, *Who’s Afraid of the APA?*] (concluding that the Federal Circuit’s apparently lax approach to patentability “is suggestive of capture” by the patent bar); Dreyfuss, *supra* note 26, at 795 (contending that “[l]owering the standard of nonobviousness and expanding the scope of patentable subject matter . . . promote the interests of the bar”).

158. Dreyfuss, *Institutional Identity*, *supra* note 26, at 795 (arguing that restriction of the doctrine of equivalents produces more work for patent attorneys).

159. *Id.* at 816 (observing that “precision and uniformity are very much appreciated by the bar”).

160. BESSEN & MEURER, *supra* note 23, at 27 (predicting that “some of the patent bar’s opposition to improved notice will prove to be shortsighted”).

161. JAFFE & LERNER, *supra* note 114, at 160–61 (arguing that “the substantial gains that [patent lawyers] enjoy from the current system’s complexity—for example, lengthy and lucrative assignments—is likely to have a subtle effect on many practitioners’ reactions to proposals for radical change”).

162. Benjamin & Rai, *Who’s Afraid of the APA?*, *supra* note 157, at 314 (citation omitted).

163. *Cf.* Lough v. Brunswick Corp., 86 F.3d 1113, 1124 (Fed. Cir. 1996) (Plager, J., dissenting) (criticizing a majority opinion holding patent claims invalid because an inventor had “failed to conduct his testing, his experiments, with the careful attention we lawyers, with our clean and dry hands, have come to prefer”).

contentions that the patent bar has captured the Federal Circuit appear neither compelling nor coherent.

Thus, although there are certainly grounds for arguing that the Federal Circuit embodies many of the vices associated with specialized courts, these grounds appear shaky at best. The most robust criticisms of the Circuit, including charges that the Circuit's pre-KSR jurisprudence interpreted nonobviousness too weakly¹⁶⁴ or that the Circuit's jurisprudence had become too reflexively formal,¹⁶⁵ seem primarily to reflect a contention that the Circuit has substantively erred and, worse, persisted in error—not that the Circuit has erred because it is specialized.¹⁶⁶ The generalist court rationale for review seems correspondingly weak.

B. Quality Control as an Argument Against Supreme Court Review

Nonetheless, those dissatisfied with the Federal Circuit's doctrinal choices may feel a natural tug toward advocating Supreme Court intervention. They should be wary of what this second bite at the appellate apple might bring. For several decades,¹⁶⁷ the Court's stewardship of patent law has been akin to that of a somewhat eccentric, largely "absentee landlord."¹⁶⁸ Court review of any particular question in patent law has typically been rare in occurrence and spotty in performance. Critics can point to any number of problems with the Court's opinions in patent cases.¹⁶⁹ Indeed, Donald Chisum, writer of the leading treatise on United States patent law, has concluded that "the Justices seem to treat patent cases as second class citizens and write opinions that read as though they were dictated while standing waiting for the elevator."¹⁷⁰ In short, there is real cause for concern that, in many cases, the benefits of Court review will not exceed its costs.

164. See *supra* text accompanying note 124.

165. See *supra* text accompanying notes 133–135.

166. Cf. Ayres & Klemperer, *supra* note 97, at 1024 (observing that the Federal Circuit's apparent prioritization of increasing enforcement of valid patents over decreasing mistaken enforcement of invalid patents "runs against the implications of [the authors' theoretical] model").

167. See Duffy, *supra* note 112, at 294 ("Through the entire period from 1950 through the end of the 1982 Term . . . , the Court averaged about one patent case per term (thirty-six cases in thirty-three terms).").

168. Antonin Scalia, Vermont Yankee: *The APA, the D.C. Circuit, and the Supreme Court*, 1978 SUP. CT. REV. 345, 371 ("As a practical matter, the D.C. Circuit is something of a resident manager [with respect to administrative law], and the Supreme Court an absentee landlord.").

169. See, e.g., Roberta J. Morris, *Open Letter to the Supreme Court Concerning Patent Law*, 83 J. PAT. & TRADEMARK OFF. SOC'Y 438, 438 (2001) (describing parts of a Supreme Court opinion as potentially "mak[ing] a great question of the 'spot the errors' variety").

170. Chisum, *supra* note 74, at 16.

These costs are likely to be substantial. A grant of certiorari typically delays the resolution of an issue by at least the several months required for the Court to issue a decision, and potentially much longer if the Court’s decision does not resolve the issue and instead simply provides the basis for further proceedings. In the meantime, attorneys can be expected to spend hundreds of hours preparing briefs and oral arguments. Further, the parties’ three merits briefs before the Court are likely to be supplemented by about two dozen briefs from amici curiae.¹⁷¹ If each brief requires, conservatively estimated, several dozen attorney work hours at an average billing rate of a few hundred dollars per hour, attorney fees for the briefing alone will tend to total at least several hundred thousand dollars.

In addition, the Court itself will incur expense in merits review. The justices and their clerks will spend time reviewing the various submissions, educating themselves on the relevant law or technology, hearing and discussing the case, and producing one or more opinions. If the Court would otherwise have devoted its resources to a potentially more productive use, such as resolving a regional circuit split, the opportunity cost of a grant of certiorari could be large.

Moreover, attorney and Court costs may only be the tip of the iceberg. A grant of certiorari on a question of substantive patent law can trigger great uncertainty about the present and future state of the law. Because the practical meaning of Court opinions is often not immediately clear, such uncertainty could linger for years. This uncertainty is likely to be extremely costly. Certainty and predictability in patent law are viewed as particularly important to private planning and commerce,¹⁷² and one can well imagine that business costs from increased uncertainty will dwarf total attorney fees. For example, in light of James Bessen and Michael Meurer’s conclusion that business costs from

171. Richard Lazarus reports that, in the October 2005 term, amici curiae filed an average of nine merits briefs in each Supreme Court case heard on the merits. Richard J. Lazarus, *Advocacy Matters Before and Within the Supreme Court: Transforming the Court by Transforming the Bar*, 96 GEO. L.J. 1487, 1514 (2008). For the two patent cases argued on the merits that term, amici filed an average of twenty-six merits briefs per case. See Supreme Court of the U.S., Docket for 05-130, <http://www.supremecourtus.gov/docket/05-130.htm> (last visited June 24, 2008); Supreme Court of the U.S., Docket for 04-607, <http://www.supremecourtus.gov/docket/04-607.htm> (last visited June 24, 2008). For the four patent cases argued on the merits during the October 2006 and 2007 terms, the average was 25.75. See Supreme Court of the U.S., Docket for 06-937, <http://www.supremecourtus.gov/docket/06-937.htm> (last visited June 24, 2008); Supreme Court of the U.S., Docket for 05-1056, <http://www.supremecourtus.gov/docket/05-1056.htm> (last visited June 24, 2008); Supreme Court of the U.S., Docket for 05-608, <http://www.supremecourtus.gov/docket/05-608.htm> (last visited June 24, 2008); Supreme Court of the U.S., Docket for 04-1350, <http://www.supremecourtus.gov/docket/04-1350.htm> (last visited June 24, 2008).

172. See, e.g., Golden, *supra* note 60, at 323 (emphasizing the importance of certainty about patent scope).

patent litigation totaled to over ten billion dollars per year in the late 1990s,¹⁷³ one might expect that even a 1 percent uptick in patent litigation for only a few years would cost hundreds of millions of dollars.

What is the likely gain from all this expense? Unless the Court is likely to improve on the Federal Circuit's jurisprudence, not much might be expected at all. Sadly, there are reasons to suspect that the Court will, in fact, do worse in developing substantive patent law than the semispecialized Circuit.

First, there is the fact that the Court may not have much to contribute as a generalist after all. As long ago as 1928, Felix Frankfurter and James Landis observed that the Supreme Court had "ceased to be a common law court" and had a docket more akin to that of the British Commonwealth's Privy Council than to those of state supreme courts or even the House of Lords.¹⁷⁴ The Supreme Court had, they observed, become substantially specialized in the distinctive enterprise of "adjusting the relationships of the individual to the separate states, of the individual to the United States, of the forty-eight states to one another, and of the states to the United States."¹⁷⁵ With the Court's merits docket now more selective than ever,¹⁷⁶ such peculiarity seems unlikely to have diminished. As a result, there may be little reason to suppose that, compared to the Federal Circuit, the Supreme Court has a greater understanding of the world of business or a more extensive mastery of relatively mundane aspects of general law.¹⁷⁷ Not being a true generalist tribunal, the Court may not have much positive value to add when there is no division below and the issues at hand do not centrally concern questions of government power.

A second cause for concern is the more generic one that, whatever expertise the Court may have, the Court is not expert in patent law. Needless to say, the Court's relative ignorance may make it more prone to misunderstand patent law's content and context. Perhaps less appreciated, the Court's relative ignorance may also make it more subject than the Federal Circuit to

173. BESSEN & MEURER, *supra* note 23, at 139 fig. 6.5 (providing graphs of "Aggregate Litigation Costs for U.S. Public firms").

174. FELIX FRANKFURTER & JAMES M. LANDIS, *THE BUSINESS OF THE SUPREME COURT: A STUDY IN THE FEDERAL JUDICIAL SYSTEM* 307 (1928).

175. *Id.* at 308.

176. Compare EPSTEIN, *supra* note 36, at 75 tbl.2-6 (showing that, from the October 2000 term through the October 2004 term, the Court granted less than 4 percent of 10,804 paid petitions for certiorari and less than 0.2 percent of 34,206 in forma pauperis petitions), *with id.* at 72 tbl.25 (showing that, from the October 1926 term through the October 1930 term, the Court granted about 18.8 percent of 3240 paid petitions for certiorari).

177. Michael C. Dorf, *Foreword: The Limits of Socratic Deliberation*, 112 HARV. L. REV. 4, 8 (1998) ("The Justices live and work in relative isolation from major currents of American political, technological, and social life.").

risks of ideological bias or interest-group capture. Greater knowledge and repeated experience can help correct cognitive biases that may be the most insidious bases for systematic error or capture.¹⁷⁸ Further, the existence of strong lobbying for “pro-business” justices¹⁷⁹ and the rise of an apparently influential Supreme Court bar¹⁸⁰ suggest that concerns of bias or capture may be at least as great with respect to the Supreme Court as with respect to the Federal Circuit. Matthew Sag and others have recently found “strong evidence that ideology [was] statistically significant in its effect on” Supreme Court justices’ votes in intellectual property cases from 1954 to 2006.¹⁸¹ We might expect such influence to continue.

Indeed, even without reference to psychology or statistics, it should not be surprising if the Supreme Court’s lack of expertise makes it particularly prone to manipulation or error. The Court must generally be schooled in the relevant law and facts by parties and amici.¹⁸² The result is unlikely to be a well-rounded education. The teaching is constrained by page and time limits.¹⁸³ Further, the instruction is provided by advocates who argue for clients in the context of a specific case. The resulting lessons cannot be expected to be impartial or complete—even with respect to general principles of law that the Court might be thought relatively well placed to invoke.

The partiality and incompleteness of the Court’s education may have no easy cure. The Court and its clerks may lack sufficient motivation either to fill gaps or to correct for bias. As John Duffy has observed:

[N]ot only are the details of patent cases likely to be difficult for generalist judges to understand, but in addition the details are likely to seem so minor as to not be worth the effort to understand. In short, the cases are likely to be technologically complex and boring too.¹⁸⁴

178. See Chris Guthrie, Jeffrey J. Rachlinski & Andrew J. Wistrich, *Blinking on the Bench: How Judges Decide Cases*, 93 CORNELL L. REV. 1, 40 (2007) (suggesting that specialization “might mitigate [cognitive] biases by maximizing the opportunity to benefit from a large quantity of relevant feedback”).

179. Jeffrey Rosen, *Supreme Court Inc.*, N.Y. TIMES MAG., Mar. 16, 2008, at 38, 43 (describing Chamber of Commerce efforts “to urge the Bush administration to appoint pro-business conservatives”).

180. See Lazarus, *supra* note 171, at 1554 (“[T]here is reason for concern that some business interests before the Court are receiving a disproportionate amount of the talent available in the modern day Supreme Court bar”); Rosen, *supra* note 179, at 42 (describing the rise of a specialized Supreme Court bar for “business cases”).

181. Sag, Jacobi & Sytch, *supra* note 118.

182. See Lazarus, *supra* note 171, at 1549 (“Cases involving complex and technical areas of law, such as . . . patent . . . , are also more likely to be areas where the Justices and their law clerks . . . are more dependent on the advocates for an understanding of both the competing legal arguments and the practical ramifications of alternative rulings”).

183. See SUP. CT. R. 28.3 (“Unless the Court directs otherwise, each side is allowed one-half hour for argument.”); *id.* at 33.1(g) (listing word limits for briefs on the merits).

184. Duffy, *supra* note 112, at 330.

Further, there are many important patent law issues, including questions of infringement, unenforceability, and remedies that are outside the normal ken of PTO activity.¹⁸⁵ For such questions, there is no government agency that can be trusted to provide an expert view on which the Court can rely. The Office of the Solicitor General tends to be staffed by legal generalists.¹⁸⁶ Although the Federal Trade Commission and the Department of Justice's Antitrust Division often have concerns that intersect with patent law, they cannot be expected to be truly expert in its operation or substance.

The Court's 1997 opinion in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*¹⁸⁷ and its 2006 opinion in *eBay Inc. v. MercExchange, L.L.C.*¹⁸⁸ illustrate a number of the problems with Supreme Court involvement in substantive patent law.

As discussed in Part I.B, *Warner-Jenkinson* was the Court's first foray into core questions of substantive patent law since the early 1980s. Further, the case was the first since 1950¹⁸⁹ in which the Court reviewed application of patent law's doctrine of equivalents, the doctrine that provides that infringement can occur even if an accused product or process does not fall within the literal scope of a patent claim.¹⁹⁰

More specifically, *Warner-Jenkinson* concerned whether a claim for an ultrafiltration process occurring "at a pH from approximately 6.0 to 9.0" could encompass, via the doctrine of equivalents, a process occurring "at a pH of 5.0."¹⁹¹ Significantly, the claim language reciting the required pH range had been added "to distinguish a previous patent . . . that disclosed an ultrafiltration process operating at a pH above 9.0."¹⁹² In other words, the claim had been subjected to a narrowing amendment designed to establish patentability by distinguishing the claimed invention from prior art—generally speaking, matter or knowledge that was publicly available, on sale, or used either before the date of invention or one year before the applicant's U.S. filing date.¹⁹³ The narrowing amendment meant that application of the doctrine of equivalents

185. Cf. Timothy B. Dyk, *Foreword: Does the Supreme Court Still Matter?*, 57 AM. U. L. REV. 763, 767 (2008) ("Congress has not so far created a significant role for the PTO in the infringement litigation process . . .").

186. Cornelia T.L. Pillard, *The Unfulfilled Promise of the Constitution in Executive Hands*, 103 MICH. L. REV. 676, 704 (2005) ("[T]he Offices of the Solicitor General and Legal Counsel are staffed with legal generalists . . .").

187. 520 U.S. 17 (1997).

188. 547 U.S. 388 (2006).

189. See *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605 (1950).

190. See KIEFF ET AL., *supra* note 88, at 911–12.

191. *Warner-Jenkinson*, 520 U.S. at 22–23 (internal quotation marks omitted).

192. *Id.* at 22.

193. 35 U.S.C. § 102 (2000) (identifying differing types of prior art).

to the claim’s pH language might be barred by prosecution history estoppel, which does not permit the doctrine of equivalents to encompass subject matter surrendered during prosecution.¹⁹⁴

The Federal Circuit’s twelve active judges reviewed the case en banc.¹⁹⁵ A bare, seven-member majority¹⁹⁶ held (1) that equivalence is determined according to an objective assessment of “the substantiality of the differences between the claimed and accused products or processes,”¹⁹⁷ and (2) that equivalence “is an issue of fact to be submitted to the jury in a jury trial” without the trial judge having general discretion “to choose whether to apply the doctrine.”¹⁹⁸ Regarding *Warner-Jenkinson*’s particular facts, the majority further concluded that, because there was no apparent reason for adding the limitation specifying a lower bound for the claim’s recited pH range, estoppel did “not bar . . . asserting equivalency to processes . . . operating sometimes at a pH below 6.”¹⁹⁹ The majority upheld the jury’s verdict of equivalence.²⁰⁰

Given that a Federal Circuit majority had, despite dissent,²⁰¹ produced a series of binding holdings, what did the Supreme Court have to add? One might have expected that, à la *Markman v. Westview Instruments, Inc.*,²⁰² the Supreme Court would focus on the Federal Circuit’s holding that equivalence is a question for the jury. But the petitioner did not press this issue, and the unanimous Court “decline[d] to take it up.”²⁰³ Moreover, the Court confirmed the Federal Circuit’s view that the doctrine of equivalents had survived patent law’s recodification in the Patent Act of 1952.²⁰⁴ There was thus no value added on these points.

According to the Court, its improvements were twofold. First, in response to concern that the doctrine of equivalents had become “unbounded,”²⁰⁵ the Court embraced an all elements rule requiring element-by-element proof of infringement.²⁰⁶ Second, the Court adopted a more heavy-handed approach

194. JANICE M. MUELLER, AN INTRODUCTION TO PATENT LAW 298–99 (2d ed. 2006) (defining prosecution history estoppel).

195. *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512 (Fed. Cir. 1995) (en banc) (per curiam), *rev’d*, 520 U.S. 17.

196. *See id.* at 1514 (listing opinions and judges who joined them).

197. *Id.* at 1518.

198. *Id.* at 1522.

199. *Id.* at 1525.

200. *Id.* at 1528–29 (“Substantial evidence supports the jury verdict . . .”).

201. *See id.* at 1536–83 (dissenting opinions by Judges Plager, Lourie, and Nies).

202. 517 U.S. 370 (1996); *see supra* text accompanying notes 59, 61–65.

203. *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 38 (1997).

204. *Id.* at 26–28.

205. *Id.* at 28–29.

206. *See id.* at 29 (“[T]he doctrine of equivalents must be applied to individual elements of the claim, not to the invention as a whole.”); *see also* MUELLER, *supra* note 194, at 290 (“In *Warner-Jenkinson* . . . , the

to prosecution history estoppel. Specifically, the Court held that, where an amendment has narrowed a claim and left the amendment unexplained in later litigation, courts “should presume” that there was “a substantial reason related to patentability for including the limiting element” and “bar the application of the doctrine of equivalents to that element.”²⁰⁷ The Federal Circuit had therefore erred in concluding that estoppel did not apply with respect to pHs below 6.0. The lack of an explanation for the lower bound on pH meant that the patent owner had failed to overcome a presumption of estoppel.²⁰⁸

The Court’s presentation of both of its supposed improvements betrayed a somewhat startling ignorance of preexisting law. First, the all elements rule was by no means an innovation. The Court cited a Federal Circuit dissent as the source for this principle.²⁰⁹ As that dissent explicitly indicated, however, the Federal Circuit had, about ten years previously, already used an en banc decision to make clear its subscription to the all elements rule.²¹⁰ Even in the very opinion of the Federal Circuit that the Supreme Court was reviewing, *Hilton Davis Chemical Co. v. Warner-Jenkinson Co.*, the Federal Circuit performed an element-by-element analysis before affirming the jury’s verdict of equivalence.²¹¹

The Supreme Court’s blindness to legal context became a graver matter when the Court did more than inadvertently reaffirm preexisting principle. Such was the case with the Court’s instructions on prosecution history estoppel. In this regard, the Court had, in Mark Janis’ words, “enter[ed] unreasonably rough waters, and, worse, seemed to [have done] so unwittingly.”²¹²

While grappling with a question of whether estoppel had been triggered, the Court had adopted, or at least had appeared to adopt, a rule that also provided instruction about estoppel’s scope. More particularly, the Court’s opinion suggested that, where a narrowing claim amendment is unexplained, application of the doctrine of equivalents to the narrowing limitation is absolutely barred. What the Court gave no evidence of appreciating was that the question of an estoppel’s scope was itself contentious, with a line of Federal

Supreme Court instructed that we can minimize the fair protection-certainty conundrum by vigilant application of the all-elements rule . . .”).

207. *Warner-Jenkinson*, 520 U.S. at 33.

208. *Id.* at 34 (concluding that the patentee did not discharge its burden to provide “a reason for the addition of a lower pH limit” that “could properly avoid an estoppel”).

209. *Id.* at 29 (citing *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512 (Fed. Cir. 1995) (en banc) (per curiam) (Nies, J., dissenting), *rev’d*, 520 U.S. 17).

210. *Hilton Davis*, 62 F.3d at 1575 (Nies, J., dissenting) (citing *Pennwalt v. Durand-Wayland, Inc.*, 833 F.2d 931, 935 (Fed. Cir. 1987) (en banc), as embracing the “all elements rule”); *cf. id.* at 1546–47 (Lourie, J., dissenting) (citing *Pennwalt* similarly).

211. *Id.* at 1524–25.

212. Janis, *supra* note 29, at 414.

Circuit cases having held that estoppel could be relatively narrow or “flexible,” rather than absolute.²¹³ Apparently unaware of such controversy, the Court explained neither the justification for its absolute bar nor the extent to which an absolute bar should apply in other situations.

The significance of the Court’s instructions in *Warner-Jenkinson* took several years to disentangle. About three and a half years after the Court’s decision, the en banc Federal Circuit extended the Court’s “complete bar” to situations where an amendment was “explained” but not explained in a way that avoided the triggering of estoppel.²¹⁴ After another year and a half, the Supreme Court again intervened, this time to restore flexibility in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*²¹⁵ In *Festo*, the Court held that a “complete bar” was only rebuttably presumed²¹⁶ and, somewhat brazenly in light of the Court’s role in destabilizing the law, scolded the en banc Circuit for “ignor[ing] the guidance of *Warner-Jenkinson*, which instructed that courts must be cautious before adopting changes that disrupt the settled expectations of the inventing community.”²¹⁷ Debate over the meaning of *Festo*’s criteria for flexibility has since occupied the lower courts’ attention. In 2003, more than six and a half years after the Supreme Court’s decision in *Warner-Jenkinson*, the Federal Circuit issued an additional en banc opinion providing guidance on the meaning of those criteria.²¹⁸

The end result of all this turbulence may or may not have differed significantly from where the law would have ended up without the Supreme Court’s intervention. Whether the final product was worth the cost is a question for another day. For purposes here, it suffices that *Warner-Jenkinson* illustrates (1) the costs in uncertainty and disruption that Supreme Court intervention typically produces and (2) the poor craftsmanship that can mark the Court’s opinions on questions of substantive patent law.

The Supreme Court’s more recent decision in *eBay*²¹⁹ is in some ways a *Warner-Jenkinson* reprise. As in *Warner-Jenkinson*, the Court seems to have tripped over problems that the Court did not even recognize existed. Perhaps

213. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558, 572–75 (Fed. Cir. 2000) (en banc) (describing Federal Circuit precedent on the scope of estoppel), *vacated*, 535 U.S. 722 (2002).

214. *Id.* at 576.

215. 535 U.S. 722.

216. *Id.* at 740–41 (describing how a patentee can overcome a presumption that estoppel applies to a specific allegation of equivalence).

217. *Id.* at 739.

218. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 344 F.3d 1359, 1368–74 (Fed. Cir. 2003) (en banc) (analyzing and applying the Supreme Court’s criteria).

219. *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006).

more disconcertingly, the problems in question had to do with general legal principles and their application, questions of law that the supposedly generalist Supreme Court might have been thought better at handling than the Federal Circuit.

By highlighting the Supreme Court's unreliability in handling questions of general law, *eBay* thus delivers a complementary blow to the generalist court rationale for Supreme Court review. Not only is the Court relatively inexpert in issues of substantive patent law, the Court, which, as discussed earlier, is actually semispecialized,²²⁰ may also be less knowledgeable and competent in handling many issues of general law. Even with respect to alleged advantages of a generalist, the Supreme Court may subtract more value than it adds.

In *eBay*, the basic question was to what degree patent infringement should be enforced by a property rule as opposed to a liability rule.²²¹ The Federal Circuit had acted in conformity with a "general rule that courts will issue permanent injunctions against patent infringement absent exceptional circumstances."²²² In a terse, eleven-paragraph opinion, the unanimous Court rejected this "general rule" in favor of applying "the four-factor test historically employed by courts of equity."²²³ The Court elaborated:

According to well-established principles of equity, a plaintiff seeking a permanent injunction must satisfy a four-factor test before a court may grant such relief. A plaintiff must demonstrate: (1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.²²⁴

On the face of the Court's opinion, this was a simple case of the Federal Circuit having improperly departed from general legal principle. The "generalist" district court had applied—albeit imperfectly²²⁵—a variant of the Court's four

220. See *supra* text accompanying notes 174–177.

221. Guido Calabresi & A. Douglas Melamed, *Property Rules, Liability Rules, and Inalienability: One View of the Cathedral*, 85 HARV. L. REV. 1089, 1092 (1972) (describing a property rule as requiring that an entitlement's destruction occur through "a voluntary transaction in which the value of the entitlement is agreed upon by the seller," and describing a liability rule as permitting an entitlement's destruction in exchange for payment of "an objectively determined value").

222. *MercExchange, L.L.C. v. eBay Inc.*, 401 F.3d 1323, 1339 (Fed. Cir. 2005), *vacated*, 547 U.S. 388.

223. *eBay*, 547 U.S. at 390.

224. *Id.* at 391.

225. See *id.* at 393 (criticizing the district court for "appear[ing] to adopt certain expansive principles suggesting that injunctive relief could not issue in a broad swath of cases").

factors in deciding not to issue an injunction.²²⁶ The “generalist” Court had then corrected the “specialist” Circuit, reaffirming a four-factor approach.

Unfortunately for the state of the law post-*eBay*, reality was more complicated. The Court’s traditional four-factor test appears to have been something of a hoax.

According to at least two experts in remedies law, there was no widespread tradition of such a test for permanent injunctions.²²⁷ Courts had commonly considered four factors in deciding whether to issue preliminary injunctions.²²⁸ But even simply translating the preliminary injunction factors to the permanent injunction context would not produce the test recited by the Supreme Court. One factor considered in the preliminary injunction context is “the probability that [the movant] will succeed on the merits.”²²⁹ By the time a permanent injunction is at issue, this probability-of-success factor effectively drops out: By this time, the movant must have actually prevailed on the merits. Thus, straightforward translation of the preliminary injunction factors should produce a three-factor test for permanent injunctions.²³⁰ As Douglas Laycock remarks in his remedies casebook, the Court obtained four factors by doubling up, confusingly, on the irreparable harm factor, redundantly restating it as a requirement that legal remedies be inadequate.²³¹

The Supreme Court compounded the potential for confusion by improvising its own language for the four-factor test. Conventional statements of an irreparable harm factor—including that articulated by the *eBay* district

226. *MercExchange, L.L.C. v. eBay, Inc.*, 275 F. Supp. 2d 695, 711 (E.D. Va. 2003) (reciting four factors), *aff’d in part, rev’d in part, vacated in part*, 401 F.3d 1323, *vacated*, 547 U.S. 388.

227. DOUGLAS LAYCOCK, *MODERN AMERICAN REMEDIES: CASES AND MATERIALS* 57 (3d ed. Supp. 2008) (“[T]here is no ‘familiar’ four-factor test . . .”); Doug Rendleman, *The Trial Judge’s Equitable Discretion Following eBay v. MercExchange*, 27 *REV. LITIG.* 63, 76 n.71 (2007) (“Remedies specialists had never heard of the four-point test. . . . [T]he Court appears to vindicate a ‘traditional’ standard for a final injunction that never existed, except perhaps for a preliminary injunction.”).

228. 11A CHARLES ALAN WRIGHT, ARTHUR R. MILLER & MARY KAYE KANE, *FEDERAL PRACTICE AND PROCEDURE* § 2948, at 131 (2d ed. 1995) (recognizing a four-factor “formulation that has become popular in all kinds of cases”).

229. *Id.* § 2948, at 133.

230. *See Amoco Prod. Co. v. Vill. of Gambell*, 480 U.S. 531, 546 n.12 (1987) (“The standard for a preliminary injunction is essentially the same as for a permanent injunction with the exception that the plaintiff must show a likelihood of success on the merits rather than actual success.”).

231. LAYCOCK, *supra* note 227, at 57–58 (“[T]he Court divided irreparable injury into two elements to get back to four parts in its test.”); *see also* *Smith & Nephew, Inc. v. Synthes (U.S.A.)*, 466 F. Supp. 2d 978, 982–83 (W.D. Tenn. 2006) (“Although stated as two separate factors under *eBay*, the irreparable harm requirement contemplates the inadequacy of alternate remedies available to the plaintiff.”); *cf.* *Acumed LLC v. Stryker Corp.*, 551 F.3d 1323, 1327–28 (Fed. Cir. 2008) (combining analysis of the irreparable harm and adequacy factors).

court²³²—asked whether the movant would suffer irreparable injury “if the injunction did not issue.”²³³ The Court’s formulation asks whether the movant “has suffered an irreparable injury.”²³⁴ As a district court has subsequently suggested, the Court’s choice of tense makes little sense: “[R]egardless of any irreparable harm suffered in the past, it seems that a permanent injunction should not issue unless there is reason to believe that future infringements would constitute irreparable harm.”²³⁵ Although lower courts have so far sidestepped the Supreme Court’s language by, for example, finding that a movant “ha[d] suffered irreparable harm” and would “continue to suffer such irreparable harm,”²³⁶ the Court’s statement of the irreparable injury factor raises further questions about the Court’s reliability as a source of good judicial craft.

Ultimately more alarming, however, is another instance of Court-improvised language. Again departing from the district court’s language, the Supreme Court stated its four-factor test in absolutist terms, declaring that the “plaintiff must demonstrate” that each of its four factors favored, or at least did not disfavor, issuing an injunction.²³⁷ In the context of the case, the lack of subtlety in the Court’s declaration was surprising. The district court had

232. *MercExchange, L.L.C. v. eBay, Inc.*, 275 F. Supp. 2d 695, 711 (E.D. Va. 2003) (quoting *Odetics, Inc. v. Storage Tech. Corp.*, 14 F. Supp. 2d 785, 794 (E.D. Va. 1998)), *aff’d in part, rev’d in part, vacated in part*, 401 F.3d 1323 (Fed. Cir. 2005), *vacated*, 547 U.S. 388 (2006); *see also* *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. at 393 (observing that the district court had “concluded that [certain facts] would be sufficient to establish that the patent holder would not suffer irreparable harm if an injunction did not issue”).

233. *See* WRIGHT ET AL., *supra* note 228, § 2948, at 133 (speaking of “the threat of irreparable harm to plaintiff if the injunction is not granted”).

234. *eBay*, 547 U.S. at 391.

235. *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 518 F. Supp. 2d 1197, 1214–15 n.18 (C.D. Cal. 2007).

236. *Novozymes A/S v. Genencor Int’l, Inc.*, 474 F. Supp. 2d 592, 612 (D. Del. 2007); *see also* *Metro-Goldwyn-Mayer*, 518 F. Supp. 2d at 1219 (finding irreparable harm because of a defendant’s “likely inability to pay for the past and/or future infringements” and because the defendant’s “inducement has and will continue to irreparably harm Plaintiffs’ very ability to enforce its exclusive rights”). A number of circuit courts have so far either missed or silently ignored the tense of the Court’s “has suffered” language and simply focused on the threat of future harm. *See, e.g.*, *Paulsson Geophysical Servs., Inc. v. Sigmar*, 529 F.3d 303, 313 (5th Cir. 2008) (“We hold that the district court did not clearly err in finding a substantial threat of irreparable injury to Paulsson if the injunction were not issued.”); *Esso Standard Oil Co. v. López-Freytes*, 522 F.3d 136, 148 (1st Cir. 2008) (“[W]e have already concluded that Esso faces irreparable harm in the absence of injunctive relief”); *Christopher Phelps & Assocs., LLC v. Galloway*, 492 F.3d 532, 544 (4th Cir. 2007) (finding that the prospect of future harm meant that the plaintiff “most likely ha[d] satisfied the first two *eBay* factors”); *Audi AG v. D’Amato*, 469 F.3d 534, 550 (6th Cir. 2006) (“If the district court did not grant an injunction, Audi would be irreparably harmed . . .”).

237. *See supra* text accompanying note 224.

said that each factor “require[d] consideration”²³⁸ and had applied but then rebutted a “presumption of irreparable harm.”²³⁹ In arguing to the Supreme Court that the Federal Circuit had erred by “irrebuttably presum[ing]” satisfaction of certain factors,²⁴⁰ counsel for eBay had not questioned the use of rebuttable presumptions. Untroubled by such subtleties, the Court sallied forth with “plaintiff must demonstrate” language that might or might not mean that no presumptions, rebuttable or irrebuttable, may apply.²⁴¹

A number of lower courts have in fact read the Court’s opinion as establishing an absolute bar against presumptions in favor of preliminary, as well as permanent, injunctions and have done so in copyright and trademark cases, as well as patent cases.²⁴² Consequently, *eBay* has unsettled the law in areas far beyond its original context.²⁴³ Most distressingly, such disruption

238. *MercExchange, L.L.C. v. eBay, Inc.*, 275 F. Supp. 2d 695, 711 (E.D. Va. 2003) (quoting *Odetics, Inc. v. Storage Tech. Corp.*, 14 F. Supp. 2d 785, 794 (E.D. Va. 1998)), *aff’d in part, rev’d in part, vacated in part*, 401 F.3d 1323 (Fed. Cir. 2005), *vacated*, 547 U.S. 388 (2006).

239. *Id.* at 711–12.

240. Transcript of Oral Argument at 3, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (No. 05-130).

241. See *Int’l Rectifier Corp. v. IXYS Corp.*, 188 Fed. App’x 1001, 1001 (Fed. Cir. 2006) (observing that a district court’s holding “that [o]nce infringement and validity have been established, irreparable harm is presumed” “may need to be revisited in light of *eBay*”).

242. See, e.g., *Tiber Labs, LLC v. Hawthorn Pharms., Inc.*, 527 F. Supp. 2d 1373, 1380 (N.D. Ga. 2007) (holding “that *eBay* does not leave room for a presumption of irreparable injury in patent cases, whether raised at the preliminary or permanent injunction phase”); *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 518 F. Supp. 2d 1197, 1212 (C.D. Cal. 2007) (holding, in a copyright case, that *eBay* rendered “of no moment” prior Ninth Circuit decisions providing for a presumption of irreparable harm); *MercExchange, L.L.C. v. eBay, Inc.*, 500 F. Supp. 2d 556, 569 (E.D. Va. 2007) (finding, in a patent case, that “a presumption of irreparable harm is inconsistent with the Supreme Court’s instruction”); *Torspo Hockey Int’l, Inc. v. Kor Hockey Ltd.*, 491 F. Supp. 2d 871, 881 (D. Minn. 2007) (concluding “that *eBay*’s logic forbids courts to categorically presume irreparable harm in the preliminary-injunction context, even if a patentee has established that it will likely succeed on the merits”); *Sun Optics, Inc. v. FGX Int’l, Inc.*, No. 07-137-SLR, 2007 WL 2228569, at *1 (D. Del. Aug. 2, 2007) (“Even if the moving party succeeds in demonstrating a likelihood of success on the merits, the notion that there follows a presumption of irreparable harm seems inconsistent with the Supreme Court’s holding in *eBay* . . .”); cf. *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1227 (11th Cir. 2008) (noting that *eBay* “calls into question whether courts may presume irreparable harm merely because a plaintiff in an intellectual property case has demonstrated a likelihood of success on the merits”). *But see* *Pass & Seymour, Inc. v. Hubbell Inc.*, 532 F. Supp. 2d 418, 432 (N.D.N.Y. 2007) (stating that, in a patent case, “the law presumes the existence of such irreparable injury when a strong showing of likelihood of success on the merits has been made”); *Microsoft Corp. v. McGee*, 490 F. Supp. 2d 874, 882 (S.D. Ohio 2007) (observing that unfair competition, trademark infringement, and “copyright infringement [are] presumed to give rise to irreparable injury” (internal quotation marks omitted) (citing *Capitol Records, Inc. v. Zahn*, 2007 WL 542816, *4 (M.D. Tenn. Feb. 16, 2007) (slip op.)); *Christiana Indus. v. Empire Elecs., Inc.*, 443 F. Supp. 2d 870, 884 (E.D. Mich. 2006) (rejecting a contention that, in *eBay*, “the Supreme Court eliminated the presumption of irreparable harm for preliminary injunctions upon a showing of validity and infringement”).

243. See, e.g., *Paulsson Geophysical Servs., Inc. v. Sigmar*, 529 F.3d 303, 312–13 (5th Cir. 2008) (observing that many circuits had “held that a court may presume irreparable injury upon finding

may all be for naught. The absolutist position of various post-*eBay* decisions may ultimately prove wrong²⁴⁴ and, like the Federal Circuit's adoption of an "absolute bar" in the wake of *Warner-Jenkinson*, meet a *Festo*-like finish, a sharp rejoinder from a Supreme Court upset, perhaps unjustifiably, about how one of its recent precedents has been construed.²⁴⁵

What explains *eBay*'s four-factor mess? The case did not lack quality advocates. Amici curiae filed thirty-two briefs on the merits, and counsel for the parties and amici included multiple luminaries of the Supreme Court bar.²⁴⁶

But many of these high-powered advocates were legal generalists likely to lack expertise in quotidian details of remedies law. Such lack of expertise probably left them prone to believe that the four factors used by the *eBay* district court represented the law's traditional approach. This may explain how the Office of the Solicitor General not only came to affirm the existence of a "traditional four-factor test"²⁴⁷ but even to urge the "Court's express endorsement" of that test.²⁴⁸

A second problem from the input standpoint was that the advocates before the Court were, after all, advocates. They had limited time and space to make their arguments, plus a duty to advance client goals not necessarily best promoted by providing a lengthy and impartial primer on general remedies law. In combination with lack of expertise in remedies law, these facts may help explain how a brief for fifty-two professors of intellectual property law²⁴⁹ and briefs filed for private parties by a former solicitor general,²⁵⁰ a former deputy solicitor

a likelihood of confusion in a trademark case" but that *eBay* makes the permissibility of such a presumption "a difficult question").

244. In an analogous antitrust context, the Court has acknowledged judges' capacity to "devise . . . presumptions" to guide application of a rule of reason. *Leegin Creative Leather Prods., Inc. v. PSKS, Inc.*, 127 S. Ct. 2705, 2720 (2007).

245. See *supra* text accompanying notes 215–217.

246. See Supreme Court of the U.S., Docket for 05-130, <http://www.supremecourtus.gov/docket/05-130.htm> (last visited June 24, 2008) (listing among attorneys appearing Paul D. Clement, Theodore B. Olson, Carter G. Phillips, Kathleen M. Sullivan, and Seth P. Waxman).

247. Brief for the United States as Amicus Curiae Supporting Respondent at 15, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006) (No. 05-130).

248. Transcript of Oral Argument at 25, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (No. 05-130).

249. Brief Amici Curiae of 52 Intellectual Property Professors in Support of Petitioners at 1, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (No. 05-130) (citing Supreme Court precedent as "setting out the four equitable factors to be considered").

250. Compare Brief of American Innovators' Alliance as Amicus Curiae in Support of Petitioners at 30, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (No. 05-130), with U.S. Dep't of Justice, Theodore B. Olson, http://www.usdoj.gov/osg/aboutosg/t_olson_bio.htm (last visited July 2, 2008) ("Theodore B. Olson was the 42nd Solicitor General of the United States.").

general,²⁵¹ and a former assistant to the solicitor general²⁵² all treated as well established a four-factor test for permanent injunctions.²⁵³ All of these briefs were either on behalf of eBay or in support of eBay. Because eBay was opposing an injunction, arguments for eBay’s side of the case presumably would have gained little from uncovering or dwelling on problems with four factors that, after all, provided two bites at the issue of irreparable harm.

MercExchange’s brief likewise illustrated limitations of advocacy as a means for judicial education. MercExchange’s brief did protest against the alleged four-factor test, pointing out that cited precedent in fact “did not speak of any ‘test’ for equitable relief, with four factors or otherwise.”²⁵⁴ But this point was ancillary to MercExchange’s basic argument—which enjoyed support from the solicitor general²⁵⁵—that, “[w]hatever ‘test’ appropriately governs the availability of a permanent injunction. . . . it is clear that the Federal Circuit correctly ruled that an injunction should issue here.”²⁵⁶ In this context, it is perhaps no wonder that protests against the four-factor test were lost in the din.

Nonetheless, the Supreme Court itself must bear much of the blame for the sloppiness of its result. Given that eBay and MercExchange agreed that the first two factors of the Court’s test were “two sides of the same coin,”²⁵⁷ the Court should have recognized the redundancy of these factors. Further, the Court’s use of the past tense for irreparable harm and the Court’s “plaintiff

251. Compare Brief of Business Software Alliance et al. as Amici Curiae in Support of Petitioners at 30, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (No. 05-130) (listing Kenneth S. Geller as counsel of record), with Mayer Brown, Kenneth S. Geller, <http://www.mayerbrown.com/lawyers/profile.asp?hubbardid=G582012296> (last visited July 2, 2008) (“Ken served as Deputy Solicitor General of the US Department of Justice (1979–1986) and as Assistant to the DOJ’s Solicitor General (1975–1979).”).

252. Compare Brief of Petitioners at 50, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (No. 05-130) (listing Carter G. Phillips as counsel of record), with Sidley Austin LLP, Our People: Carter G. Phillips, <http://www.sidley.com/ourpeople/detail.aspx?attorney=123> (last visited July 2, 2008) (“Mr. Phillips served as Assistant to the Solicitor General for three years . . .”).

253. Brief of American Innovators’ Alliance, *supra* note 250, at 5–6 (describing the district court as having “weighed the traditional factors”); Brief of Business Software Alliance et al., *supra* note 251, at 21 (listing “the four factors that federal courts must consider”); Brief of Petitioners, *supra* note 252, at 20 (stating that “injunctive relief is available when the district court finds that, on balance, the four ‘principles of equity’ support an injunction”).

254. Brief for Respondent at 27, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (No. 05-130).

255. Brief for the United States, *supra* note 247, at 9 (“In this case, although the court of appeals did not invoke the traditional four-factor test, it correctly recognized that the district court had improperly relied on inappropriate considerations . . .”).

256. Brief for Respondent, *supra* note 254, at 34.

257. *Id.* at 28 n.36 (“Inadequacy of legal remedies and irreparable injury if equitable relief is denied are, in effect, two sides of the same coin.”); accord Reply Brief at 6 n.4, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (No. 05-130) (“Like MercExchange, we address irreparable injury and an inadequate remedy at law ‘as two sides of the same coin.’”).

must demonstrate” language both appear to have resulted from the Court’s own idiosyncratic word choices.²⁵⁸

Thus, *eBay* and *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*²⁵⁹ are instructive regarding the Supreme Court’s deficiencies. When the Court addresses a question of substantive patent law, it tends to move outside a comfort zone where it can pick between alternative doctrinal formulations that lower courts have already adopted. In contrast, if the Court rejects the Federal Circuit’s approach on a question of substantive patent law, the Court must, in general, adopt an alternative approach not presently in operation. And it is in the articulation of such a new approach that the inexpert and sometimes inattentive Court is most likely to misstep. The Court’s liability to manipulation and error leaves little reason for confidence that the Court will generally outperform the Federal Circuit in developing detailed doctrine for substantive patent law.

C. Percolation as a Rationale for Supreme Court Review

The preceding discussion suggests that, when the Supreme Court intervenes in substantive patent law, it can be counted on more to disrupt existing law than to improve it. I now argue that this apparent vice can act as a virtue, one that may provide the best structural justification for the Court’s involvement in substantive patent law.

A positive role for the Supreme Court as a disrupter or issue percolator may seem counterintuitive or even heretical. As a centralized court of last resort, the Supreme Court normally sits in the role of “final law sayers.” Frequently, its job is to substitute a uniform and authoritative doctrinal solution for the fractured jurisprudence of the courts below. Where questions of law are otherwise decided by the regional circuits or state courts, a Supreme Court opinion can add value simply because no other court can resolve an issue for the nation as a whole.

Centralization of patent appeals in the Federal Circuit means that this institutional advantage generally does not extend to Supreme Court review of patent decisions. Nonetheless, it may seem natural to try to fit such review to the framework of the Court’s more typical law saying role. Thus, in 2002, John Duffy emphasized the Court’s ability to act as an ensurer of stability in

258. Note, for example, the contrast between the Supreme Court’s statement of four individually required factors and repeated litigant calls for consideration, balancing, or weighing of four factors, as chronicled in the parentheses associated with the briefs cited *supra* notes 249 and 253.

259. 520 U.S. 17 (1997).

patent law²⁶⁰ and suggested that an analog for intercircuit splits exists in Federal Circuit judges’ own intracircuit differences, as expressed, for example, in dissenting and concurring opinions.²⁶¹

I propose instead that, with respect to substantive patent law, we abandon the vision of the Supreme Court as a source of stability and finality. In this context, centralized review by the Federal Circuit means that the real danger is ossification, not disorder.²⁶² As Samuel Estreicher and John Sexton emphasized in the early 1980s, percolation of legal issues through uncoordinated review by the regional circuits can produce substantial benefits: first, because “it encourages the courts of appeals to examine and criticize each other’s decisions, which . . . can generate solutions that are not obvious on a first or second look”; and second, because “it permits the courts of appeals to experiment with different legal rules, which can provide the Supreme Court with concrete information about the consequences of various options.”²⁶³ Centralized review by a single court of appeals tends to cut off any process of percolation, producing comparatively truncated and information-poor discussion of alternative legal options.²⁶⁴ Centralized review therefore creates an enhanced risk that the law will become locked into one particular mode of operation either too quickly or for too long.

This risk is aggravated by patent law’s lack of an administrative agency having substantive rulemaking power. Congress has granted the PTO rulemaking power, but generally only for the purpose of “govern[ing] the conduct of proceedings in the Office.”²⁶⁵ In *Merck & Co. v. Kessler*,²⁶⁶ the Federal Circuit held that the PTO lacks substantive rulemaking power and that PTO

260. Duffy, *supra* note 112, at 304 (“A great virtue of infrequent Supreme Court review is its moderating influence on the pace of change.”).

261. See *id.* at 318–19 (“The lengthy opinions [of the en banc Federal Circuit in *Wamer-Jenkinson*] not only signaled the importance of the case to the Court but also provided a menu of alternative positions . . .”); *id.* at 325 (describing the multiple opinions resulting from the Federal Circuit’s initial en banc hearing in *Festo* as similarly “present[ing] a menu of possible approaches”).

262. I use “ossification” to refer to an inertial state of being locked into a particular path of decisionmaking (for example, adopting ever more expansive views of patentable subject matter), as well as to a situation in which legal doctrine has become essentially stationary.

263. Estreicher & Sexton, *supra* note 30, at 699 n.68.

264. See POSNER, *FEDERAL COURTS*, *supra* note 19, at 257 (“A judicial monopoly of a field of federal law curtails the role of experimentation in that field.”); Dyk, *supra* note 185, at 768 (“[T]he lack of [intercircuit] conflict means that the law is less likely to develop in new directions without Supreme Court review.”); Randall R. Rader, *The United States Court of Appeals for the Federal Circuit: The Promise and Perils of a Court of Limited Jurisdiction*, 5 MARQ. INTELL. PROP. L. REV. 1, 4 (2001) (“When the Federal Circuit speaks, that becomes the nation-wide rule and in many cases, once it is spoken, there is less percolation, less chance for experimentation . . .”).

265. 35 U.S.C. § 2(b)(2) (2000); *cf. id.* § 132(b) (“The Director shall prescribe regulations to provide for the continued examination of applications . . .”).

266. 80 F.3d 1543, 1550 (Fed. Cir. 1996).

interpretations of substantive aspects of the Patent Act therefore do not merit the high level of deference prescribed by *Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc.*²⁶⁷

This ruling is significant because *Chevron* serves as a lever for temporal flex in agency-administered law. Unrestrained by the judicial doctrine of stare decisis,²⁶⁸ an agency due *Chevron* deference can change its interpretation of a statute and bind courts to the new interpretation.²⁶⁹ Thus, *Chevron* permits agencies to explore a “phase space” of permissible legal approaches over time.²⁷⁰ The churn of the political process may stimulate such exploration.

Of course, agencies may not be as free to change their legal interpretations as the *Chevron* doctrine suggests. The procedural requirements of notice-and-comment rulemaking may themselves be “ossifying,” “stultifying,” or simply too resource-consuming to be cost-effective for many regulatory initiatives.²⁷¹ On the other hand, agencies have often shown facility in fulfilling or sidestepping such requirements.²⁷² An agency’s capacity to choose to act or

267. 467 U.S. 837, 843–44 (1984) (holding that, where Congress has explicitly or implicitly delegated to an agency a task of statutory interpretation, “a court may not substitute its own construction of a statutory provision for a reasonable interpretation made by the administrator of an agency”).

268. Matthew C. Stephenson, *Legislative Allocation of Delegated Power: Uncertainty, Risk, and the Choice Between Agencies and Courts*, 119 HARV. L. REV. 1035, 1047 (2006) (observing that the doctrine of stare decisis “does not apply to administrative agencies, which can and do change their interpretations in response not only to new information but also to changes in the administration’s political and regulatory priorities”).

269. See *Nat’l Cable & Telecomms. Ass’n v. Brand X Internet Servs.*, 545 U.S. 967, 982 (2005) (“A court’s prior judicial construction of a statute trumps an agency construction otherwise entitled to *Chevron* deference only if the prior court decision holds that its construction follows from the unambiguous terms of the statute . . .”); *United States v. Mead Corp.*, 533 U.S. 218, 247 (2001) (Scalia, J., dissenting) (observing that, “[w]here *Chevron* applies, statutory ambiguities . . . create a space, so to speak, for the exercise of continuing agency discretion”).

270. “Phase space” is the space of all possible states that a system can take. See I L.D. LANDAU & E.M. LIFSHITZ, *STATISTICAL PHYSICS* § 1, at 2 (J.B. Sykes & M.J. Kearsley trans., 3d ed. 1980) (“Any point in phase space . . . represents a particular state of the system.”). Limitations on the exploration of phase space can leave a system “effectively trapped” in a path-dependent condition. NIGEL GOLDENFELD, *LECTURES ON PHASE TRANSITIONS AND THE RENORMALIZATION GROUP* 56–57 (1992).

271. William N. Eskridge, Jr. & Lauren E. Baer, *The Continuum of Deference: Supreme Court Treatment of Agency Statutory Interpretations From Chevron to Hamdan*, 96 GEO. L.J. 1083, 1187 (2008); see also Lynn E. Blais & Wendy E. Wagner, *Emerging Science, Adaptive Regulation, and the Problem of Rulemaking Ruts*, 86 TEX. L. REV. 1701, 1704–05 (2008) (“While some skepticism remains, it has become a virtual article of faith that regulatory roadblocks imposed by courts over the years have made notice-and-comment rulemaking so expensive, time-consuming, and uncertain that administrative agencies are increasingly reluctant to undertake it.” (citations omitted) (internal quotation marks omitted)).

272. See, e.g., Anne Joseph O’Connell, *Political Cycles of Rulemaking: An Empirical Portrait of the Modern Administrative State*, 94 VA. L. REV. 889, 932 (2008) (concluding that counts of agency rulemaking proceedings indicate “that the procedural costs to rulemaking . . . are not so high as to prohibit considerable rulemaking activity by agencies”); Stephen M. Johnson, *Ossification’s Demise?*

not to act in a variety of ways, including providing guidance, setting priorities, or deciding whether to enforce a rule in particular instances, can provide ample opportunity to alter the effect of a regulatory regime without resort to substantive rulemaking. Further, high stakes can provide sufficient incentive to overcome the procedural barriers to substantive rulemaking.

Federal Circuit panels lack such legal and practical flexibility. They can only act by deciding cases and are, as a matter of legal precedent and principle,²⁷³ tied by *stare decisis* to their prior decisions.²⁷⁴ Further, Article III provisions for life tenure and salary protection²⁷⁵ insulate the Circuit’s panels from political churning. As a result, at least where the stakes are large, a circuit-dominated statutory regime like patent law may be substantially more likely than an agency-dominated regime to become trapped in a suboptimal legal equilibrium.

In response to such concerns,²⁷⁶ Craig Nard and John Duffy have recently proposed a return to multicircuit review of patent appeals. Unpersuaded by their current arguments,²⁷⁷ I call instead for the Supreme Court and the Federal Circuit to mitigate the risk of suboptimal lock-in by acting as percolators for substantive patent law. In other words, I argue that these courts can and should mimic some of the benefits of multicircuit review by consciously looking to revive substantive examination of legal issues when the danger of ossification is great.

As Judge Dyk of the Federal Circuit has suggested, the Supreme Court may be particularly well positioned to act in such a percolation-oriented role.²⁷⁸ The Court’s place atop the Article III hierarchy empowers it to overrule or to question precedent that might otherwise impede renewed examination

An Empirical Analysis of EPA Rulemaking From 2001–2005, 38 ENVTL. L. 767, 770 (2008) (finding that finalization of EPA rules occurred, “on average, within 1.5 to 2 years after publication as proposed rules, much faster than the 3 to 5 years cited in many articles as the post ossification standard” (internal citations omitted)); Nina A. Mendelson, *Regulatory Beneficiaries and Informal Agency Policymaking*, 92 CORNELL L. REV. 397, 398 (2007) (describing how “federal regulatory agencies regularly bypass the requirements of the Administrative Procedure Act (APA) public notice-and-comment process for issuing legislative rules” by issuing “general statements of policy and interpretative rules” instead (citations omitted)).

273. Critics have sometimes charged that Federal Circuit panels too frequently deviate from either the letter or the spirit of prior decisions. See *infra* note 365 and accompanying text.

274. *Preminger v. Sec’y of Veterans Affairs*, 517 F.3d 1299, 1309 (Fed. Cir. 2008) (“A prior precedential decision on a point of law by a panel of this court is binding precedent and cannot be overruled or avoided unless or until the court sits *en banc*.” (citing *Sacco v. Dep’t of Justice*, 317 F.3d 1384, 1386 (Fed. Cir. 2003))).

275. U.S. CONST. art. III, § 1.

276. See *supra* text accompanying notes 15–23.

277. See *supra* text accompanying notes 23–27.

278. Dyk, *supra* note 185, at 763 (stating that “Supreme Court review is essential to prevent patent law from ossification and to ensure that appropriate policy considerations play a role in the development of the law”).

and discussion. Further, when percolation is the goal, the Federal Circuit's expertise may even be disadvantageous, as it may have an innovation-damping effect.²⁷⁹ Because the Supreme Court is not bound by Federal Circuit precedent and because the Court's own precedent is commonly either sparse or decades old (or both), the Court can provide a fresher look. The Court's standard allowance of ninety days for filing a petition for a writ of certiorari,²⁸⁰ which is far more generous than the fourteen days typically allowed for filing a petition for a court of appeals to rehear a case en banc,²⁸¹ enables attorneys and litigants seeking Court review to take a breath as well, giving them time not only to develop arguments for new approaches to the law, but also to marshal amici support for such positions.²⁸²

On the other hand, the Supreme Court's relative lack of knowledge and more regular state of disengagement mean that it is often not well placed to determine precisely what future doctrinal approaches should be. In the patent law context, the Court-as-manager may work best by shunning the role of the "analytical manager" who "seek[s] clarity and closure."²⁸³ Greater success may come from acting as an "interpretive manager" who promotes optimal results by "refreshing the conversation and displacing its center of gravity."²⁸⁴ Having

279. See, e.g., Jeffrey J. Rachlinski & Cynthia R. Farina, *Cognitive Psychology and Optimal Government Design*, 87 CORNELL L. REV. 549, 572 (2002) (asserting that experts "will be overconfident in their judgment, trapped within particular ways of solving problems that arise from their training, and generally unable to temper their enthusiastic belief in their professions and abilities"); Janet Rae-Dupree, *Innovative Minds Don't Think Alike*, N.Y. TIMES, Dec. 30, 2007, at Bus. 3 ("As our knowledge and expertise increase, our creativity and ability to innovate tend to taper off.").

280. SUP. CT. R. 13.1 (setting a standard deadline for certiorari petitions of "90 days after entry of judgment"). The ninety-day period can be extended to 150 days for "good cause." *Id.*

281. Compare FED. R. APP. P. 35(c) ("A petition for a rehearing en banc must be filed within the time prescribed by Rule 40 for filing a petition for rehearing."), with *id.* 40(a)(1) ("Unless the time is shortened or extended by order or local rule, a petition for panel rehearing may be filed within 14 days after entry of judgment.").

282. I owe this point to an interchange between Seth Waxman and Carter Phillips at the Harvard Law School Conference on Intellectual Property Law on September 9, 2008. See Audio file: *The Supreme Court Returns to Patent Law*, Conference on Intellectual Property, held at the Harvard Law School (Sept. 9, 2008), available at http://www.hlsipconference.com/materials_bios.

283. RICHARD K. LESTER & MICHAEL J. PIORE, *INNOVATION—THE MISSING DIMENSION* 97 (2004).

284. *Id.* at 64. Business organizations can optimize efficiency by reducing operations to matters of routine, but such "mature organizations" often suffer from a "gradual erosion of their capacity to explore" new approaches and "becom[e] ossified, inflexible, and vulnerable to major environmental shifts." David James Brunner, Bradley R. Staats, Michael L. Tushman & David M. Upton, *Wellsprings of Creation: How Perturbation Sustains Exploration in Mature Organizations* 13 (Harv. Bus. Sch. Working Paper No. 09-011, 2008), available at <http://www.people.hbs.edu/bstaats/Wellsprings.pdf>. Consequently, companies like Toyota engage in processes of "deliberate perturbation," "purposeful action to augment the flow of" disruptions to established routines. *Id.* at 16; see also *id.* at 18 ("We have found that deliberate perturbation and exploratory interpretation are pervasive at Toyota . . ."). Like a Supreme Court seeking to perturb patent law in a productive manner, managers seeking to introduce beneficial perturbations must be wary

performed these tasks, the Court may act most wisely by leaving the job of crystallizing new legal doctrine to the more expert and more regularly engaged Federal Circuit.

However inadvertently, the Supreme Court may already be acting in at least sporadic accordance with a percolation-oriented role. The Court’s recent actions in *KSR International Co. v. Teleflex Inc.*,²⁸⁵ *Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.*,²⁸⁶ and *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*²⁸⁷ may be cases in point.

In *KSR*, the Court addressed the substance of patent law’s nonobviousness requirement for the first time in three decades.²⁸⁸ Section 103 of the Patent Act provides that a patentable invention cannot “have been obvious at the time the invention was made to a person having ordinary skill in the art.”²⁸⁹ Like tort law’s reasonable man, section 103’s ordinary artisan is actually rather extraordinary. The artisan is assumed to know all relevant prior art, which includes any “printed publication” reasonably available anywhere in the world before the date of the claimed invention.²⁹⁰

In light of the ordinary artisan’s prodigious knowledge, a common way to contest nonobviousness is to argue that (1) a combination of prior art references disclosed all the elements of the claimed invention, and (2) the ordinary artisan would have found these elements easy to assemble to form the invention. But such an argument is subject to hindsight bias: Once formed, a combination may appear more obvious than it was before anyone thought of it.²⁹¹ As a “defense against the subtle but powerful attraction of a hindsight-based obviousness analysis,” the Federal Circuit had long required that a challenger to patentability prove a “teaching or motivation to combine prior art references” on which an obviousness challenge was based.²⁹² This requirement had itself

of causing perturbations that “are simply sources of wasteful and potentially destructive variance.” *Id.* at 16. For perturbation to be efficient, “the long-term value of the resulting exploration must exceed the magnitude of the short-term efficiency loss.” *Id.*

285. 127 S. Ct. 1727 (2007).

286. 548 U.S. 124 (2006).

287. 535 U.S. 722 (2002).

288. 127 S. Ct. at 1740 (discussing the Court’s decision in *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273 (1976)).

289. 35 U.S.C. § 103(a) (2000).

290. *Id.* § 102(a) (characterizing as prior art a preinvention “printed publication in this or a foreign country”). See generally ROBERT PATRICK MERGES & JOHN FITZGERALD DUFFY, PATENT LAW AND POLICY: CASES AND MATERIALS 729–30 (4th ed. 2007) (discussing knowledge attributed to the ordinary artisan).

291. See Gregory N. Mandel, *Patently Non-Obvious: Empirical Demonstration That the Hindsight Bias Renders Patent Decisions Irrational*, 67 OHIO ST. L.J. 1391, 1394 (2006) (“Individuals . . . tend to view what actually occurred as having been relatively inevitable and foreseeable.”).

292. *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999).

come under attack, however, for seeming virtually to demand that prior art expressly suggest the claimed combination, a stipulation that might defeat Congress' purpose in referring the question of nonobviousness to a person having pertinent skill.²⁹³

The Federal Circuit's decision in *KSR* arguably exemplified this phenomenon. In *KSR*, the claimed invention involved combining two well-known technologies for cars: (1) adjustable pedal assemblies that could be moved to accommodate drivers of different heights and (2) electronic throttle controls.²⁹⁴ The prior art disclosed the combination of such technologies²⁹⁵ and, in the context of a nonadjustable pedal assembly, taught the desirability of placing an electronic sensor for the throttle control "on a fixed part of the pedal assembly, rather than in or on the pedal's footpad."²⁹⁶ Essentially all that the prior art did not disclose was placement of such a sensor on a fixed part of an adjustable assembly like that of the claimed invention.²⁹⁷ Nonetheless, the Federal Circuit applied its motivation-to-combine test and found that summary judgment of obviousness was inappropriate: "[G]enuine issues of material fact exist as to whether a person of ordinary skill in the art would have been motivated . . . to attach an electronic control to the support structure of [a previously disclosed adjustable] pedal assembly."²⁹⁸

The Supreme Court reversed, holding that the claimed invention was obvious as a matter of law.²⁹⁹ The Court thereby sent a strong signal that, at least in this instance, the Federal Circuit's approach had excessively weakened patent law's nonobviousness requirement. On the other hand, the Court declined to settle on a new doctrinal formula for evaluating nonobviousness. The Court questioned but did not obliterate the motivation-to-combine framework, indicating that "a formalistic conception" of the framework was inappropriate³⁰⁰ but suggesting that a "broader conception" might be acceptable.³⁰¹ Having provided a significant push toward making the nonobviousness

293. See Rebecca S. Eisenberg, *Obvious to Whom? Evaluating Inventions From the Perspective of PHOSITA*, 19 BERKELEY TECH. L.J. 885, 894 (2004) (commenting that "the Federal Circuit has downgraded [the ordinary artisan] . . . to the . . . role of skilled reader of prior art").

294. *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1735 (2007) (describing technological developments prior to the claimed invention).

295. *Id.* at 1736 (describing a patent disclosing an adjustable assembly with a sensor "in the pedal footpad").

296. *Id.*

297. *Id.* at 1737.

298. *Teleflex, Inc. v. KSR Int'l Co.*, 119 Fed. App'x 282, 290 (Fed. Cir. 2005), *rev'd*, 127 S. Ct. 1727 (2007).

299. *KSR*, 127 S. Ct. at 1746 (concluding that "summary judgment [of obviousness] is appropriate").

300. *Id.* at 1741.

301. *Id.* at 1743.

requirement a higher bar, the Court left to lower courts and the PTO the task of determining how precisely to proceed.

Laboratory Corp. took a different and less than ideal path to a substantially similar result. *Laboratory Corp.* involved a challenge to the validity of a claim for a method of diagnosing a vitamin deficiency that involved determining the concentration of a particular substance in “a body fluid” and diagnosing a deficiency if that concentration exceeded a certain level.³⁰² *Laboratory Corp.*’s question presented had, in tortuous language, challenged this claim for (1) “setting forth an indefinite, undescribed, and non-enabling step directing a party simply to ‘correlat[e]’ test results” and (2) “claim[ing] a monopoly over a basic scientific relationship used in medical treatment such that any doctor necessarily infringes the patent merely by thinking about the relationship after looking at a test result.”³⁰³ The Court apparently understood this question as having raised an issue of patentable subject matter, namely whether the claim improperly amounted to the patenting of a “law of nature.”³⁰⁴

The grant of certiorari was ultimately followed, however, by a dismissal of this obviously problematic case as “improvidently granted.”³⁰⁵ The dismissal meant that the Supreme Court exited the stage without making any binding statements of law. But the dismissal also provided the occasion for a dissent that signaled three justices’ interest in reconsidering broad understandings of patentable subject matter that had come to dominate the case law.³⁰⁶ It seems no coincidence that, in the wake of *Laboratory Corp.*, Federal Circuit panels experimented with more vigorous enforcement of requirements for subject matter eligibility,³⁰⁷ and that the Federal Circuit subsequently used an en banc

302. *Lab. Corp. of Am. Holdings v. Metabolite Labs., Inc.*, 548 U.S. 124, 129 (2006) (Breyer, J., dissenting) (internal quotation marks omitted).

303. Questions Presented, *Lab. Corp.*, 548 U.S. 124 (No. 04-607), available at <http://origin.www.supremecourtus.gov/qp/04-00607qp.pdf>.

304. *Lab. Corp.*, 548 U.S. at 132 (Breyer, J., dissenting) (“The question before us is whether claim 13 . . . is invalid in light of the ‘law of nature’ principle . . .”). The petitioner had similarly failed to raise explicitly the question of patentable subject matter before the Federal Circuit, and the Circuit had not addressed it. See *id.* (noting that *Laboratory Corp.* “did not refer in the lower courts to § 101 of the Patent Act, which sets forth subject matter that is patentable,” and that the Federal Circuit “did not directly consider the question”).

305. *Id.* at 124.

306. *Id.* at 136 (Breyer, J., dissenting) (observing that the Supreme Court had never endorsed a rule “that a process is patentable if it produces a ‘useful, concrete, and tangible result’” (quoting *State St. Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368, 1373 (Fed. Cir. 1998))).

307. *In re Nuijten*, 500 F.3d 1346, 1357 (Fed. Cir. 2007) (holding that a “transitory, propagating signal like Nuijten’s” “cannot be patentable subject matter”); *In re Comiskey*, 499 F.3d 1365, 1377 (Fed. Cir. 2007) (holding that “mental processes—or processes of human thinking—standing alone are not patentable even if they have practical application”).

decision to reject as overly permissive a test for subject matter eligibility that the Circuit's decisions had generated in the late 1990s.³⁰⁸

Finally, the Supreme Court's decision in *Festo* arguably represents a third type of "percolative" intervention—one putting a prompt end to a broad doctrinal formula that could have excessively ossified the law. Recall that the Court's decision in *Festo* came on the heels of its earlier decision in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*³⁰⁹ In *Warner-Jenkinson*, the Court had answered affirmatively the question of whether estoppel applies when a narrowing claim amendment remains unexplained.³¹⁰ But in reversing the Federal Circuit on this question of when estoppel applies, the Court had also used language indicating that such estoppel not only applies but constitutes an absolute bar, leaving no room for application of the doctrine of equivalents to the narrowed claim limitation.³¹¹ Following this lead and the Court's more general directive "to implement procedural improvements to promote certainty, consistency, and reviewability,"³¹² the en banc Federal Circuit used *Festo*, a case vacated and remanded by the Court in light of *Warner-Jenkinson*,³¹³ to adopt an extreme position, one extending the Court's apparently absolute bar to all situations where a narrowing amendment had triggered estoppel.³¹⁴ The Supreme Court then reintervened in *Festo* to make a second course correction, dismantling the Circuit's "complete bar" and thereby reopening questions about the breadth of prosecution history estoppel.³¹⁵

Whether the need for reintervention resulted from poor drafting of the Supreme Court's original instructions or an erroneous interpretation of those instructions, *Festo* demonstrates that the Court may sometimes have to revisit an issue to ensure that a prior decision has an effect comporting with the percolation rationale for review. Like an attentive manager, the Court will

308. *In re Bilski*, 545 F.3d 943, 959 (Fed. Cir. 2008) (en banc) (holding that "the 'useful, concrete and tangible result' language associated with *State Street*" sets forth a test "insufficient to determine whether a claim is patent-eligible"); *cf. id.* at 965 & n.27 (indicating that the claim at issue in *Laboratory Corp.* was like other claims that covered unpatentable subject matter).

309. 520 U.S. 17 (1997).

310. See *supra* text accompanying notes 193–200.

311. See *supra* text accompanying notes 203–208.

312. *Warner-Jenkinson*, 520 U.S. at 39 n.8.

313. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 729 (2002) ("We granted, vacated, and remanded in light of our intervening decision in *Warner-Jenkinson* . . .").

314. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558, 576 (Fed. Cir. 2000) (en banc), *vacated*, 535 U.S. 722.

315. See Duffy, *supra* note 112, at 332–33 (suggesting that Federal Circuit "[j]udges who initially favored a broad application of equivalents might have switched positions in an attempt to carry out the Court's new precedent").

sometimes need to issue a second set of instructions to prevent the application of earlier instructions in a way that snuffs out further development and debate.

Thus, in the last several years, the Court has repeatedly demonstrated a capacity to initiate a process of “creative disruption.”³¹⁶ A remaining question, however, is how the courts can best act to make the percolation rationale work in practice.

III. PRESCRIPTIONS FOR COURT AND CIRCUIT ROLES AS PRIME AND SECOND PERCOLATORS

At the start, I should emphasize that, although the percolation rationale provides a justification for the Supreme Court’s involvement in substantive patent law, the rationale also suggests that this involvement should be limited. Supreme Court review is too error prone and too likely to disrupt expectations to be anything but exceptional. The Court should exercise great caution not only in issuing opinions on the merits but also in deciding to grant certiorari. Further, given the risks entailed by Court review, the percolation rationale suggests that the Federal Circuit should take steps of its own to curb its tendency to lock in doctrinal solutions either before they have been adequately vetted or long after their failings have been revealed. By acting as a kind of second percolator, the Circuit can limit the need for Supreme Court review and thereby help contain the uncertainty and confusion that the Court’s sporadic involvement almost necessarily yields.

A. Recommendations for the Supreme Court

Under the percolation rationale, a significant threshold problem for the Supreme Court is deciding what cases involving substantive patent law it should review on the merits. There appear to be at least three traits that a good case for merits review should generally have:

- (1) the substantive question involved is not currently subject to meaningful debate in the courts below;
- (2) there is good reason to suspect that the Federal Circuit’s settled approach to that question is substantially inferior to a legally permissible alternative; and

316. Cf. JOSEPH A. SCHUMPETER, *CAPITALISM, SOCIALISM, AND DEMOCRACY* 83 (3d ed. 1950) (describing the “process of Creative Destruction” as one of “industrial mutation . . . that incessantly revolutionizes the economic structure from within” (emphasis omitted)).

- (3) the case at hand is a good vehicle for addressing the substantive question as part of determining the outcome of a dispute between the specific parties involved.

These traits help ensure, respectively, that there is a need for percolation, that percolation is likely to add value, and that the Court can make an effective but limited intervention that promotes percolation. Further, although there is no simple formula for applying these criteria to a particular fact situation, these criteria do not seem substantially more intractable than criteria commonly used when initial appeals are to the regional circuits:³¹⁷ for example, (1) whether there are square conflicts between the decisions of different circuits;³¹⁸ (2) whether the question presented is important;³¹⁹ and (3) whether the case at hand permits the Court to answer that question without becoming entangled in ancillary issues.³²⁰ As the Court already does in patent cases, the Court can call for the views of the solicitor general when it believes it needs help in gathering the information necessary to apply the relevant criteria.³²¹

In more detail, the first criterion indicates that, where the Federal Circuit has left an area of law substantially open to development or where Federal Circuit judges have remained meaningfully engaged with relevant legal questions, Supreme Court intervention is probably unjustified. If, as through

317. See GRESSMAN ET AL., *supra* note 24, § 4.2, at 240 (“Critics have complained that the generalities embodied in [Supreme Court] Rule 10 [regarding the criteria for granting a writ of certiorari] provide no meaningful standards for the bar, especially in terms of the importance or unimportance of the issues involved.”); H.W. PERRY, JR., DECIDING TO DECIDE: AGENDA SETTING IN THE UNITED STATES SUPREME COURT 216 (1991) (stating that the question “what it is that makes a case certworthy” cannot “be answered with much precision”).

318. GRESSMAN ET AL., *supra* note 24, § 4.4, at 242 (“The Supreme Court often . . . will grant certiorari where the decision of a federal court of appeals . . . is in direct conflict with the decision of another court of appeals on the same matter of *federal* law or on the same matter of *general* law as to which federal courts can exercise independent judgments.”); PERRY, *supra* note 317, at 246 (“Without a doubt, the single most important generalizable factor in assessing certworthiness is the existence of a conflict or ‘split’ in the circuits.”).

319. GRESSMAN ET AL., *supra* note 24, § 4.11, at 262 (“The importance of the issues involved in the case as to which review is sought is of major significance in determining whether the writ of certiorari will issue.”); PERRY, *supra* note 317, at 253 (“When asked what they looked for to determine if a case were certworthy, informants almost invariably would say that first they looked to see if there were a circuit conflict, and then they looked to see if the conflict involved an important issue.”).

320. GRESSMAN ET AL., *supra* note 24, § 4.4(e)–(g), at 248 (discussing, as potential grounds for denying certiorari, the existence of an alternative ground to reach the same decision, the irrelevance of the question presented “to the ultimate outcome of the case,” and a case’s failure to “fairly present the legal question over which there is a conflict”); PERRY, *supra* note 317, at 234 (“Another commonly agreed upon criterion that renders a case uncertworthy is if it is a ‘bad vehicle’ or has ‘bad facts.’”).

321. See Rebecca S. Eisenberg, *The Supreme Court and the Federal Circuit: Visitation and Custody of Patent Law*, 106 MICH. L. REV. FIRST IMPRESSIONS 28, 29 (2007), <http://www.michiganlawreview.org/firstimpressions/vol1106/eisenberg.pdf> (noting that “in recent years the Supreme Court has increasingly sought and sometimes heeded the views of the Solicitor General before granting certiorari in patent cases”).

a recent en banc decision or grant of an en banc rehearing, the Federal Circuit has provided solid evidence of ongoing engagement with the legal question that the Supreme Court is asked to address, there would typically be no substantial structural benefit from adding the Court’s inexpert review to the mix. Indeed, under such circumstances, a combination of the Court’s proneness to error and its place atop the judicial hierarchy would make its intervention worryingly likely to truncate or to distort deliberation by the patent system’s other institutional actors.

It is not hard to find practical examples of how this criterion can make a difference. For example, according to this criterion, the Supreme Court should have denied certiorari in *Warner-Jenkinson*, thereby sparing the patent and technological community at least some turmoil by declining review in a case where the Federal Circuit had already engaged in substantial and meaningful en banc review of fundamental questions regarding the doctrine of equivalents. For similar reasons, the Court has been right to deny certiorari in cases seeking review of the Federal Circuit’s claim construction jurisprudence, which, despite being both highly controversial and highly important,³²² has also remained a subject of continual debate and periodic en banc review by the Federal Circuit’s judges.³²³ Likewise, given the Federal Circuit’s renewed interest in questions about the scope of patentable subject matter, including an en banc decision on the issue that left much yet to be decided,³²⁴ there seems sufficient percolation on this subject to render Court review unnecessary or even pointless. The first criterion under the percolation rationale thus commonly points to an opposite conclusion from that of prior commentators, including

322. See Golden, *supra* note 60, at 322–27 (discussing the significance of claim construction and current concerns about its doctrine and practice).

323. See, e.g., *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 469 F.3d 1039, 1040–46 (Fed. Cir. 2006) (showing that a majority of the Federal Circuit’s active judges have interest in reconsidering the extent to which claim construction should be treated as a pure question of law); *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc) (discussing “the basic principles of claim construction”); *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1451 (Fed. Cir. 1998) (en banc) (holding “that claim construction, as a purely legal issue, is subject to de novo review on appeal”); *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979 (Fed. Cir. 1995) (en banc) (holding that claim construction is a matter for a judge, not a jury), *aff’d*, 517 U.S. 370 (1996).

324. See *In re Bilski*, 545 F.3d 943, 962 (Fed. Cir. 2008) (en banc) (“leav[ing] to future cases the elaboration of the precise contours of machine implementation, as well as the answers to particular questions, such as whether or when recitation of a computer suffices to tie a process claim to a particular machine”). It should be acknowledged, however, that, in *Bilski*, the Federal Circuit did appear to tie itself to a single approach to assessing the subject matter eligibility of claims for patent rights in a process. See *id.* at 955 (rejecting arguments “that the Supreme Court did not intend the machine-or-transformation test to be the sole test”). On the other hand, even here the Circuit explicitly reserved wiggle room, stating that the Circuit “may in the future refine or augment the test or how it is applied.” *Id.* at 956.

former Chief Judge Nies of the Federal Circuit, who have suggested that en banc review and disagreement at the Federal Circuit should provide a signal favoring a Supreme Court grant of certiorari.³²⁵

On the other hand, recent en banc review by the Federal Circuit will not always indicate that Supreme Court review is inappropriate. As discussed earlier, the Court's review in *Festo* appears justifiable because, in that case, the Court was intervening to clear up a mess regarding the doctrine of equivalents for which its own recent decision in *Warner-Jenkinson* may have been the substantial cause.³²⁶ *Warner-Jenkinson's* apparently inadvertent entry into an ongoing debate about the scope of prosecution history estoppel³²⁷ had significantly shaped subsequent debate on the subject, leading the Federal Circuit to abruptly adopt an absolute bar to applying the doctrine of equivalents to any claim element added for purposes of establishing patentability.³²⁸

But even if there is no current percolation on an issue, Supreme Court intervention may not be worth the cost. The second criterion for Supreme Court review seeks to ensure that intervention is worthwhile. To this end, the Court's review should be likely enough to generate a legal approach that is not only new but also expected to produce net benefits that exceed the cost of putting the approach in place. Arguably, something like such a rough cost-benefit assessment is already implicit in Supreme Court Rule 10, which indicates that the Supreme Court may be particularly likely to grant certiorari when "a United States court of appeals has decided an important question of federal law that has not been, but should be, settled by this Court."³²⁹

325. See Duffy, *supra* note 112, at 284 (stating with approval that "[t]he extended treatment by the Federal Circuit [in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000) (en banc), vacated, 535 U.S. 722 (2002),] signaled to the Supreme Court the importance of the issue and provided a rich discussion . . . that increased the Justices' ability to comprehend and review the case."); Helen Wilson Nies, *Dissents at the Federal Circuit and Supreme Court Review*, 45 AM. U. L. REV. 1519, 1527 (1996) ("I am convinced that a judge who disagrees with the majority must make the effort to write a dissent, especially here at the Federal Circuit where dissents are virtually the sole means by which contradicting positions on the law are presented fully and without personal bias to the Supreme Court."); cf. Dreyfuss, *Institutional Identity*, *supra* note 26, at 810 (stating that "the judges on the Federal Circuit have become quite adept at writing dissents signaling the need for Supreme Court attention"); Eisenberg, *supra* note 321, at 29 (observing that, in *Warner-Jenkinson* and *Festo*, "the Supreme Court granted certiorari to review en banc decisions revealing sharp disagreements among the judges of the Federal Circuit").

326. See *supra* text accompanying notes 214–217.

327. See *supra* text accompanying notes 194, 207, 315.

328. *Festo*, 234 F.3d at 576 ("The Supreme Court recognized the value of a complete bar in *Warner-Jenkinson* when it discussed the presumption that prosecution history estoppel applies when an amendment is unexplained.")

329. SUP. CT. R. 10(c); cf. GRESSMAN ET AL., *supra* note 24, § 4.21, at 287 ("[T]he Supreme Court's certiorari concerns with the patent decisions of the Federal Circuit turn largely on the importance of the questions presented.")

Under the percolation rationale, the analysis differs from that suggested by Rule 10, in that the Court may not be looking to settle the relevant legal question in any conventional sense. But just as the Court now uses petition-stage briefs to assess the appropriateness of Court involvement to settle an issue, the Court should be able to use such material to assess the appropriateness of intervening to counter ossification. Petitioners might support arguments that their case satisfies the second criterion by presenting evidence that changed circumstances have undermined a doctrine’s original rationale or that the Federal Circuit abruptly adopted a broad rule without adequately considering the rule’s implications in a variety of different contexts.

Of course, to guard against the limitations and biases of advocates,³³⁰ the Court probably should consider whether briefs support empirical claims of certworthiness with citations of independent and credible authority. There have been signs that the justices already look for such touchstones: Justice Breyer’s dissent from the dismissal in *Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.* pointed to multiple law review articles as evidence of an “important ongoing debate” about the patent system,³³¹ and Justice Kennedy’s concurring opinion in *eBay Inc. v. MercExchange, L.L.C.*³³² cited a Federal Trade Commission report as evidence that the threat of an injunction could allow would-be patent licensors “to charge exorbitant fees.”³³³ Although the considered judgments of governmental and nongovernmental bodies, professionals, and academics are far from infallible, they can help to corroborate both that there is much at stake and that there is a way for the Court to help produce an improved patent law.

Finally, there is the third criterion under the percolation rationale—the requirement that the case at hand provide a good vehicle for addressing the relevant legal issue in a way specifically related to the parties’ dispute. This criterion may seem obvious, but the Court’s emphasis on avoiding mere “factbound error correction”³³⁴ can lead it to forget this simple principle.

eBay is a case in point. Here, a host of leading information technology and software companies raised concerns about their capacity to develop and to distribute complex technologies in the face of threatened injunctions.³³⁵

330. See *supra* text accompanying notes 246–256.

331. *Lab. Corp. of Am. Holdings v. Metabolite Labs., Inc.*, 548 U.S. 124, 138–39 (2006) (Breyer, J., dissenting).

332. 547 U.S. 388 (2006).

333. *Id.* at 396 (Kennedy, J., concurring).

334. Carolyn Shapiro, *The Limits of the Olympian Court: Common Law Judging Versus Error Correction in the Supreme Court*, 63 WASH. & LEE L. REV. 271, 285 (2006).

335. See Amicus Curiae Brief of the Business Software Alliance et al. in Support of Petitioner at *4, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006) (No. 05-130), 2005 WL 2381065 (“Facing

These companies thereby provided the Court with reason to consider whether and how the balance of hardships or public interest should enter a court's equitable calculus.

But *eBay* was a poor platform to address these issues. Petitioner *eBay* did not argue that there was an important public interest in its web-based sales.³³⁶ Further, *eBay* was not a very sympathetic infringer on hardship grounds. According to a jury verdict, *eBay* had chosen without "good faith" to infringe *MercExchange's* patent.³³⁷ Further, *eBay* had stated to the district court that it could end its infringement at a cost of less than ten thousand dollars.³³⁸ Under these circumstances, a focus on relative hardships and the public interest would have pushed the Court to make a decision either to agree with the solicitor general that an injunction should issue³³⁹ or to openly embrace a dramatic change in legal practice by sanctioning denial of an injunction even where an infringer's arguments on hardship and the public interest were manifestly weak.

Neither course meshed well with the limited message that the Court wanted to send:

We hold only that the decision whether to grant or deny injunctive relief rests within the equitable discretion of the district courts, and that such discretion must be exercised consistent with traditional principles of equity, in patent disputes no less than in other cases governed by such standards.³⁴⁰

The Court therefore chose to avoid the dilemma by loftily refusing to engage the facts:

[W]e take no position on whether permanent injunctive relief should or should not issue in this particular case, or indeed in any number of other disputes arising under the Patent Act.³⁴¹

In my view, the Court's refusal to engage *eBay's* facts helps explain the sloppiness of the Court's work product.³⁴² If the Court had tried to apply its

mandatory injunctions, innovating technology and software companies are frequently forced into unfair license agreements because design changes are impractical."); Brief of America Online, Inc. et al. in Support of Petitioner at *4-5, *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (No. 05-130), 2005 WL 2381069 ("By effectively eliminating equitable discretion over injunctive relief, the decision below opens the door to grossly inequitable injunctions that will exacerbate the growing problem of abusive patent litigation.").

336. See Brief of Petitioners, *supra* note 252, at 39-41 (discussing the public interest); Reply Brief, *supra* note 257, at 19-20 (same).

337. Brief for Respondent, *supra* note 254, at 5-6.

338. *Id.* at 35.

339. See *supra* note 255 and accompanying text.

340. *eBay*, 547 U.S. at 394.

341. *Id.*

four-factor test, the Court would have had to address, implicitly or explicitly, both the redundancy of its first two factors and the oddity of using the past tense to describe the required irreparable harm. In all likelihood, the Court would also have confronted the question of whether its “plaintiff must demonstrate” language barred any and all pro-movant presumptions or, more generally, was really meant to replace the district court’s multifactored balancing test³⁴³ with a multipart test having four separately required prongs. But the Court did not trouble itself with the hard task of applying stated law to evidentiary fact. In the wake of an “opinion sound[ing] much like a treatise about cooking by someone who has never cooked before and has no intention of starting now,”³⁴⁴ we should not be surprised to find a less than perfect stew.

The Court’s handling of *KSR International Co. v. Teleflex Inc.*³⁴⁵ provides a study in contrast. In *KSR*, the Court took on a weighty issue, the question of what is necessary to find a patent claim invalid for obviousness.³⁴⁶ The Court did so, however, in the context of a claimed invention that, at best, lay at the margins of patentability.³⁴⁷ *KSR* therefore lent itself to the sort of limited and contextualized intervention that the Court in fact performed. Consistent with the percolation rationale, this intervention provided a definite jolt to the law’s condition: The Court cast doubt on an entrenched approach to evaluating obviousness and specifically rejected an overly rigid application of that approach.³⁴⁸ On the other hand, the Court did not require a revolution. At least in the first instance, *KSR* largely left to patent law’s more regular and expert players the determination of how much of a correction should occur.

A number of commentators have criticized *KSR* for failing to provide a new formula for nonobviousness analysis.³⁴⁹ Under the percolation rationale, such criticism is fundamentally misguided. Once the Court has decided to review a case on the merits, it should, in Mark Janis’ words, “ordinarily limit its opinion

342. See *supra* text accompanying notes 226–241. See generally Shapiro, *supra* note 334, at 329 (arguing that, if “the Court actually decide[d] some cases . . . , the Justices may become more sensitive to administrative and jurisprudential headaches they create for the lower courts”).

343. See *MercExchange, L.L.C. v. eBay, Inc.*, 275 F. Supp. 2d 695, 712–13 (E.D. Va. 2003) (describing two factors as “tip[ping] against” and “weigh[ing] against” an injunction, respectively) *aff’d in part, rev’d in part, vacated in part*, 401 F.3d 1323 (Fed. Cir. 2005), *vacated*, 547 U.S. 388.

344. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 269 (1986) (Rehnquist, J., dissenting).

345. 127 S. Ct. 1727 (2007).

346. See *supra* text accompanying note 288.

347. See *supra* text accompanying notes 293–297.

348. See *supra* text accompanying notes 298–301.

349. See, e.g., Eisenberg, *supra* note 321, at 31 (criticizing the Court for failing to “provide clear guidance for future cases”); Gregory N. Mandel, *Another Missed Opportunity: The Supreme Court’s Failure to Define Nonobviousness or Combat Hindsight Bias in KSR v. Teleflex*, 12 LEWIS & CLARK L. REV. 323, 335 (2008) (criticizing the Court for “not develop[ing] a new standard to replace” the Federal Circuit’s approach).

in accordance with its rationale for intervention.”³⁵⁰ Under the percolation rationale, the Supreme Court should generally not look to substitute a complete doctrinal solution for the Federal Circuit’s. As Nard and Duffy have recognized, turning the Supreme Court into an alternate forum for crystallizing patent law doctrine simply risks “overcentralizing patent jurisprudence in a different court.”³⁵¹ Circumstances under which the Supreme Court grants review in accordance with the percolation rationale will commonly be situations involving changed or changing circumstances, less than ideal information, and high error costs—situations in which it is often advisable to practice a “decisional minimalism” that “leave[s] things open.”³⁵² Hence, the Court should generally not seek to provide a final formulation for specific doctrines of patent law. Often, it will have done enough if it succeeds in shifting the focus and intensity of debate—whether by providing general but malleable guidance as in *Festo*³⁵³ or by providing illustrative analysis as in *KSR*.

B. Recommendations for the Federal Circuit

Of course, Supreme Court review under the percolation rationale may be rendered largely unnecessary if the Federal Circuit acts effectively as a percolator itself.³⁵⁴ Rochelle Cooper Dreyfuss has argued that the Circuit should do more

350. Janis, *supra* note 29, at 408.

351. Nard & Duffy, *supra* note 12, at 1640.

352. Cass R. Sunstein, *Foreword: Leaving Things Undecided*, 110 HARV. L. REV. 4, 6–7 (1996).

353. See *supra* text accompanying notes 214–218 and 308–316.

354. A recent study by Lee Petherbridge suggests that the Federal Circuit already acts in a percolative manner in interpreting and applying the doctrine of equivalents. Lee Petherbridge, *Patent Law Uniformity?*, 22 HARV. J.L. & TECH. 36 (forthcoming Spring 2009) (reporting “evidence that on balance tends to weigh against a claim that the [F]ederal [C]ircuit’s jurisprudence is unitary and irretrievably entrenched”). Petherbridge’s study thus might be understood to indicate that the Federal Circuit may have a greater capacity to act as a patent law percolator than is commonly appreciated. But Petherbridge’s findings of disagreement and differences among Federal Circuit judges do not prove that there is already sufficient percolation in general. Petherbridge’s study is confined to interpretation and application of the doctrine of equivalents, a particularly contentious area of patent law that generated two Supreme Court opinions and five en banc Federal Circuit opinions during the roughly fifteen-year time period of Petherbridge’s study. Compare *id.* (describing a dataset encompassing opinions from “January 1, 1992 to May 2, 2007”), with *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722 (2002); *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997); *Honeywell Int’l Inc. v. Hamilton Sundstrand Corp.*, 370 F.3d 1131 (Fed. Cir. 2004) (en banc); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 344 F.3d 1359 (Fed. Cir. 2003) (en banc); *Johnson & Johnston Assocs. Inc. v. R.E. Serv. Co.*, 285 F.3d 1046 (Fed. Cir. 2002) (en banc) (per curiam); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000) (en banc), *vacated*, 535 U.S. 722; *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512 (Fed. Cir. 1995) (en banc), *rev’d*, 520 U.S. 17. Thus, Petherbridge’s findings may not be representative of the state of patent law more generally, particularly areas that have not received such extensive Supreme Court and en banc attention. Instead, to the extent Petherbridge’s study of outcome-oriented variables (for example, “[Patentee] Wins on Appeal; Dispositive Wins; and whether the [F]ederal [C]ircuit Affirmed a trial

“to keep patent law responsive to changing technological facts and emerging national interests.”³⁵⁵ Although one might question the extent to which the Circuit, as opposed to the elected branches of government, should seek to identify and to appease “emerging national interests,” the Circuit can certainly work to ensure that its interpretations and applications of Congress’ statutory scheme remain sensible in light of new circumstances and knowledge. To this end, the Federal Circuit can promote percolation in at least two ways.

First, Federal Circuit panels can hesitate to write or to read panel opinions unnecessarily broadly, thereby limiting the extent to which a single panel can bind the Circuit and the nation to a doctrinal formulation of doubtful scope or wisdom. Particularly with respect to such fundamental questions as the bounds of patentable subject matter, Circuit panels should seek to avoid the needlessly hasty adoption of broad rules. Recent Federal Circuit panel decisions appear to have moved in this direction by determining that prior panel decisions on patentable subject matter may be understood more narrowly than might have been previously supposed.³⁵⁶ If such narrow readings foster competing jurisprudential approaches, the Circuit can use an en banc hearing to eliminate incoherence. The Circuit may have done just that in *Phillips v. AWH Corp.*, in which the en banc court disposed of an extreme version of dictionary-driven claim construction that a series of panels had embraced.³⁵⁷

A second way in which the Federal Circuit can promote percolation is by granting en banc review for essentially the same reasons that the Supreme Court might grant certiorari. Thus, the Federal Circuit should seek to select questions for the Circuit’s own en banc review that satisfy the criteria discussed in Part III.A.³⁵⁸ To the extent the Federal Circuit can use such criteria to recognize a significant risk that its precedent has frozen the law in a suboptimal doctrinal equilibrium, the Circuit’s reconsideration of that precedent may

court’s decision,” Petherbridge, *supra*) reflects percolation of the sort advocated here, it may substantially confirm that review by the Supreme Court or en banc Federal Circuit can go hand in hand with ongoing percolation.

355. Dreyfuss, *Institutional Identity*, *supra* note 26, at 827.

356. *In re Nuijten*, 500 F.3d 1346, 1354 (Fed. Cir. 2007) (reading *State Street Bank & Trust Co. v. Signature Financial Group*, 149 F.3d 1368 (Fed. Cir. 1998), as consistent with a focus on whether an invention fell within a statutory category of patentable subject matter); *In re Comiskey*, 499 F.3d 1365, 1374 (Fed. Cir. 2007) (rejecting the “suggest[ion] that *State Street* supports the patentability of business methods generally”).

357. 415 F.3d 1303, 1319–24 (Fed. Cir. 2005) (en banc).

358. The first criterion should probably be altered so that the Federal Circuit asks less solipsistically whether existing doctrine has recently permitted Circuit panels, district courts, or the PTO to engage meaningfully with the relevant question.

eliminate the need for Supreme Court intervention and thus all the costs, uncertainty, and error risk that such intervention entails.

Moreover, there is good reason to believe that, despite the difficulty of assessing one's own performance, the Federal Circuit can often identify issues that might otherwise warrant a grant of certiorari. The Circuit's recent sequence of en banc decisions on willful infringement demonstrates that the Circuit can overrule its own precedent without a direct order from the Supreme Court.³⁵⁹ And new Federal Circuit rules enhance the Circuit's capacity to identify issues warranting reconsideration by more than doubling the standard time for filing a rehearing petition from fourteen days to thirty days.³⁶⁰

Further, long before the Supreme Court's grants of certiorari in *Laboratory Corp.* and *KSR*, Federal Circuit judges could have recognized that critiques of their case law provided ample cause to believe that doctrines regarding nonobviousness and patentable subject matter should be reconsidered. Separate reports by the Federal Trade Commission and the National Academy of Sciences had highlighted problems with existing doctrine.³⁶¹ Scholarly and professional criticism had often been severe.³⁶² Nonetheless, even while questions of patent

359. *In re Seagate Tech., LLC*, 497 F.3d 1360, 1371 (Fed. Cir. 2007) (en banc) (requiring "at least a showing of objective recklessness" for proof of willful infringement); *Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337, 1344 (Fed. Cir. 2004) (en banc) (forbidding an "adverse inference" from an adjudged infringer's failure to present evidence of prior reliance on an attorney opinion that no valid patent claim was infringed).

360. *Compare* Jan Horbaly, Clerk of Court, U.S. Court of Appeals for the Fed. Circuit, Notice of Rule Changes 1 (Feb. 6, 2009) (reporting adoption of a standard filing period of thirty days), available at <http://www.cafc.uscourts.gov/pdf/DearReader090206.pdf>, with FED. R. APP. P. 40(a)(1) ("Unless the time is shortened or extended by order or local rule, a petition for panel rehearing may be filed within 14 days after entry of judgment."); *id.* 35(c) ("A petition for a rehearing en banc must be filed within the time prescribed by Rule 40 for filing a petition for rehearing."); and FED. CIR. R. 40(e) (2008) ("The time limits set forth in Federal Rule of Appellate Procedure 40(a)(1) also apply to a motion for panel reconsideration of a dispositive panel order.").

361. FED. TRADE COMM'N, TO PROMOTE INNOVATION: THE PROPER BALANCE OF COMPETITION AND PATENT LAW AND POLICY, ch. 4, at 15, 43 (2003) (identifying concerns with the existing treatment of nonobviousness and patentable subject matter); COMM. ON INTELLECTUAL PROP. RIGHTS IN THE KNOWLEDGE-BASED ECON., NAT'L RESEARCH COUNCIL, A PATENT SYSTEM FOR THE 21ST CENTURY 59-63 (Stephen A. Merrill et al. eds., 2004) (same).

362. *See, e.g.,* JAFFE & LERNER, *supra* note 114, at 123 (arguing that Federal Circuit precedent on nonobviousness suggested the potential patentability of "playing the piano while feeding one's cat"); Donald R. Dunner & Richard L. Rainey, *Business Method Patents: Far From a Settled Issue*, 3 SEDONA CONF. J. 57, 60 (2002) (characterizing Federal Circuit precedent on patentable subject matter as "a repudiation of Supreme Court precedent"); John S. Goetz, *An "Obvious" Misunderstanding: Zurko, Lee and the Death of Official Notice (Part I)*, 86 J. PAT. & TRADEMARK OFF. SOC'Y 150, 152 (2004) (describing Federal Circuit precedent as tending "to free unpatentable inventions from the strictures of non-obviousness"); Malla Pollack, *The Multiple Unconstitutionality of Business Method Patents: Common Sense, Congressional Consideration, and Constitutional History*, 28 RUTGERS COMPUTER & TECH. L.J. 61, 120 (2002) (arguing that "business method patents are problematical both socially and constitutionally").

scope attracted six en banc decisions from 1998 to 2005,³⁶³ the case law on these fundamental questions of patentability remained a creature of Circuit panels. The Supreme Court’s grants of certiorari should not have come as a shock.

Despite the capacity of the Federal Circuit to act as “second percolator,” it might be objected that there is something improper about the Circuit’s assuming this role. Undeniably, there is tension between the percolation rationale and the Federal Circuit’s generally perceived purpose to bring certainty and predictability to patent law.³⁶⁴ Practitioners have strongly criticized the Federal Circuit for failing to give enough deference to prior panel decisions and thereby contributing to uncertainty.³⁶⁵ But potential conflicts between interests in certainty and interests in improved statutory interpretation are not insurmountable. Emphasis on consistency does not require “foolish consistency.”³⁶⁶ As Senior Judge S. Jay Plager and longtime law clerk Lynne Pettigrew have suggested, “even when a resolution of sorts is reached, there is always the need for testing and rethinking.”³⁶⁷

363. See *Phillips v. AWH Corp.*, 415 F.3d 1303 (2005) (en banc) (addressing claim construction methodology); *Honeywell Int’l Inc. v. Hamilton Sundstrand Corp.*, 370 F.3d 1131 (Fed. Cir. 2004) (en banc) (addressing the scope of prosecution history estoppel); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 344 F.3d 1359 (Fed. Cir. 2003) (en banc) (same); *Johnson & Johnston Assocs. Inc. v. R.E. Serv. Co.*, 285 F.3d 1046 (Fed. Cir. 2002) (en banc) (per curiam) (identifying a limitation on the doctrine of equivalents); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000) (en banc) (addressing the scope of prosecution history estoppel), *vacated*, 535 U.S. 722 (2002); *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448 (Fed. Cir. 1998) (en banc) (addressing the standard of review for claim construction).

364. See, e.g., Gerald J. Mossinghoff & Donald R. Dunner, *Increasing Certainty in Patent Litigation: The Need for Federal Circuit Approved Pattern Jury Instructions*, 10 FED. CIR. B.J. 273, 279 (2001) (“[T]he essential purpose for the creation of this very unique court was to bring certainty and reliability to U.S. patent law.”); see also H.R. Rep. No. 97-312, at 20 (1981) (“The new Court of Appeals for the Federal Circuit . . . will make the rules applied in patent litigation more predictable . . .”); S. Rep. No. 97-275, at 5 (1981) (“The establishment of the Court of Appeals for the Federal Circuit also provides a forum that will increase doctrinal stability in the field of patent law.”).

365. Thomas G. Field III, *The Role of Stare Decisis in the Federal Circuit*, 9 FED. CIR. B.J. 203, 215 (1999) (noting practitioner criticism of the Federal Circuit for “apparent refusal to follow its own prior opinions”); Weil & Rooklidge, *supra* note 48, at 796 (criticizing Federal Circuit opinions characterizing prior panel statements as dicta or as involving a distinguishable set of facts).

366. Ralph Waldo Emerson, *Self-Reliance*, in *ESSAYS OLD AND NEW* 48, 56 (Robert U. Jameson ed., 3d ed. 1957) (“A foolish consistency is the hobgoblin of little minds, adored by little statesmen and philosophers and divines.”).

367. S. Jay Plager & Lynne E. Pettigrew, *Rethinking Patent Law’s Uniformity Principle: A Response to Nard and Duffy*, 101 NW. U. L. REV. 1735, 1749 (2007).

CONCLUSION

In recent years, patent law and the Federal Circuit have become targets of heavy criticism. Doubtless, much can be done to improve the performance of both. But there is little reason to believe that improvement will result from sustained involvement of the Supreme Court in developing detailed doctrines of patent law.

At this point in the Federal Circuit's history, its greatest institutional failing appears to result not from its semispecialization, but instead from its status as a locus of centralized legal control. Intracircuit *stare decisis* and the rapidity of Circuit panels' development of precedent mean that the Federal Circuit is particularly liable to locking patent law into a specific doctrinal approach both too quickly and for too long. By periodically taking on merits review in areas where Federal Circuit decisions may have unduly ossified the law, the Supreme Court can help initiate escapes from suboptimal legal equilibria. Under the percolation rationale for such involvement, the Court should, however, leave primary responsibility for developing legal doctrine with the PTO, district courts, and Federal Circuit.

For the Court to act successfully as "prime percolator," at least three requirements must be met. First, the Court must be able to recognize when reconsideration of a question of substantive patent law is warranted. Second, the Court must restrain itself in accordance with the percolation rationale's dictates, limiting not only the issues that it reviews but also the types of cases for which it grants certiorari. A good vehicle for Supreme Court review should enable the Court not only to intervene, but also to exit without inflicting too much harm—for example, by permitting the Court to provide guidance through illustrative application of the law, rather than simply by substituting its own broadly binding but possibly ill-conceived legal formula. Finally, the lower courts and PTO must respond properly to the Court's guidance, using newfound flexibility to search for a better doctrinal solution, rather than merely exploiting that flexibility to revert to old ways.

Indeed, by preemptively responding to dangers of ossification, the Federal Circuit can assume the role of "second percolator," reconsidering its precedent in situations where Supreme Court review might otherwise be appropriate. As at the Federal Circuit's creation, the Circuit's peculiarly strong hold on patent law provides "both challenge and opportunity"—"the opportunity to achieve and maintain uniformity and clarity in the law," and "an increased

challenge” because of the lack of other circuits to aid it.³⁶⁸ Now, as then, the Federal Circuit should “welcome watchers”—“[t]he bar, the law schools, other courts, the executive branch, and the Congress.”³⁶⁹ Proper percolation of contributions from the Federal Circuit and its watchers should help improve the form and substance of the law.

368. Howard T. Markey, Chief Judge, The Court of Appeals for the Federal Circuit—Challenge and Opportunity, John Marshall Law School Seminar (Feb. 18, 1983), in 2 HOWARD T. MARKEY ON INTELLECTUAL PROPERTY: A COMPILATION OF HIS WRITINGS, OPINIONS, AND SPEECHES 1719, 1719–20 (1998).

369. *Id.* at 1720.

APPENDIX

There is no single way to classify or even to count the patent cases that the Supreme Court has decided on the merits since the Federal Circuit's formation.³⁷⁰ The Table below lists the cases that I have counted as patent decisions on the merits and also shows the subcategories to which I have assigned the cases. In addition, the Table includes in parentheses five cases that I have excluded from my count but that might make an alternative list of patent decisions. Explanations for my exclusions follow:

- (1) *Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.*³⁷¹ was dismissed as improvidently granted.
- (2) *Illinois Tool Works Inc. v. Independent Ink, Inc.*³⁷² was an antitrust case, albeit one that involved the question of “whether the presumption of market power in a patented product should survive as a matter of antitrust law despite its demise in patent law.”³⁷³
- (3) *Unitherm Food Systems, Inc. v. Swift-Eckrich, Inc.*³⁷⁴ addressed the law of the Court of Appeals for the Tenth Circuit regarding rules of civil procedure for overturning a jury verdict—in this case, a verdict of antitrust liability for “attempting to enforce a patent that was obtained by committing fraud on the Patent and Trademark Office.”³⁷⁵
- (4) *TrafFix Devices, Inc. v. Marketing Displays, Inc.*³⁷⁶ was a trademark case in which the Supreme Court held that the Court of Appeals for the Sixth Circuit “gave insufficient recognition to the importance of . . . utility patents” as evidence of the patented matter's functionality.³⁷⁷
- (5) *Nelson v. Adams USA, Inc.*³⁷⁸ involved a question of due process relating to an attempt to add a party to a patent infringement suit.³⁷⁹

370. See, e.g., MERGES & DUFFY, *supra* note 290, at 1050–51 & n.1 (listing nineteen cases prior to the October 2007 term); Dyk, *supra* note 185, at 769 (counting and classifying “twenty granted [patent] cases”).

371. 548 U.S. 124 (2006).

372. 547 U.S. 28 (2006).

373. *Id.* at 31.

374. 546 U.S. 394 (2006).

375. *Id.* at 397–98.

376. 532 U.S. 23 (2001).

377. *Id.* at 32.

378. 529 U.S. 460 (2000).

379. *Id.* at 462–63.

(6) *American Airlines, Inc. v. Lockwood*³⁸⁰ was resolved by a one-sentence per curiam opinion vacating the Federal Circuit’s decision after the respondent waived its claim to a jury trial right.³⁸¹

TABLE: SUPREME COURT PATENT DECISIONS ON THE MERITS
(OCTOBER 1983–2007 TERMS)

Patent Requirements, Scope, or Remedies	Subject Matter Eligibility	(Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc., 548 U.S. 124 (2006)) J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred International, Inc., 534 U.S. 124 (2001)
	Validity Over Prior Art	KSR International Co. v. Teleflex Inc., 127 S. Ct. 1727 (2007) Pfaff v. Wells Electronics, Inc., 525 U.S. 55 (1998)
	Scope of Covered Subject Matter	Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 535 U.S. 722 (2002) Warner-Jenkinson Co. v. Hilton Davis Chemical Co., 520 U.S. 17 (1997)
	Scope of Rights to Exclude	Quanta Computer, Inc v. LG Electronics, Inc., 128 S. Ct. 2109 (2008) Microsoft Corp. v. AT&T Corp., 127 S. Ct. 1746 (2007)
	Remedies	eBay Inc. v. MercExchange, L.L.C., 547 U.S. 388 (2006)
Procedure, Jurisdiction, or Interaction With Other Regimes	Standard of Review or Decisionmaker	(Unitherm Food Systems, Inc. v. Swift-Eckrich, Inc., 126 S. Ct. 980 (2006)) Dickinson v. Zurko, 527 U.S. 150 (1999) Markman v. Westview Instruments, Inc., 517 U.S. 370 (1996) (<i>American Airlines, Inc. v. Lockwood</i> , 515 U.S. 1182 (1995)) Dennison Manufacturing Co. v. Panduit Corp., 475 U.S. 809 (1986)

380. 515 U.S. 1182 (1995).

381. Motion to Dismiss as Moot, *Am. Airlines, Inc. v. Lockwood*, 515 U.S. 1182 (No. 94-1660), 1995 WL 848568.

Procedure, Jurisdiction, or Interaction With Other Regimes —continued—	Due process	(<i>Nelson v. Adams, USA, Inc.</i> , 529 U.S. 460 (2000))
	Jurisdiction	<i>MedImmune, Inc. v. Genentech, Inc.</i> , 127 S. Ct. 764 (2007) <i>Holmes Group, Inc. v. Vornado Air Circulation Systems, Inc.</i> , 535 U.S. 826 (2002) <i>Cardinal Chemical Co. v. Morton International, Inc.</i> , 508 U.S. 83 (1993) <i>Christianson v. Colt Industries Operating Corp.</i> , 486 U.S. 800 (1988)
	Federalism or Preemption	<i>Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank</i> , 527 U.S. 627 (1999) <i>Bonito Boats, Inc. v. Thunder Craft Boats, Inc.</i> , 489 U.S. 141 (1989)
	FDA Regulation	<i>Merck KGaA v. Integra Lifesciences I, Ltd.</i> , 545 U.S. 193 (2005) <i>Eli Lilly & Co. v. Medtronic, Inc.</i> , 496 U.S. 661 (1990)
	Antitrust	(<i>Illinois Tool Works Inc. v. Independent Ink, Inc.</i> , 547 U.S. 28 (2006))
	Trademark	(<i>TraFFix Devices, Inc. v. Marketing Displays, Inc.</i> , 532 U.S. 23 (2001))