

THE PATENT LITIGATION PREDICAMENT IN THE UNITED STATES

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Something has to change when your boss, upon reviewing your work, continues to tell you year after year that you are doing your job incorrectly about one-third to one-half the time, and your customers continue to tell you their costs are too high. That is the predicament in which we United States district court judges have collectively found ourselves over the past decade when presiding over patent litigation. Five years ago, I gave a keynote address during the 2002 International Intellectual Property Conference in Chicago in which I expressed my concerns on this topic as well as my views on trial-level specialization in the patent cases, as reported in this publication.³

As an updated expression of my continuing concerns about the predicament, this article will describe the root bases of the predicament, discuss the factors contributing to the predicament, and present possible solutions, as well as potential remedies, that are either underway or have been proposed to help resolve the patent litigation predicament in the United States.

The United States Court of Appeals for the Federal Circuit, headquartered in Washington, D.C., is the only Article III appellate court which has its jurisdiction defined by subject matter and not geography.⁴ It is the appellate court that reviews all appeals involving claims of patent infringement from all of the United States district courts across the country.⁵

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The authors gratefully acknowledge and thank Amy Dickerson, Executive Law Clerk to Chief Judge Holderman, and Christopher Stine, Law Clerk Extern to Chief Judge Holderman, for their invaluable assistance on this article.

3. Judge James F. Holderman, *Judicial Patent Specialization: A View from the Trial Bench*, 2002 U. ILL. J.L. TECH. & POL'Y 425.

4. H.R. REP. NO. 96-1307 (1980), available at http://ipmall.info/hosted_resources/lipa/patents/House_and_Senate.pdf.

5. 28 U.S.C. § 1295 (2005). In addition to patent appeals from the United States district courts, the United States Court of Appeals for the Federal Circuit hears appeals from the United States Board of Contract Appeals, the United States Court of International Trade, the United States Court of Federal Claims, the United States Court of Appeals for Veterans Claims, the Department of Veteran Affairs, the International Trade Commission, the Merit Systems Protection Board, the United States Office of Compliance of the United States Congress, the United States Patent and Trademark Office ("PTO"), as well as from decisions of the Secretary

Depending on what statistics and whose opinion one looks at, the reversals by the Federal Circuit of district court decisions on patent claims construction are nothing of which to be proud. The rate of these reversals adds to the uncertainty in patent litigation. In 1998, two years after the United States Supreme Court's opinion in *Markman v. Westview Instruments, Inc.*⁶ affirming the Federal Circuit's decision,⁷ Federal Circuit Judge Randall Rader, in his concurrence in the *en banc* decision *Cybor Corp. v. FAS Techs., Inc.*,⁸ opined that from his vantage point it appeared the reversal rate regarding patent claims construction by district court judges was "hovering near 50%" for the cases decided during the approximately two and a half year period of April 1995 through November 1997.⁹ After that startling revelation from a highly respected appellant jurist, Professor Kimberly Moore, now herself a judge of the United States Court of Appeals for the Federal Circuit, undertook a detailed analysis of all Federal Circuit claim construction cases from April 23, 1996, (the day the Supreme Court issued its decision in *Markman*) through December 31, 2000, and concluded "that district judges improperly construe patent claim terms in 33% of the cases appealed to the Federal Circuit."¹⁰ Another professor, Professor Christian A. Chu, studied Federal Circuit cases between January 1, 1998, through April 30, 2000.¹¹ Professor Chu found that the reversal rate was 44%.¹² Other similar studies placed the reversal rate in the range of 40%.¹³

The Court of Appeals for the Federal Circuit does not itself report statistics on the number of reversals based on erroneous claims construction by the district judges, but the Federal Circuit reported that during the twelve-month period ending September 30, 2006, of all the 357 cases before that court that were appealed from the district courts and were terminated by a decision of judges of the Federal Circuit, only 13% resulted in reversal.¹⁴ The average

of Agriculture, the Secretary of Commerce, and the Office of Personnel Management. *Id.*

6. 517 U.S. 370 (1996).

7. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995).

8. 138 F.3d 1448, 1473 (Fed. Cir. 1998) (Rader, J., concurring in part).

9. *Id.* at 1476.

10. Kimberly A. Moore, *Are District Court Judges Equipped to Resolve Patent Cases?*, 15 HARV. J.L. & TECH 1, 2 (2001) [hereinafter Moore, *Are District Court Judges Equipped*].

11. Christian A. Chu, *Empirical Analysis of the Federal Circuit's Claim Construction Trends*, 16 BERKELEY TECH. L.J. 1075, 1092 (Fall 2001).

12. *Id.* at 1104.

13. See e.g., Gretchen Ann Bender, *Uncertainty and Unpredictability in Patent Litigation: The Time is Ripe for Consistent Claim Construction Methodology*, 8 J. INTELL. PROP. L. 175, 206-07 (Spring 2001) (40% reversal rate from *Markman* opinion through 2000); Kimberly A. Moore, *Markman Eight Years Later: Is Claim Construction More Predictable?*, 9 LEWIS & CLARK L. REV. 231,236-39 (2005) [hereinafter Moore, *Markman Eight Years Later*] (a 40.8% reversal rate if summary affirmances are excluded, a 34.51% if summary affirmances are included, and a 37.5% reversal rate in cases in which the Federal Circuit held one or more patent claims wrongly construed); Andrew T. Zidel, *Patent Claim Construction in the Trial Courts: A Study Showing the Need for Clear Guidance from the Federal Circuit*, 33 SETON HALL L. REV. 711, 745-46 (2003) (41.5% reversal rate (39 out of 94) of district court claim construction decisions during 2001).

14. Admin. Office of the U.S. Courts, *Federal Judicial Caseload Statistics*, tbl. B-8 (2006) [hereinafter *Federal Judicial Caseload Statistics*] (all tables referenced are available as links from the following page: <http://www.uscourts.gov/caseload2006/contents.html>).

Table B-8.

reversal rate of district court decisions appealed to the regional court of appeals for the year ending March 31, 2006, was 9.5%.¹⁵

If we United States district court judges get it right 90% of the time on average in all other types of cases, why are we not better at construing patent claim language? I know that in each patent case over which I have presided for the more than two decades I have been on the federal district bench, I have done my best to get it right. I also know, as the chief judge of my district court, that my colleagues in Chicago do so as well, and I am sure my other district court colleagues across the country are equally conscientious. Despite our individual efforts, however, the fact remains that if a party appeals our claim construction rulings, there is pretty close to a 40% chance our rulings will be determined to be incorrect and be reversed.

Despite the early predictions after the *Markman* decision that district judges' decisions on claims construction would result in greater certainty on the soundness of the district judges' decisions,¹⁶ the reversal rate appears to persist and remains "steadily high."¹⁷ The resultant uncertainty at the district court level encourages disappointed litigants to appeal and invest the additional money for the appeal rather than settle after a district judge's claim construction ruling. If the district court's claim construction ruling is reversed on appeal, the costs go even higher and the litigation goes on with the uncertainty beginning anew, unless the Federal Circuit in issuing its ruling makes a claim construction determination in the case that is dispositive.

I. THE ROOT BASES OF THE PREDICAMENT

A. United States District Court Judges' Work Loads

The workload of the 678 United States district court judges who are spread across the 94 federal districts of our country is one reason for the predicament. We district judges are the front line of jurists in all areas of federal litigation. I feel honored and privileged to be among the district judge ranks, but I must confess that when I pause to reflect on the totality of the job

U.S. Court of Appeals for the Federal Circuit—Appeals Filed, Terminated, and Pending
During the Twelve-Month Period Ending September 30, 2006

Source of Appeals	Pending Oct. 1, 2005	Filed	Terminations			Percent Reversed	Pending Sep. 30, 2006
			Total	By Judges	Other		
...							
U.S. District Courts	376	522	496	357	139	13	402
...							

15. *Id.* at 26 tbl. B-5.

16. Janice M. Mueller, *Taking "Inventory" After Markman: The Supreme Court Confirms a New Era in Patent Litigation*, THE LAW WORKS (June 1996).

17. *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 469 F.3d 1039, 1040 (Fed. Cir. 2006) (Michel, C.J., dissenting).

expected of us federal trial judges, I sometimes feel overwhelmed. We 678 people, with the help of our senior judge colleagues, must address all the cases filed in the federal district courts. Our caseload includes frivolous pro se civil matters brought by individuals who vent their frustrations in the words of a filed complaint, cases filed by the United States government that fall within the full breadth of the federal criminal code which Congress seems to incessantly expand, and all other cases, including complex patent disputes that involve the latest and most sophisticated technological advancement.

Each new civil complaint as it is filed in a United States District Court is assigned at random to a particular judge of the district court in which that complaint is filed. Because we United States district judges must be generalists to deal with a large and diverse caseload,¹⁸ we typically cannot concentrate on staying abreast of the changing nuances of any specific area of the law. We must focus on the law pertaining to each case on our respective dockets as we attempt to resolve that case. The sheer volume, as well as the diversity of a district judge's workload, demands constant attention to efficiency because, without constant attention to efficiency, the caseload would burgeon beyond the capability of any one judge to provide justice as is necessary in each case. Consequently, changes in the law unrelated to the case at hand may easily go unnoticed by a district judge until he or she must make a decision in that area of the law related to a case on his or her docket.

As a United States district court judge, I enjoy patent cases. I also enjoy the diversity of the federal litigation over which I preside. I enjoy the challenge of learning or renewing my acquaintance with each specific area of the law in which I must become adept to resolve each case. I do not have the luxury of spending the time to learn more about a specific area of the law than necessary to resolve a particular case or a particular issue that may need resolution. I may address an issue in depth in one case, especially if it is a patent case, and never see that issue again during the rest of my career on the bench. For example, *Dana Corp. v. American Precision Co.*,¹⁹ is an opinion I wrote during my first four months on the bench regarding the patent law issue of repair versus reconstruction. I found that the defendant's processes did not infringe any of the plaintiff's three patents in suit.²⁰ Although my decision was affirmed by the Federal Circuit,²¹ in the more than twenty years that have passed since then, I have never had occasion to address that issue again.

To put this problem in actual figures, in the 12-month period ending March 31, 2006, there were approximately 313,000 total civil and criminal filings across the United States,²² and less than 1% (2,812) of those cases involved patents.²³ If spread across the 678 district judges, there are approximately four patent cases per judge per year as compared to an average

18. Holderman, *supra* note 3, at 428.

19. 618 F. Supp. 288 (N.D. Ill. 1985).

20. *Id.* at 295.

21. *Dana Corp. v. Am. Precision Co.*, 827 F.2d 755 (Fed. Cir. 1987).

22. See Federal Judicial Caseload Statistics, *supra* note 14, at 36 tbl.C, 57 tbl.D.

23. See *id.* at 44 tbl.C-2.

of 490 other civil cases and criminal cases per judge per year.²⁴ Over 8000 of those civil and criminal cases (greater than 2.5%) were in my district, the Northern District of Illinois, which is headquartered in Chicago.²⁵ Of those over 8000 filings in my district, around 460 of those cases were intellectual property filings, making my district the fifth busiest district court in the country for intellectual property litigation.²⁶ Yet, only 5.5% of our district's docket were intellectual property and less than 1% were patent cases.²⁷ Due to the diversity of cases handled by us district court judges, we have limited time to learn and sort through the intricacies of the new technology which form the heart of the dispute. Because of the constant press of the rest of our caseload, we often find it difficult to devote the time that, in a perfect world, would be devoted to any case, let alone a complex patent case. Additionally, the expertise developed dealing with one patent case on a particular district judge's docket is often fleeting since, as mentioned earlier, patent cases on average are less than 1% of our collective caseload and the law can change quickly.²⁸

B. District Judges are Typically Generalists by Trade and Training

United States district court judges are appointed by the president and confirmed by the Senate but typically not because of their prowess in patent litigation. Certainly, no one inquired into that area of my background when I was appointed in 1985. I dare say because we district judges are generalists and must deal with every type of federal case assigned to our respective dockets, none of my fellow district judges in Chicago were asked, before being appointed to the bench by the President, about their acumen in patent law. Many of my colleagues on the bench do not share my enthusiasm for and enjoyment of presiding over patent cases and other intellectual property cases. Because I have taught an advanced law school seminar entitled "Intellectual Property Trial Advocacy" every year for more than two decades at the University of Illinois and other law schools, I have had the incentive to stay abreast of the patent law as it has evolved and have attempted to incorporate new technological issues into my course materials during that time. Many other judges on the federal district courts, however, pressed as they are to resolve legal issues in other areas of the law, do not remain attuned to the current patent law issues because they do not have an interest in patent law or did not have patent litigation experience before their appointment to the bench.²⁹

24. See *id.*; Admin. Office of the U.S. Courts, Judicial Caseload Profile Report (2006), <http://www.uscourts.gov/cgi-bin/cmsd2006.pl> [hereinafter Judicial Caseload Profile Report].

25. See Federal Judicial Caseload Statistics, *supra* note 14, at 36 tbl.C, 57 tbl.D.

26. *Id.* at 36 tbl.C, 48 tbl. C-3, 57 tbl.D; Judicial Caseload Profile Report, *supra* note 24 (select "Illinois Northern").

27. Federal Judicial Caseload Statistics, *supra* note 14, at 44 tbl.C-2; United States District Court for the Northern District of Illinois, Civil Case Report (Jan. 1, 2006 to Jan. 1, 2007), CME/CF Live, available at https://ecf.ilnd.circ7.dcn/cgi-bin/login.pl?686576583596168-L_835_0-1.

28. Holderman, *supra* note 3, at 429.

29. *Id.*

Additionally, judges without a technical background must learn the rudiments of technological analysis, and the advances in the technology that form the basis of a patent dispute on the job, without the assistance of unbiased tutors. We district judges typically are provided our education on the pertinent technology by the respective advocates in the case before us, who understandably emphasize the key points of the facts in their respective client's favor. Without a technical background to help us parse the respective parties' arguments, we judges are sometimes drawn to the wrong conclusion more than we otherwise would be if the factual premises underlying the factual basis of the dispute had a familiar ring based upon our prior experience or education.

II. FACTORS CONTRIBUTING TO THE PREDICAMENT

A. *The De Novo Review Standard*

Before we district court judges shoulder all the responsibility for the part of the patent litigation predicament stemming from the high reversal rate, mentioned earlier,³⁰ let me just say in our defense, there is another major factor contributing to the number of patent claim construction reversals. The decisions we district judges make regarding patent claim construction currently are reviewed by the United States Court of Appeals for the Federal Circuit under a de novo standard, which allows the United States Court of Appeals for the Federal Circuit to determine the correctness of our rulings as to the definition of patent claim terms without any deference to what we did in the district court.³¹

As a result of the de novo standard of appellate review applied to our claim construction determinations, we United States district court judges feel like the late comedian Rodney Dangerfield, because our opinions “get no respect.”³² The de novo standard of review applied to claim construction allows the United States Court of Appeals for the Federal Circuit to look at our determinations anew and determine the correctness of our rulings as to the proper interpretation of patent claim terms based upon what counsel for the parties present to the Court of Appeals for the Federal Circuit by way of both factual and legal argument, not what was presented to us trial court judges.³³

A de novo standard of review is what the Federal Circuit announced in its 1995 en banc decision in *Markman* as to district judges’ claim construction determinations.³⁴ In 1996, the United States Supreme Court, in affirming the Federal Circuit’s en banc decision in the *Markman* case, agreed that judges, not juries, should make patent claim construction determinations.³⁵ The Supreme Court in its *Markman* opinion said nothing, however, about the de novo standard of review.³⁶ The Federal Circuit revisited the de novo issue en banc two years later in 1998 and ruled once again in *Cybor Corp. v. FAS Techs., Inc.*,³⁷ that the de novo standard is the proper standard to be applied in reviewing district judges’ patent claim determinations.³⁸ That remains the

30. See *supra* notes 7–10 and accompanying text.

31. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1328 (Fed. Cir. 2005) (en banc); Kevin J. Culligan & John P. Hanish, *(Im)pure Questions About Claim Construction in Patent Cases After Phillips*, 6/06 METROPOLITAN CORP. COUNS. 9 (June 2006); Steve Pollinger, *A Battle for Definitional Supremacy in Patent Language Disputes*, TEX. LAW., Sept. 27, 2004.

32. Brainy Quote.com, Rodney Dangerfield Quotes, <http://www.brainyquote.com/quotes/quotes/r/rodneydang165663.html> (last visited Mar. 14, 2007).

33. *Merck & Co. v. Tevo Pharms. USA, Inc.*, 395 F.3d 1364, 1370 n.7 (Fed. Cir. 2005).

34. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 977–79 (Fed. Cir. 1995).

35. *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 376 (1996).

36. See *id.*

37. 138 F.3d 1448, 1456 (Fed. Cir. 1998) (en banc).

38. *Id.* at 1456.

standard today.³⁹

While claim construction involves many of what one would consider to be factual determinations, it is reviewed entirely *de novo* as an issue of law by the Federal Circuit, even though the meaning of a patent claim term to a person of ordinary skill in the art involved in the invention at the time of filing of the patent application has no precedential affect on the meaning to be given to that same claim term used in another patent in another field of art.

B. The Varying Guidance

The law denoted as precedential by the Federal Circuit is supposed to provide guidance to us lower court judges, but that has not occurred as clearly as desired regarding patent claim construction since the Supreme Court's 1996 decision in *Markman* for two reasons: (1) the Federal Circuit's articulation of the methodology to be used in the analysis desired of us district judges has varied over the past ten years, and (2) because of the factual differences inherent among different patent cases, the claim term definition in a particular case involving a particular patent is without precedential value in another case involving another patent.

While the precedent of the Court of Appeals for the Federal Circuit provides some general guidance to us lower court judges as to the methodology we should employ in going about the task of claim construction, the Federal Circuit's precedential opinions seem to provide conflicting views in the nuances of the task and the value we are to ascribe to each factor that we consider.

Shortly after the Supreme Court's 1996 opinion in *Markman*, the Federal Circuit issued *Vitronics Corp. v. Conceptoronic, Inc.*,⁴⁰ and established that evidence intrinsic to the patent and the patenting process was to be used and, only on the intrinsic evidence's failure to provide the answer, was extrinsic evidence to be considered.⁴¹ In 1999, the Federal Circuit in *Pitney Bowes, Inc. v. Hewlett-Packard Co.*,⁴² clarified that the *Vitronics* prohibition against the use of extrinsic evidence unless the intrinsic evidence failed to furnish the meaning was a "warning."⁴³ The Federal Circuit in *Pitney Bowes* stated that "Vitronics does not prohibit courts from examining extrinsic evidence, even when the patent document is itself clear."⁴⁴ In 2002, three years after *Pitney Bowes* and after a series of opinions in which the Federal Circuit stressed that

39. Analyzing the positions expressed by the individual Circuit Judges in the November 22, 2006 order denying a petition to hear *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 469 F.3d 1039, 1040-46 (Fed. Cir. 2006), it appears a majority of the Federal Circuit Judges would consider the issue again.

40. 90 F.3d 1576 (Fed. Cir. 1996).

41. *Id.* at 1584 ("No doubt there will be instances in which intrinsic evidence is insufficient to enable the court to determine the meaning of the asserted claims, and in those instances, extrinsic evidence, such as that relied on by the district court, may also properly be relied on to understand the technology and to construe the claim.")

42. 182 F.3d 1298 (Fed. Cir. 1999).

43. *Id.* at 1308.

44. *Id.*

claim terms were to be heavily presumed to have their ordinary meaning unless the patentee specificity rebutted the ordinary meaning in the text of the patent,⁴⁵ the Federal Circuit issued *Texas Digital Sys., Inc. v. Telegenix, Inc.*,⁴⁶ which promoted dictionaries and encyclopedias as “objective resources” that are “the most meaningful sources of information to aid judges in better understanding” the patent claim terminology to be defined.⁴⁷ The Federal Circuit informed us district judges and the patent litigation world that the *Vitronics* opinion’s relegation of dictionaries and similar sources of the ordinary meaning of a patent claim term to the status of extrinsic evidence was “misplaced.”⁴⁸

Two years ago in its en banc opinion in *Phillips v. AWH Corp.*,⁴⁹ the Federal Circuit provided us a further clarification that the patent specification, not dictionaries, was the best source to which district judges should look for the ordinary meaning of a term.⁵⁰ The Federal Circuit in *Phillips* diminished considerably our reliance on dictionaries.⁵¹ The *Phillips* opinion gave some guidance for us to follow as we district judges wrestle with the difficulties and pitfalls of claim construction in patent litigation. *Phillips*, however, again eschewed the notion that factual determinations were a necessary part of the claim construction process and again reaffirmed the de novo review standard.⁵²

Therefore, we district judges now fully understand that we must follow the algorithmic procedure of looking first to the patent, its claims, specifications, prior art references, drawings depicting the preferred embodiments, and then turning to the prosecution history, which is the give-and-take with the PTO during the patenting process, before we turn to sources extrinsic to the patenting process such as dictionaries, the testimony of experts (who are persons skilled in the relevant art, into whose shoes we judges are to figuratively step in interpreting claim language), or the testimony of the inventor (even though the inventor is supposed to have the prerogative to be the lexicographer as to the patent’s terms). Yet, the value and weight to be accorded any inconsistent information stemming from the appropriate patent sources, as we consult them seriatim, remains the difficulty that I believe we district judges collectively have in patent claim term construction. The guidance on those points is understandably scant because of the factual differences we face as we move from interpreting the terms of a patent in one case to another, and because, as stated earlier, the definition of a claim term

45. See, e.g., *Rexmond Corp. v. Laitram Corp.*, 274 F.3d 1336, 1342–45 (Fed. Cir. 2001) (giving the word “portion” its broad ordinary meaning in light of the text in the patent); *Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985, 990–92 (Fed. Cir. 1999) (finding that the patentee did not prescribe a special meaning to the term “heading” in the prosecution history).

46. 308 F.3d 1193 (Fed. Cir. 2002).

47. *Id.* at 1203.

48. *Id.* at 1203–04.

49. 415 F.3d 1303 (Fed. Cir. 2005).

50. *Id.* at 1321.

51. *Id.*

52. See generally *id.* (explaining that the overbroad nature of dictionaries necessitates further factual investigation when determining claim construction).

used in one patent has no precedential effect on the meaning to be given to that same claim term used in another patent in an unrelated field.⁵³

An additional procedural wrench thrown into the claim construction process that seems to grate against the notions of uniformity and predictability of claim construction intended by the Supreme Court's *Markman* decision is due in part to the fact that the Federal Circuit has thus far not provided us district judges with a set of uniform rules for the timing and format of the claim construction process.⁵⁴ The district courts apply a variety of modes for the claim construction procedure, with, for example, 81% holding hearings on claim construction, 58% deciding claim construction before trial but after discovery, and 70% of claim construction proceedings held after the close of discovery.⁵⁵ Furthermore, since the Supreme Court's decision in *Markman*, district courts are twice as likely to decide cases based on summary judgment.⁵⁶ The ad hoc manner in which claim construction is decided increases unpredictability and expense, especially if, after discovery and a trial or determination on a motion for summary judgment, a Federal Circuit panel reverses the district court's claim construction.

C. The Costs of Patent Litigation

Another key problem with the high reversal rates—besides frustrating us United States district court judges and the parties before us when we have to do it a second time—is the cost and uncertainty that reversals add to the expense of patent litigation in the United States. In the United States, litigation costs of taking a patent lawsuit through discovery range from \$350,000 to \$3 million, and the costs of a patent case taken through to appeal range from \$650,000 to \$4.5 million.⁵⁷ For comparison, in the United Kingdom, which is the most expensive country in Europe for patent litigation, the costs range from approximately £200,000 (about US\$370,000 at current rates) to £1.5 million (about US\$2.775 million).⁵⁸ In Germany, which is the least expensive of the European countries, costs range from EUR15,568 (about US\$19,677) to EUR41,888 (about US\$52,944), although infringement and validity are tried separately.⁵⁹

The higher costs of patent litigation in the United States as compared to European countries is apparently due to several factors. The first is, of course, as already discussed, the unpredictability of the outcome in patent litigation in

53. *Medrad, Inc. v. MRI Devices Corp.*, 401 F.3d 1313, 1318 (Fed. Cir. 2005); *PIN/NIP, Inc. v. Platte Chem. Co.*, 304 F.3d 1235, 1244 (Fed. Cir. 2002).

54. Cheryl L. Johnson, *Why Judges are Destined to Flunk Their Markman Tests: The History of Their Claim Construction Assignment*, 873 PLI/PAT 9, 58 (2006).

55. *Id.* at 57–60.

56. *Id.* at 61.

57. SAVATORE ANASTASI & KEVIN ALAN WOLFF, AM. INTELLECTUAL PROP. LAW ASS'N, REPORT OF THE ECONOMIC SURVEY 2005, I-108 to I-110 (Sept. 2005).

58. Ray Black, *Never Mind the Quality, Feel the Pinch*, MANAGING INTELL. PROP., May 1, 2005, at 26.

59. *Id.* at 27 Chart 1.

the United States.⁶⁰ This unpredictability may encourage litigants to take one of two tactics: (1) to pursue the litigation process to the hilt through expensive discovery, pretrial proceedings, trial and appeal or (2) in the alternative, to settle early a case upon which they may have otherwise prevailed to minimize the costs of litigation.⁶¹

The second apparent reason for the cost differential between the United States and the European patent systems is that the patent litigation pretrial discovery process takes a longer time in the United States. In the United States, claim construction often takes place after the close of discovery but before trial.⁶² Pretrial discovery in a patent case typically takes several months and sometimes years. The patent case then proceeds to potentially dispositive motions and, if denied, to trial. This all must happen under our court procedures before the party who lost the claim construction determination can appeal the claim construction issue to the Federal Circuit. Should the Federal Circuit on appeal determine that the district judge's claim construction was erroneous, all the money and time spent litigating the case in the district court following that erroneous claim construction by the district court is thus a wasted expense.⁶³

The third apparent reason for the difference in costs between the U.S. and Europe is that the litigation process in the United States can be expensive, regardless what happens on appeal. For example, preparing and briefing a motion for summary judgment in a patent case in the district court could cost the parties hundreds of thousands of dollars. Additionally, the typical United States district judge does not preside over more than one or two patent cases in a year, and counsel for the parties must bear the costs of providing the judge, who has been assigned a patent case in her or his district, with an update on patent law as well as the factual background of the advancement in the technology at issue in each patent case.⁶⁴

III. PROPOSALS TO REMEDY THE PREDICAMENT

As seen from the discussion above, there are several factors at work in

60. See Moore, *Are District Court Judges Equipped*, *supra* note 10 at 2 (presenting the results of an empirical study that shows that district court judges improperly construe patent claims in one-third of the cases appealed to the Federal Circuit).

61. *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1473, 1475–76 (Fed. Cir. 1998) (Rader, J., concurring in part); see also Moore, *Are District Court Judges Equipped*, *supra* note 10, at 14.

62. See Alan L. Briggs, Claim Interpretation Proceedings and Appellate Review, 2002-03 A.B.A. Sec. Intell. Prop. 601, 601-1(A), available at <http://www.abanet.org/intelprop/annualreport05/content/02-03/COMMITTEE%20NO%20601.pdf> (78% of all claim construction hearings occur after discovery but before trial. 16 % of hearings are conducted prior to or during discovery, while only 8% are held before discovery. The smallest percentage of hearings—6%—take place at trial).

63. See Moore, *Are District Court Judges Equipped*, *supra* note 10, at 2–3 (“In the absence of a route for expedited appeal of claim construction, district courts are forced to proceed with lengthy and expensive patent litigation based on their frequently erroneous claim construction.”).

64. See John B. Pegram, *Should the U.S. Court of International Trade Be Given Patent Jurisdiction Concurrent With That of the District Courts?*, 32 HOUS. L. REV. 67 (1995) (describing the lack of experience in the trial and management of patent cases for the average district court judge).

creating the current patent predicament in this country: the de novo standard of review, the varying and inconsistent guidance that has been provided by the Federal Circuit, and the heavy and diverse workload and lack of technical and patent expertise from the district judges. In addition, there has been general dissatisfaction with the quality of patents granted by the PTO, creating a greater incentive and need to litigate the validity of the granted patents through litigation.⁶⁵ With these multiple factors contributing to the problem of greater uncertainty and increased costs in patent litigation, there is no singular proposal that can effectively resolve the patent predicament. Instead, this complicated problem requires the application of several complementary proposals to create a thorough and comprehensive solution.

Below are several proposals, some of which have already been put into effect to some extent. I cannot emphasize enough that I believe that implementing all of these proposals so they will work together to directly address the key problems currently affecting the quality of the U.S. patent system and patent litigation is the procedure that should be followed to address the patent litigation predicament.

A. The PTO Establishing a Procedure for Post-Grant Review that Includes Claim Term Clarification

A grant of a patent by the PTO initiates the patentee's legal right for a set period of monopoly that may be enforced through litigation in federal court.⁶⁶ To ignore the PTO's role when attempting to remedy the patent predicament is to cut off one of several valuable avenues in resolving the problems regarding both the accuracy of claim construction determinations and the high cost of patent litigation. The patent predicament does not begin in the district court, but in the PTO with the grant of a patent. The PTO in the last several years has been criticized for allowing patents of less than top quality to issue.⁶⁷ The low quality of patents granted by the PTO is due to a variety of impediments the PTO has had to face, including lack of proper funding, an ever-increasing filing rate and the fast-paced development of new technological subjects that are potentially patentable.⁶⁸ Any viable attempt at reforming the patent litigation system must include addressing the issues of quality at the PTO.

To comprehensively address the inaccuracy, unpredictability, and high costs of patent litigation, the first remedy that I support as part of the solution to the patent litigation predicament, along with other strategies, is a review

65. See Stuart Minor Benjamin & Arti K. Rai, *Who's Afraid of the APA? What the Patent Law System Can Learn from Administrative Law*, 95 GEO. L.J. 269, 270 (2007) (recognizing widespread dissatisfaction with the patent system and the poor quality of issued patents); Johnson, *supra* note 54, at 70–71.

66. 5-16 Donald S. Chisum, CHISUM ON PATENTS, § 16.04 (2006).

67. *Patient [sic] Overhaul: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, 109th Cong. (2005) (statement of Richard Levin, President, Yale University), 2005 WL 1010525; Benjamin & Rai, *supra* note 63, at 270; Johnson, *supra* note 54, at 70–71; John R. Thomas, *The Responsibility of the Rulemaker: Comparative Approaches to Patent Administration Reform*, 17 BERKELEY TECH. L.J. 727, 728 (2002).

68. Thomas, *supra* note 67, at 728.

period following the issuance of a patent, called a “post-grant review” proceeding, during which third parties may challenge the grant of a patent.⁶⁹ The idea of the “post-grant review” had been the subject of a 2005 bill introduced in the 109th session of the House of Representatives,⁷⁰ but unfortunately the bill never proceeded further than being heard by the House Subcommittee on Courts, the Internet, and Intellectual Property.⁷¹ The post-grant review proceeding would provide third parties opposed to the grant of the patent a specified window of time from the date a patent was issued to challenge the patent before the PTO in a forum with limited discovery.⁷² In the proposed legislation, an estoppel exception had been included to ensure that a challenger to the patent would not be prevented from presenting new evidence in a subsequent federal case that could not have been reasonably discovered during the post-grant review proceeding.⁷³

The post-grant review proceeding would help to increase the accuracy of patent litigation results and lower patent litigation costs in several ways. First, a post-grant review proceeding would result in the granting of higher quality patents because the added layer of review would allow the PTO the opportunity for a second look at the patents it issues that may be disputed later in the courts and would better ensure the quality of the PTO’s decisions.⁷⁴ Allowing the PTO this opportunity to make corrections to newly issued patents would protect potential litigants that are negatively affected by a patent’s issuance, while still allowing for the patentee to be heard further within the PTO through an administrative adversarial process.⁷⁵ Another advantage to a post-grant review process by the PTO is that the district courts in addressing patent litigation could have greater confidence in determinations that the PTO made during its post-grant review, such as the construction given to key claim terms by the PTO. This would lead to a more predictable and accurate patent system. Therefore, in any subsequent litigation involving a patent that has been provided post-grant review within the PTO, the parties to the litigation and the district judge presiding over that litigation will benefit substantially by having a better understanding of how the terms of the patent should be construed. This would ensure greater consistency and predictability with regard to patent claim construction by district judges. The increased uniformity and predictability of claim construction would, in turn, help to lessen the incentive of patentees and alleged infringers to gamble on the

69. See Priya Ganapati, *Patent Law Reform Proposed*, INC.COM, May 10, 2005, <http://www.inc.com/news/articles/200505/patents.html>.

70. H.R. 2795, 109th Cong. (1st Sess. 2005), available at <http://www.thomas.gov/cgi-bin/query/z?c109:H.R.2795.IH>.

71. Bill Summary & Status of H.R. 2795, 109th Cong. (1st Sess. 2005), available at <http://www.thomas.gov/cgi-bin/bdquery/z?d109:HR02795:@@X>.

72. David B. Cochran, *Toward a Post-Grant Patent Opposition Proceeding in the United States*, MONDAQ BUS. BRIEFING, Apr. 21, 2006, available at <http://www.mondaq.com/article.asp?articleid=39280>.

73. H.R. 2795, 109th Cong. § 336(a)(2); Cochran, *supra* note 72.

74. Johnson, *supra* note 54, at 70.

75. Steven R. Ludwig, *A U.S. Post-Grant Patent Opposition System—Will It Be Used?*, INTELL. PROP.TODAY, March, 2005, at 13–14.

outcomes of litigation at the district court level and on appeal to the Federal Circuit by encouraging earlier settlements.⁷⁶

The post-grant review process should therefore result in lower costs in any subsequent patent litigation because the process would provide parties faced with a potential infringement lawsuit an alternative, less expensive forum for challenging the validity of a patent.⁷⁷ The costs for the post-grant review forum are estimated to be between \$500,000 and almost \$4 million per party.⁷⁸ Doubts expressed about the procedure pertain to some distrust of the PTO's ability to correct its own mistakes.⁷⁹ In addition, under the previously proposed legislation, parties would be estopped from litigating the issue of invalidity a second time in federal court.⁸⁰ The possibility of being estopped from pursuing a claim in federal court could be a disincentive against using the post-grant review procedure, yet the lack of such a provision would not effectively reduce costs because parties would continue to litigate in federal court after using the post-grant review process.⁸¹ A middle ground could be achieved by allowing review of the PTO's post-grant determinations in United States District Courts with a standard of review that allows deference to the PTO.⁸²

B. The Federal Circuit Providing Greater Deference and Guidance to District Judges' Patent Claim Term Determinations

Of course, solutions aimed solely at the PTO are not enough to stem the tide of rising costs, unpredictability, and inaccuracy in patent litigation. Any effective solution must also focus on the courts and specifically the relationship between the district courts and the Federal Circuit. Remedying the high reversal rate by the Federal Circuit of district court judges on claim constructions necessitates addressing the intertwined issues of the predictability of outcomes and accuracy of decisions. As I previously outlined, the source of the patent litigation predicament is rooted in district judges' generalist skill sets and the large and varied caseloads each district judge has, which prevents district judges from having sufficient time and resources to master fully the nuances of complex patent litigation.⁸³ These issues in the district courts are then complicated by the need for guidance from the Federal

76. Moore, *Are District Court Judges Equipped*, *supra* note 10, at 27–28.

77. Ludwig, *supra* note 74, at 14.

78. *Id.*

79. Cochran, *supra* note 71.

80. H.R. 2795, 109th Cong. ' 336(a)(1) (1st Sess. 2005), available at <http://www.thomas.gov/cgi-bin/query/z?c109:H.R.2795.IH>: (“[A]fter a certificate has been issued under section 335 in accordance with the decision of the panel in an opposition proceeding, the determination with respect to an issue of invalidity raised by an opposer shall bar the opposer from asserting, in any subsequent proceeding before the Office or a court involving that opposer under this title, that any claim of that patent addressed in the opposition proceeding is invalid on the basis of any issue of fact or law actually decided by the panel and necessary to the determination of that issue.”).

81. Ludwig, *supra* note 74.

82. Benjamin & Rai, *supra* note 65, at 326–27.

83. See *supra* Part I.A., I.B.

Circuit with regard to claim construction, along with the unforgiving de novo standard of review applied to claim construction issues by the Federal Circuit.⁸⁴ To address either the issue of the standard of review or the lack of guidance individually, without regard to the other, creates a choice between predictability and accuracy. Thus, any proposal must encompass both these aspects of the patent litigation predicament. Hence, both objectives must be addressed by the Federal Circuit in order to revive *Markman*'s unfulfilled promise of greater uniformity and predictability.⁸⁵

In the en banc decision in *Phillips v. AWH Corp.*,⁸⁶ the Federal Circuit reaffirmed its intention to continue to apply a de novo standard of review to claim construction, despite criticism that the unforgiving standard increases the unpredictability of patent litigation by encouraging litigants to gamble on the Federal Circuit's reversing a district judge's determination. Several other possible standards of review could be applied instead of the current de novo standard. For example, starting with a very deferential standard, the Federal Circuit could review the district court's claim construction for abuse of discretion. At the other end of the spectrum, but not quite as far as the de novo standard of review, the Federal Circuit could review questions of law de novo but findings of fact for clear error, to be overturned only if the Federal Circuit is firmly convinced that a mistake was made. This standard would necessitate the recognition by the Federal Circuit of the underlying fact-based issues involved in claim construction, rather than viewing claim construction entirely as a question of law. Finally, the Federal Circuit could create a standard of review somewhere closer to clear error rather than de novo review.⁸⁷

A more deferential standard of review would reduce the reversal rate. A district judge may put more time and effort into construing a claim if the judge knows that his or her decision will be given some weight and deference.⁸⁸ This is just human nature. When an individual knows that the "buck stops here," greater effort and time is often put into the decision. This not only applies to the district judges but to the counsel for the parties who appear in patent cases in the district courts. Patent litigation counsel will have a greater

84. See *supra* Part II.A, II.B.

85. Cheryl Lee Johnson, *The False Promise and Promises of Markman's Decision to Task Judges With Claim Construction and the Judicial Scorecard*, 837 PLI/PAT 9, 60 (2005).

86. 415 F.3d 1303 (Fed. Cir. 2005).

87. *Merck & Co. v. Teva Pharms. USA, Inc.*, 395 F.3d 1364, 1381 (Fed. Cir. 2005) (Rader, J., dissenting) ("judge of the Federal Circuit stating: 'Review is really not de novo after all. It is unfortunate that there is no label in between de novo and clear error review.'" (quoting Symposium, *The Past, Present and Future of the Federal Circuit: Judicial Constellations: Guiding Principles as Navigational Aids*, 54 CASE W. RES. L. REV. 757, 761 (2004))). Rader criticizes the Federal Circuit judges for claiming to give some deference to district courts' claim construction but upholding the de novo standard of review or, alternatively, proclaiming publicly that they give some deference to district courts' claim construction when in fact they do not. *Merck*, 395 F.3d at 1381.

88. *Improving Federal Court Adjudication of Patent Cases: Oversight Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, 109th Cong. 43 (2005) [hereinafter *Improving Fed. Court Adjudication Katopis Statement*] (statement of Chris J. Katopis, Counsel, Drinker Biddle & Reath LLP) available at <http://judiciary.house.gov/media/pdfs/katopis100605.pdf> ("[T]here is growing evidence that federal district judges feel as if their work is treated like a rough draft and they are wasting their time.").

incentive to obtain a favorable district court ruling than they have now. Because this approach would result in a lower reversal rate of district judges' construction of patent claim terms, enforcement of the patent law would be more predictable.

A majority of the current group of judges on the Federal Circuit appear willing to reconsider the rule of no deference to district judges' patent claim determinations mandated by the de novo standard of review. Counting the positions stated or joined in by the Federal Circuit judges in the order denying the petition to hear *Amgen Inc. v. Hoechst Marion Roussel, Inc.*,⁸⁹ a careful observer can see that, in an appropriate case, reconsideration of the de novo review standard may occur. It appears that there now may be sufficient votes to modify the de novo standard of review that the Federal Circuit reaffirmed nine years ago sitting en banc in *Cybor Corp. v. FAS Technologies, Inc.*⁹⁰ Chief Judge Michel specifically cited:

(1) a steadily high reversal rate; (2) a lack of predictability about appellate outcomes . . . ; (3) a loss of the comparative advantage often enjoyed by district judges who heard or read all the evidence and may have spent more time on the claim constructions than [the appeals panel] ever could on appeal; and inundation [of the Federal Circuit] with the minutia of construing numerous disputed claim terms . . . in nearly every patent case

as reasons to reassess the de novo standard for claim construction.⁹¹ In addition to Chief Judge Michel, Judge Rader, Judge Newman and the Federal Circuit's newest judge, Judge Moore, all dissented from the denial of the petition for a rehearing en banc based on their desire to address the de novo standard of review.⁹² Further, the concurring Judges Gajarsa, Linn and Dyk wrote separately to state that their concurrence "should not be read as an endorsement of the panel's claim construction in this particular case, nor as an unqualified endorsement of the en banc decision in *Cybor Corp. v. FAS Techs., Inc.*."⁹³

Revising the standard of review alone, without more, however, will presumably sacrifice some accuracy at the district court level for greater certainty in the litigation process, because the precision of district judges' claim term interpretations will not be scrutinized as closely.⁹⁴ To ensure an appropriate level of correctness in district judges' claim term determination, the Federal Circuit will have to change more than just the de novo standard of review. The Federal Circuit must also fulfill the promise implied in *Markman* of providing United States district judges with a uniform and clear system of

89. 469 F.3d 1039 (Fed. Cir. 2006) (en banc).

90. 138 F.3d 1448 (Fed. Cir. 1998) (en banc).

91. See *Amgen*, 469 F.3d at 1040; see also Paul Devinsky, *United States: A Fractured Federal Circuit Ready to Change Cybor Rules*, MONDAQ. BUS. BRIEFING, Jan. 4, 2007, <http://www.mondaq.com/article.asp?articleid=45300&searchresults=1>.

92. *Amgen*, 469 F.3d at 1040-46.

93. *Id.* at 1045.

94. Moore, *Are District Court Judges Equipped*, *supra* note 10, at 29.

guidance with regard to claim construction.⁹⁵ As mentioned earlier, many district judges, regardless of our desire to do it right, have limited experience and familiarity with patent law and even less experience with the new technologies at issue in patent infringement litigation. Additionally, due to the press of our other judicial business, we are not able to explore and understand the subtleties of the new technology as much as we would like.⁹⁶ In order to avoid an exchange of diminished accuracy for greater certainty, a more deferential standard must go hand in hand with greater guidance to the district courts.⁹⁷ The Federal Circuit must pronounce clearer canons of construction to better assist district court judges. Problematically, the judges of the Federal Circuit, based on their written opinions, currently appear to disagree among themselves regarding the precise methodology that should be used in claim construction.⁹⁸ But to help resolve the patent litigation predicament, our patent litigation system must provide uniform guidance to us district judges when we preside over patent cases.

C. District Judges' Greater Use of Case-Specific Specialized Advisors

To benefit fully from the guidance the Federal Circuit will be providing us in its precedential opinions as to the patent law and procedure, I believe we district judges should increase our use of specialized advisors, such as special masters, to assist us in better understanding the technology involved in the specific patent cases before us. A special master is generally a court-appointed attorney or professor authorized under our Federal Rule of Civil Procedure 53 to assist judges in various pretrial proceedings, such as discovery, settlement, recommendations for findings of law and fact, the formulation of remedies, or the calculation of damages.⁹⁹

Because we generalist district judges in the United States are expected to decide claim term meanings from the viewpoint of a person of ordinary skill in the field of invention and to determine how such a person would understand the claim at the time of invention, we typically need some assistance in understanding the technology that is relevant to the patent in the suit.¹⁰⁰ The premise behind a district judge's designation of a special master to assist the judge with claim construction or other tasks in patent litigation is to delegate to an individual with a better technical background an otherwise judicial task and obtain a recommendation from that person that can be evaluated by the parties and the judge before the judge decides to accept or reject the special master's

95. See *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 384 (1996).

96. Moore, *Are District Court Judges Equipped*, *supra* note 10, at 29.

97. Moore, *Markman Eight Years Later*, *supra* note 13, at 245–46.

98. *Id.* at 246.

99. See LeRoy L. Kondo, *Untangling the Webs: Federal Court Reform Through Specialization for Internet Law and Other High Technology Cases*, 2002 UCLA J. L. & TECH. 1, 80 (2002), available at http://www.lawtechjournal.com/articles/2002/01_020309_kondo.pdf.

100. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313, 1324 (Fed. Cir. 2005) (en banc); see also *On Demand Machine Corp. v. Ingram Indus.*, 442 F.3d 1331, 1337 (Fed. Cir. 2006) (summarizing the significance of *Phillips*).

recommendation.¹⁰¹ The special masters selected for such tasks would have technical expertise that would assist us district judges, who typically do not have the extensive background that is necessary to address a particular patent.¹⁰² Employing the expertise of special masters more than we district judges do at the present time would help us to be better informed when making our claim language determinations and, hopefully, to lower the reversal rate.¹⁰³ For example, Judge John T. Ward in the United States District Court of the Eastern District of Texas, who has helped to make the Eastern District of Texas one of the busiest federal districts for patent litigation filings, in part due to the enactment of the Eastern District of Texas's local patent rules, appoints technical advisors to provide recommendations as to claim construction.¹⁰⁴ More of us district judges could follow Judge Ward's lead and appoint special masters or technical advisors to assist us in evaluating the issues raised by the technological advances of patents-in-suit before us.

There are drawbacks, however, to the patent litigation system that must be considered regarding the appointment of special masters. Our system of justice places a high value on the concept of generalist trial judges addressing a wide range of issues, under a theory that the decisions of many generalist judges synthesize to create a better system of law.¹⁰⁵ By using a special master, who has expertise in the technical issues of a patent case, the parties may lose some of the benefits provided by having a generalist trial judge who is experienced in all procedural aspects of litigation. A special master typically will not have that procedural expertise. Generalist judges also protect against what has been referred to as the "capture" of a specialized judge, or here, a special master, who deals only with one area of law, to a particular specialized view of a special interest group.¹⁰⁶ I note that the "capture" concept is often raised by commentators as a concern associated with specialized courts and judges as well.¹⁰⁷ However, I believe that we district judges can keep an open mind and decide each case on its individualized merits. That is what our oath of office demands, and I believe we have and will continue to uniformly perform our judicial duties in that manner.

101. George Newcombe & Jeremy S. Pitcock, *The Markman Hearing Itself—Practical Tips and Strategies*, 837 PLL/PAT 207, 221 (2005).

102. See Kondo, *supra* note 99 (describing the relationship between judges and special technical advisors); see *Improving Fed. Court Adjudication Katopis Statement*, *supra* note 88 (describing the technical contribution of court-appointed special masters).

103. Moore, *Are District Court Judges Equipped*, *supra* note 10, at 29.

104. Julie Creswell, *So Small a Town, So Many Patent Suits*, N.Y. TIMES, Sept. 24, 2006, § 3, at 1; Robert M. Isackson & Bridgette Y. Ahn, *Legislation Proposes Pilot Program Toward Development of Specialized District Court Judges*, N.Y.L.J. S10, col. 1, Dec. 4, 2006.

105. *Improving Fed. Court Adjudication Katopis Statement*, *supra* note 85, at 38.

106. See *Improving Fed. Court Adjudication of Patent Cases: Hearing before the Subcomm. on Courts, the Internet, and Intellectual Prop. of the H. Comm. on the Judiciary*, 109th Cong. 10 (2005) [hereinafter *Improving Fed. Court Adjudication Moore Statement*] (statement of Kimberly A. Moore, Professor of Law, George Mason University School of Law).

107. Arti K. Rai, *Specialized Trial Courts: Concentrating Expertise on Fact*, 17 BERKELEY TECH. L. J. 877, 896 (2002); see, e.g., Harold Bruff, *Specialized Courts in Administrative Law*, 43 ADMIN. L. REV. 329, 331–32 (1991).

D. Congress' Creation of Patent Case Reassignment Procedures and Training for District Judges

A further, recent potential innovation for ensuring better accuracy and predictability in patent litigation involves a proposal in Congress to enact case reassignment procedures along with training provisions for district court judges, set forth in the new pilot patent bill, H.R. 34 (formerly H.R. 5418), sponsored by U.S. Representative Darrell Issa and co-sponsored by U.S. Representative Adam Schiff, that recently passed the House.¹⁰⁸ On February 12, 2007, the U.S. House of Representatives voted to pass H.R. 34, and on February 13, 2007, the bill was received in the U.S. Senate, and read twice, and referred to the Senate's Committee on the Judiciary, where as of the date of this writing it remains.¹⁰⁹

H.R. 34 proposes to create a pilot program in district courts nationwide, where United States District Judges of the pilot project district courts would choose whether to opt into hearing patent cases.¹¹⁰ The patent cases involved in the pilot program would still be randomly assigned.¹¹¹ But if a patent case was assigned to a judge who desires not to hear patent cases, the case could be randomly reassigned within that district court to a judge who had voluntarily joined a group of judges in that district designated to hear patent cases.¹¹² In addition, the legislation proposes to fund \$5 million a year for the education and professional development in the area of patent law of designated judges.¹¹³ Those funds would also be available for judicial training and for compensation of specialized patent law clerks with technical expertise.¹¹⁴

This solution would ensure greater accuracy of district judge decisions in patent litigation. The volunteering judges who form the pool of designated patent trial judges would have enhanced knowledge of patent law, greater exposure to those types of cases, and could also have access to funds to further educate themselves in patent litigation, as well as hire clerks with technical backgrounds to assist.¹¹⁵ Additionally, this pilot program may result in greater efficiency for deciding patent cases because judges with greater expertise in patent law can more quickly resolve patent matters.¹¹⁶ Furthermore, several district courts have already begun to implement patent-specific local rules to ensure better procedural efficiency.¹¹⁷ With better knowledge and procedural

108. H.R. 34, 110th Cong. (2007), available at <http://thomas.loc.gov/cgi-bin/query/z?c110:H.R.34.RFS>.

109. Bill Summary & Status of H.R. 34, 110th Cong. (2007) available at <http://thomas.loc.gov/cgi-bin/bdquery/z?d110:HR00034:@@L&summ2=m&>.

110. H.R. 34 at § 1(a)(1).

111. H.R. 34 at § 1(a)(1)(B).

112. H.R. 34 at § 1(a)(1).

113. H.R. 34 at § 1(f)(1).

114. H.R. 34 at § 1(f).

115. Shahnaz Mahmud, *More Specialist Patent Judges Could be on the Way*, MANAGING INTELLECTUAL PROPERTY, Jan. 28, 2007, available at <http://www.managingip.com/?Page=9&PUBID=198&ISS=23218&SID=673418>.

116. *Id.*

117. N.D. CA. LOCAL PATENT R. 16-6-16-11; N.D. GA. LOCAL PATENT R. 1-7; D. MN. LOCAL PATENT R. 1-83; W.D. PA. LOCAL PATENT R. 1-5; E.D. TX. LOCAL PATENT R. Appendix M.

efficiency, the proposal may result in greater predictability of decisions, and from that, parties will hopefully have lower costs in connection with patent litigation.

At the same time, the designation of district judges to hear patent cases alleviates many of the concerns identified by opponents in the United States to a specialized patent trial court. The judges overseeing patent cases would still be generalists who hear a full caseload of other civil and criminal matters. The designated judges, armed with additional training, would be able to better understand the technological issues and the nuances associated with the advancements in technology without isolating litigants at the trial level in a forum apart from other litigation matters. These designated judges would thus continue to be a part of the traditional jurisprudence in the United States, encouraging cross-pollination among different areas of law and protecting against the balkanization of areas of law. As mentioned earlier, the diverse caseload of the designated patent trial judge also prevents any isolation or myopic approach to patent law and protects against the idea that a specialized judiciary could be captured by the patent bar.¹¹⁸

I favor the H.R. 34 bill sponsored in the House of Representatives by Congressmen Issa and Schiff, which will allow the self-designation of willing United States District Court Judges to hear patent cases at the trial level as another remedy to help resolve the patent litigation predicament.¹¹⁹

There are, of course, worries voiced about the proposed pilot program. Among them is a concern that the pilot program will foster forum shopping by encouraging litigants to file patent cases in those districts.¹²⁰ While I believe that forum shopping generally should be discouraged, in this instance, where the choice of forum is based on a district's development of an expertise in the complicated area of patent law, the federal judicial system of our country will not be harmed by encouraging this type of forum selection. On the other side of the forum shopping concern is the speculation that smaller districts not eligible to participate in the pilot program, that have developed local patent rules and expertise, such as the Eastern District of Texas, may see less cases. I find the chance of this outcome occurring to be negligible. I believe that litigants seeking the predictability provided by local patent rules in those districts will still wish to file patent cases there.¹²¹

Another criticism of the pilot patent program is that the program is not accompanied by any substantive patent law reform or changes in the procedures applicable to patent litigation.¹²² I agree that the self-designation of judges alone is not enough to fix the complicated problems in our patent litigation system. However, as discussed earlier, no one proposal can address the multifaceted patent litigation predicament. Rather, the pilot program is a

118. See *supra* Part I.

119. H.R. 34.

120. See Lynn A. Malinoski, *Why Does Congress Care Where Patent Cases Are Filed?* LEGAL INTELLIGENCER, Oct. 18, 2006, at 5.

121. Isackson & Ahn, *supra* note 101.

122. *Id.*

viable solution among several complementing remedies that can accomplish an overall change to the patent litigation in our country.

IV. CONCLUSION

The implementation of all four of these proposals-PTO post-grant review; the Federal Circuit's changing the standard of review and providing more guidance; district judges' increased use of special masters; and H.R. 34's pilot patent program of designated district judges-would move us forward in resolving the complicated patent litigation predicament that we have in the United States. While each proposal individually may provide some assistance toward resolving the problem, the implementation of all four remedies would provide the most comprehensive approach to correcting the intertwined problems of high costs, inaccuracy, and unpredictability that plague our current patent system and have created the patent litigation predicament.