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Jay S. Plager
United States Court of Appeals for the Federal Circuit

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Abstract
This year marked the twenty-fifth anniversary of the establishment of the Court of Appeals for the Federal Circuit. The anniversary was acknowledged with appropriate ceremony, including an en banc session of the court on April 2 attended by various luminaries in the judicial and political branches of the United States. The somewhat tongue-in-cheek title of this essay is intended to suggest an important idea about the court today: with increased visibility, significance, and impact have come consequences, some desirable, some not. This essay undertook a brief review of how the court got where it is, and a look at what these consequences may be.

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FOREWORD

THE PRICE OF POPULARITY: THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT
2007

HONORABLE S. JAY PLAGER∗

This year marks the twenty-fifth anniversary of the establishment of the Court of Appeals for the Federal Circuit. The anniversary was acknowledged with appropriate ceremony, including an en banc session of the court on April 2 attended by various luminaries in the judicial and political branches of the United States. The somewhat tongue-in-cheek title of this essay is intended to suggest an important idea about the court today: with increased visibility, significance, and impact have come consequences, some desirable, some not. This essay will undertake a brief review of how the court got where it is, and a look at what these consequences may be.

I.

In previous years judges of the court have authored forewords to this annual review of the Circuit’s work. In 1999, now Chief Judge Paul Michel noted the changing place of the court in the judicial pantheon, and wrote about how the court must evolve to meet the challenges ahead.1 As he put it, “[o]ne might say that the Court of Appeals for the Federal Circuit has finally, or increasingly, been ‘discovered.’”2 A few years later, then Chief Judge Haldane Robert

∗ Senior Circuit Judge, United States Court of Appeals for the Federal Circuit. I thank my law clerk, Lynne Pettigrew, for her assistance with this Foreword.

2. Id. at 1181.
Mayer reflected on the twentieth anniversary of the court, and observed that “[t]he Federal Circuit today is, literally, a different court from the one that existed twenty years ago.” He commented on some of the changes in the court from the viewpoint of its personnel, its practices, and its jurisprudence. He concluded his remarks with the statement that “[i]t is appropriate to pause and glance back. But it is the future that should command our attention.”

Judge Richard Linn in his 2004 essay for the *American University Law Review* turned his attention to the future. He looked at published statistics about the distribution of patent cases among the trial courts and the challenge that the trial courts are presented with because of the limited opportunities they have to develop expertise in these technically and legally complex cases. He suggested ways in which, in the future, the Federal Circuit might play a role within the federal judiciary in educating and, as appropriate, assisting the district courts in the handling of the patent cases that come before them.

A year later, Judge Pauline Newman stepped back and looked at the Circuit as “a court of commerce, industry, and governmental obligation ... the purpose [of which] was to reinvigorate the nation’s industrial strength and technologic leadership, with the assistance of a revived and effective patent system.” She concluded that “[t]he formation and early decisions of the Federal Circuit produced a resurgence in commercial activity and in scientific and technologic creativity. Although changes in the law are today less dramatic, a well-wrought jurisprudence continues to evolve to meet new technologies, to answer new questions.” This well-wrought jurisprudence was the subject of last year’s extensive review by Judge Arthur Gajarsa and Lawrence Cogswell of the court’s recent

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4. Id. at 769.
6. Id.
7. Id.
9. Id. at 827.
jurisprudence and the treatment it has received at the hands of the Supreme Court.\textsuperscript{10}

From these reviews of the court’s business it is safe to say that the court is now a staple part of the nation’s judicial establishment. When the Federal Courts Improvement Act of 1982 creating the United States Court of Appeals for the Federal Circuit was signed twenty-five years ago, it was understood that this newest of the circuit courts was something of an experiment.\textsuperscript{11} The new court had two characteristics that differentiated it from its sister circuits. One was that its jurisdiction was to be based entirely on subject matter, not geography. The other was that in the subject matter areas that were assigned to it, the court would have exclusive jurisdiction, that is, no other circuit court would hear appeals in those subject matter areas.\textsuperscript{12}

The effect of assigning specified areas to a single court of appeals is to provide nationwide uniformity in those areas, thus making the designated court the final arbiter of the applicable law, subject only to Supreme Court review. Since much of Supreme Court review results from the need to settle differences between the several circuit courts of appeals, the consequence of a court having exclusive jurisdiction is that the decisions of the Federal Circuit in its subject matter areas will be the primary method for resolving disputes under the applicable law, and this has proven to be the case.\textsuperscript{13}

One consequence of the way in which the court’s jurisdiction is structured has led to a misunderstanding about the court. Those who do not recognize the full scope of the court’s jurisdictional responsibilities will sometimes refer to the court as “specialized” (usually undefined). Though specialized courts have a place in the judicial hierarchy, it is understood that the upper echelon of appellate courts are generalist courts and therefore avoid the assumed disadvantages of narrow vision and capture to which specialized courts are supposedly subject.


\textsuperscript{12} Plager, supra note 11, at 854. \textit{But see} Holmes Group, Inc. \textit{v. Vornado Air Circulation Sys., Inc.}, 535 U.S. 826 (2002) (holding that the Federal Circuit’s exclusive jurisdiction in patent cases is limited to cases in which the patent issue arises in a complaint).

\textsuperscript{13} Though the Supreme Court is not reluctant to supervise the work of the Federal Circuit, see discussion infra, of the approximately 3500 cases decided on the merits in the last five years by the Federal Circuit, the Supreme Court has granted \textit{certiorari} in only fifteen cases.
A court could be considered specialized, with whatever inherent limitations such a label may suggest, either in terms of its singular subject matter jurisdiction or the uniformity of background and training of the judges who make up the court, or both. In neither respect is the Federal Circuit “specialized.” The subject matter jurisdiction of the court is broad and diverse, as this annual review demonstrates. The judges who make up the court are equally diverse. Whatever may be the relevant differences between specialized and generalized courts, they have little relevance to the Federal Circuit and its work.

II.

The effect of the dramatic changes in the visibility and impact of the Federal Circuit since its creation can be seen in the heightened scrutiny the court’s output has received in recent years. Criticism can be healthy, and can serve as a corrective; the Circuit is receiving its share of criticism, directed at the court as an institution as well as at specific cases and decisional areas. The academic community, which for the longest time had little interest in the areas within the court’s purview, now produces prodigious quantities of commentary, some of the traditional doctrinal type, some of a more creative bent based on empirical work, some laudatory, some not.

14. In addition to intellectual property issues, which make up approximately a third of its case load, the court’s jurisdiction includes international trade cases, contract suits against the government on appeal from courts and agency review boards, tax cases, property takings cases under the Constitution, Indian rights cases, personnel employment and benefits cases from the entire federal workforce and the veterans administration, and a variety of administrative law issues, such as the vaccine injury cases.

15. The backgrounds of the judges include work in private law practice, public service, corporations, and academia in many areas of law, including litigation, criminal law, intellectual property, tax, and labor law. See generally U.S. Court of Appeals for the Federal Circuit Judicial Biographies, http://www.fedcir.gov/judgbios.html (last visited Apr. 1, 2007). No subject matter area, including patents, is represented in the backgrounds of a majority of the judges.

16. See Plager, supra note 11, at 857-60.

Recent Supreme Court review of the Federal Circuit’s work suggests the same heightened interest. As noted earlier, Supreme Court review of an issue traditionally is keyed to conflict among the circuit courts. Since the other circuit courts usually do not hear the same kinds of cases as the Federal Circuit, the expectation was that there would be few occasions for the Supreme Court to undertake a review of this circuit’s work. That is not quite the case. In the years of the court’s existence, the Supreme Court has granted certiorari to it fifty-five times.\(^{18}\) Of these fifty-five, more than two-thirds were in cases other than patent law, reflecting the fact that, though not all of the court’s multi-varied subject matter areas have seen the same kind of growth and emphasis as patent law, these other areas have also grown and matured.

In the patent law area the Supreme Court’s recent interest has manifested itself in two ways. One type of case that draws Supreme Court attention is one in which the Circuit strays from generally applicable rules governing litigation in favor of special rules for patent cases. The Circuit has professed to want to bring its patent jurisprudence into line with the rules applicable to federal civil litigation generally, and in some respects has succeeded.\(^{19}\) When it appears to the Supreme Court that the Circuit is creating special rules that are unwarranted, the Court has intervened.

In eBay, Inc. v. MercExchange, L.L.C.,\(^ {20}\) the Supreme Court granted certiorari to consider when it is appropriate to issue a permanent injunction in patent infringement cases.\(^ {21}\) Following a jury verdict of infringement against eBay, the district court had denied MercExchange’s motion for permanent injunctive relief.\(^ {22}\) The district court began by reciting the traditional four-factor test based on equitable principles for determining when a permanent injunction is appropriate.\(^ {23}\) However, in applying the test, the court considered that the test could not be satisfied by a patent owner who does not practice its patents and exists merely to license its patented

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\(^{18}\) See Gajarsa & Cogswell, supra note 10, at 822 (stating that certiorari has been granted fifty-two times). The Court has granted certiorari in three additional cases in the last year.

\(^{19}\) See, e.g., VE Holding Corp. v. Johnson Gas Appliance Co., 917 F.2d 1574 (Fed. Cir. 1990) (applying the same venue rules to patent cases that apply to civil cases generally).


\(^{21}\) Id. at 1839.

\(^{22}\) Id.

\(^{23}\) Id.
technology to others.\textsuperscript{24} The Federal Circuit reversed, articulating a “general rule,” unique to patent cases, “that a permanent injunction will issue once infringement and validity have been adjudged.”\textsuperscript{25}

The Supreme Court unanimously disagreed.\textsuperscript{26} The Court held that the traditional principles of equity that generally govern issuance of injunctive relief “apply with equal force to disputes arising under the Patent Act.”\textsuperscript{27} The Federal Circuit erred by departing from these standards and applying a rule specific to patent cases.

Another recent case in which the Supreme Court stepped in to bring the Circuit’s law into line with mainstream doctrine is MedImmune, Inc. v. Genentech, Inc.\textsuperscript{28} The issue in that case was whether a patent licensee must terminate its license agreement with the patentee before it can bring suit to obtain a declaratory judgment that the patent is invalid, unenforceable, or not infringed.\textsuperscript{29} The district court determined there was no justiciable controversy and dismissed MedImmune’s complaint for lack of jurisdiction.\textsuperscript{30} In doing so, the court relied on a 2004 Federal Circuit decision which had held that a patent licensee in good standing cannot establish an Article III case or controversy with regard to the validity, enforceability, or scope of the underlying patent because the license agreement “obliterates any reasonable apprehension” that the licensee will be sued for infringement.\textsuperscript{31} The Federal Circuit affirmed the dismissal, also relying on its precedent.\textsuperscript{32}

The Supreme Court again disagreed, holding that a licensee is not required to breach its license agreement before seeking a declaratory judgment in federal court that the patent is invalid, unenforceable, or not infringed.\textsuperscript{33} The Court analogized the situation to one of threatened action by the Government, in which a plaintiff is not required to expose himself to liability before bringing suit to challenge the threat.\textsuperscript{34} The plaintiff may eliminate the threat of prosecution by not doing what he claims the right to do, but his failure to violate the law at issue does not eliminate Article III

\begin{itemize}
  \item \textsuperscript{24} Id. at 1840.
  \item \textsuperscript{25} 401 F.3d at 1338.
  \item \textsuperscript{26} eBay, Inc., 126 S. Ct. at 1841.
  \item \textsuperscript{27} Id. at 1839.
  \item \textsuperscript{28} 127 S. Ct. 764 (2007), rev’d 427 F.3d 958 (Fed. Cir. 2005).
  \item \textsuperscript{29} See id.
  \item \textsuperscript{30} Id. at 768.
  \item \textsuperscript{31} See Gen-Probe Inc. v. Vysis, Inc., 359 F.3d 1376, 1381 (Fed. Cir. 2004).
  \item \textsuperscript{32} 427 F.3d at 962-63.
  \item \textsuperscript{33} 127 S. Ct. at 777.
  \item \textsuperscript{34} Id.
\end{itemize}
jurisdiction under the Declaratory Judgment Act. The Court applied the same concept to cases of threatened enforcement action by a private party, and thus a licensee’s failure to breach a license agreement does not eliminate jurisdiction for a declaratory judgment suit to challenge the patent.

Perhaps more curiously, though in keeping with the notion that patent law now plays a major economic role in the nation, the Supreme Court in several other recent cases has inserted itself into the operational aspects of patent law. Since there are no circuit splits requiring Supreme Court intervention into the substantive side of patent law, the Court’s interest reflects a broader concern for the functioning of the system. In his foreword to last year’s Federal Circuit review, Judge Gajarsa discussed some of these cases, including *Merck KGaA v. Integra Lifesciences I, Ltd.* in which the Court addressed the scope of the 35 U.S.C. § 271(e)(1) “safe harbor” provision permitting the use of patented compounds in preclinical studies. He also discussed *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, and *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, in which the Court re-designed the rules for when prosecution history estoppel bars patent infringement under the doctrine of equivalents.

In *Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.*, a case involving whether a method claim for correlating medical test results is patentable under 35 U.S.C. § 101, the Supreme Court granted certiorari in 2005 and heard argument in 2006, but then dismissed the writ of certiorari as improvidently granted. Justice Breyer, joined by two other justices, dissented from the dismissal, stating that he would have decided the case and invalidated the patent because it claimed an unpatentable “natural phenomenon.” Thus at least some current members of the Court have expressed a willingness to tackle the quintessential patent law issue of what subject matter is entitled to patent protection.

The Supreme Court recently heard two more cases relating to issues specific to patent law; neither has been decided as of this

35. Id. at 772.
36. Id. at 772-73.
40. 520 U.S. 17 (1997).
42. 126 S. Ct. 2921 (2006).
43. See id.
44. Id. at 2927 (Breyer, J. dissenting).
writing. One case that has received considerable attention from the bar and academia is *KSR International Co. v. Telex, Inc.*, which addresses the propriety of the Federal Circuit’s longstanding “teaching-suggestion-motivation” test for obviousness under 35 U.S.C. § 103. The other is *Microsoft Corp. v. AT&T Corp.*, in which the Court will decide whether a golden master disk containing digital software code that is made in the United States and shipped abroad for replication and installation on foreign-assembled computers is a “component” of a patented invention that is “supplied” from the United States for purposes of infringement under 271 U.S.C. § 271(f).

Congress too has had occasion in recent time to consider the work of the Federal Circuit. One area of interest has been the handling of patent cases by the district courts. Because, as Judge Linn noted, many of the district courts see patent cases only sporadically, a bill in Congress proposes to establish a pilot program in select district courts “to encourage enhancement of expertise in patent cases among district judges.” Five district courts from among the fifteen with the most patent cases would be selected for the plan, under which patent cases would be assigned only to those judges who request to hear them. Whether such a program would alleviate some of the problems now being experienced with regard to the circuit’s review of district court claim construction matters would remain to be seen.

Other areas of the Federal Circuit’s jurisprudence besides patent law have also come to the attention of Congress. For example, recent criticism of the court’s decisions in whistleblower cases on appeal from the Merit System Protection Board is that the court has not been sufficiently supportive of the whistleblowers. This is seen by some not as a problem in the whistleblowing statute itself, but as a problem in the court’s understanding of the statute. Advocates for whistleblowers argue that the problem can only be corrected by

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47. Linn, supra note 5, at 736.


49. See *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 469 F.3d 1039 (Fed. Cir. 2006) (several opinions dissenting from or concurring in the denial of petition for rehearing en banc, urging that the Circuit reconsider its position on deference to district court claim construction as set forth in *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448 (Fed. Cir. 1998) (en banc)).

providing whistleblowers with access to courts other than the Federal Circuit when faced with adverse decisions from the Merit Systems Protection Board. Partially in response to these complaints, Congress introduced legislation to allow federal whistleblowers to bring an action in district court if the Board does not act on their claims within a certain period of time, and to appeal adverse Board or district court decisions to the regional circuits as well as the Federal Circuit.51

III.

This brief overview of the current level of interest in the court and its decisions, of which I have given only a limited sample, should be seen as a positive. It demonstrates the value being placed on the court’s work by the larger society, and the several mechanisms in place for providing corrections when correction is needed. No court involved in important work can expect to be immune from criticism; indeed, typically every decision made by the court leaves at least half the litigants unsatisfied, not to mention their supporters and others who identify with them.

A danger to be avoided, however, is addressing specific complaints with global solutions, especially when such solutions may have larger consequences than the perceived problems. One example is the effort to deal with whistleblower rights by restructuring the judicial review process so as to allow forum shopping, rather than to correct the problem by amendment to the requirements of the whistleblower statute itself. Politically the former may be easier to accomplish than the latter, but the latter is a way to address the real problem complained of; the former is a fix that may or may not prove efficacious and is likely to create even more problems.

Another example of the global approach fix to what are specific concerns regarding specific issues is the proposal by two law professors that patent cases no longer be decided only by the Federal Circuit, but that jurisdiction reside in at least one other circuit as well.52 For a number of reasons, such a solution to perceived problems with the Federal Circuit’s patent jurisprudence falls short of solving the problems alleged by the authors.53

This is not to say that the Federal Circuit itself bears no responsibility for the complaints about it. There is always room for improvement in any institution, and courts are no different. Constructive suggestions are heard both from without the court and from within. What the first twenty-five years has shown is that, regardless of the inevitable growing pains of a new institution, this “experiment” in judicial structuring has proven to be a significant contribution to the country’s judicial system, vindicating its early proponents’ hopes. There is little doubt that the court will meet the challenges of the next twenty-five years with continued vigor and resourcefulness, within the authorities provided by Congress and the guidance as appropriate of the Supreme Court.