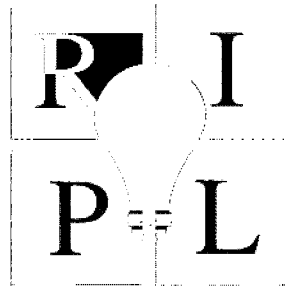


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MUST THE JURY REACH A VERDICT? THE CONSTITUTIONALITY OF ELIMINATING JURIES IN PATENT TRIALS BY CREATING AN ARTICLE I TRIBUNAL

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ABSTRACT

The February 2007 jury verdict against Microsoft totaling \$1.52 billion marked the largest in a patent case ever, following the prevailing trend of juries awarding extraordinarily high damages. Because patent law deals with complex technology and complicated issues of fact and law, and because empirical evidence concludes that juries have significant biases in favor of patentees and against alleged infringers, this comment calls into question whether or not twelve lay persons are sufficiently equipped to handle patent trials. In lieu of juries rendering verdicts in patent trials – and even in lieu of U.S. District Court judges adjudicating patent trials – this comment advocates the creation of an Article I Patent Tribunal which has original jurisdiction over select post-grant patent disputes.

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MUST THE JURY REACH A VERDICT? THE CONSTITUTIONALITY OF ELIMINATING JURIES IN PATENT TRIALS BY CREATING AN ARTICLE I TRIBUNAL

DANIEL P. SULLIVAN*

“While we regret having to order a new trial before an already overburdened district court, a new trial is mandated, and this case is a good illustration of the difficulties inherent, generally, in the use of juries to resolve patent disputes.”¹

- Judge Giles Sutherland Rich

INTRODUCTION

In 2002, Lucent Technologies sued Dell and Gateway for patent infringement.² Microsoft, in turn, filed a declaratory judgment of noninfringement against Lucent in 2003, and the cases were consolidated.³ On February 22, 2007, a jury awarded Alcatel-Lucent \$1.52 billion in damages for MP3 patents that Microsoft infringed.⁴ Although Microsoft licensed the technology in question from a German corporation for \$16 million, the verdict stands.⁵ This marked the largest awarded verdict in a patent trial ever.⁶

With the recent trend of juries awarding “blockbuster verdicts,”⁷ it begs the question: do juries in patent infringement trials actually impede an alleged infringer’s right to a fair trial? If so, how can this unfairness be remedied?

This comment addresses why juries should – and how juries may – be removed from the arena of patents. Section I explores the history and development of the Seventh Amendment right to a trial by jury, and how the two-prong historical test

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¹ Am. Hoist & Derrick Co. v. Sowa & Sons, Inc., 725 F.2d 1350, 1356 (Fed. Cir. 1984).

² Lucent Techs. v. Gateway, Inc. 470 F. Supp. 2d 1180, 1182 (S.D. Cal. 2007).

³ *Id.*

⁴ Saul Hansell, *MP3 Patents in Upheaval After Verdict*, N.Y. TIMES, Feb. 23, 2007, at C1.

⁵ *Id.*

⁶ See *Polaroid Corp. v. Eastman Kodak Co.*, 641 F. Supp. 828, 877–88 (D. Mass. 1985) (establishing liability), *aff’d*, 789 F.2d 1556 (Fed. Cir. 1986). Polaroid received a judgment that Kodak infringed its instant film development technology, receiving \$909 million, the previous record holder for largest awarded patent damages. *Polaroid Corp. v. Eastman Kodak Co.*, No. 76-1634, 1990 WL 324105, at *84 (D. Mass. Oct. 12, 1990) (assessing damages).

⁷ Sheri Qualters, *Intellectual Property Verdicts Exceed 1.3 Billion*, NAT’L L.J., Feb. 26, 2007, at S4; see e.g., *z4 Tech., Inc. v. Microsoft Corp.*, No. 6:06-CV-142, 2006 WL 2401099, at *26 (E.D. Tex. Aug. 18, 2006) (awarding z4 \$140 million); *Finisar Corp. v. DirecTV Group, Inc.*, No. 1:05-CV-264, 2006 WL 2037717, at *1 (E.D. Tex. Jun. 23, 2006) (awarding Finisar \$78.9 million); *Hynix Semiconductor Inc. v. Rambus Inc.*, No. C-00-20905, 2006 WL 2325276, at *1 (N.D. Cal. Apr. 24, 2006) (awarding Hynix \$306.9 million).

has been applied to patent law. Section I also discusses limitations of patent juries due to bias and due to the complex nature of legal-equitable hybrid claims. Section II analyzes whether or not the Seventh Amendment is a fundamental right and examines how the courts have whittled away the right to a jury through complexity exceptions and the *Markman* decision. Section III proposes the creation of an Article I tribunal, giving these federal district patent courts original jurisdiction over patent disputes. In addition, Section III advocates removing the jury right within these tribunals and addresses the constitutionality of such a removal.

I. BACKGROUND

A. *A Brief History of the Seventh Amendment*

The Seventh Amendment preserves the right to a jury trial in civil matters.⁸ While the Framers all agreed on the importance of a civil jury, there was no consensus as to the extent of this right.⁹ The scope of a civil jury's power and the standard of review for judges certainly varied in each of the thirteen states.¹⁰ Four major themes arose from the construction of the Seventh Amendment within the Bill of Rights: a strong belief in the importance of civil jury trials, an assumption that jury trials are not appropriate in all civil litigation, an inability to determine which cases were (and were not) appropriate for juries to decide, and an attempt to avoid this problem by creating purposefully vague language.¹¹ While there is little evidence to know what the Framers intended while drafting the Seventh Amendment, the focus was not the Amendment's content, but whether or not to include a civil jury amendment at all.¹² The Seventh Amendment was adopted to assuage the paranoid minority that all personal liberties were safeguarded.¹³

The Seventh Amendment was thus left to interpretation by the courts. One early case interpreting the Seventh Amendment, in an opinion written by future United States Supreme Court Justice Joseph Story, is *United States v. Wonson*.¹⁴ Justice Story indicated that some states had a statutory right of employing appellate

⁸ U.S. CONST. amend. VII.

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law.

Id.

⁹ Kenneth S. Klein, *The Myth of How to Interpret the Seventh Amendment Right to a Civil Jury Trial*, 53 OHIO ST. L.J. 1005, 1008–10 (1992).

¹⁰ *Id.* at 1012.

¹¹ *Id.* at 1008.

¹² Edith Guild Henderson, *The Background of the Seventh Amendment*, 80 HARV. L. REV. 289, 291 (1966).

¹³ *Id.* at 292.

¹⁴ 28 F. Cas. 745 (C.C.D. Mass. 1812) (No. 16,750).

juries, but not a common law right.¹⁵ Story therefore denied the right of a federal appellate jury.¹⁶ Although Justice Story strongly affirmed the right to a jury trial in *Parsons v. Bedford*,¹⁷ *Wonson* demonstrates that the Seventh Amendment can be interpreted to deny a right to a civil jury.¹⁸

Justice Story also first affirmed the idea of remittitur, or a judicially mandated reduction of damages, in *Blunt v. Little*.¹⁹ Justice Story, finding a \$2,000 verdict excessive, granted the defendant an option of having a new damages trial or accepting a damages award of \$500.²⁰ *Blunt* sets perhaps an unintended precedent that a judge can intervene when dissatisfied with a jury's conclusions, thus reducing the role of a jury in a civil suit. The Supreme Court in *Baltimore & Carolina Line, Inc. v. Redman*²¹ indicated that federal courts may take jury verdicts "subject to the opinion of the court on a question of law" as well reverse a verdict in favor of a plaintiff and enter in a judgment as a matter of law in favor of the defendant.²²

Justice Story's use of "common law" has been interpreted to mean English common law in 1791 when the Seventh Amendment was adopted.²³ However, Justice Story's *Wonson* decision has led to interpretation difficulties because no evidence exists to suggest that the drafters of the Seventh Amendment thought that the term "common law" would refer exclusively to English common law.²⁴ Although Story's concept of common law has survived, the common law right as applied to the Seventh Amendment has been extended to common law action beyond the 1791 adoption.²⁵

B. The Rise of the Patent Jury and the Two-Prong Historical Test

Prior to creation of the United States Court of Appeals for the Federal Circuit, jury trials in patent cases were rare.²⁶ Juries decided zero out of 125 patent suits in 1961 (0.0%), thirteen out of 382 patent suits from 1968 to 1970 (3.4%), and only two out of 121 patent suits between June 1971 and June 1972 (1.7%).²⁷ The Supreme

¹⁵ *Id.* at 748 (indicating that at least Massachusetts, New Hampshire, and Rhode Island had conferred appellate juries statutorily, but that courts in equity in England recognized no such right at common law).

¹⁶ *Id.* at 750 (stating that "an appeal in a common law suit from the district court removes errors of law only for the consideration of this court; and that we are bound to deny a new trial of the facts by a new jury").

¹⁷ 28 U.S. 433, 446 (1830).

¹⁸ *Wonson*, 28 F. Cas. at 750–51.

¹⁹ 3 F. Cas. 760, 762 (C.C.D. Mass. 1822) (No. 1,578).

²⁰ *Id.*

²¹ 295 U.S. 654 (1935).

²² *Id.* at 660–61.

²³ *See, e.g.*, *Dimick v. Schiedt*, 293 U.S. 474, 476 (1935).

²⁴ Klein, *supra* note 9, at 1031.

²⁵ *Curtis v. Loether*, 415 U.S. 189, 192–93 (1974) (stating that Justice Story's "common law" referred mostly to maritime and admiralty law, and that there existed a Seventh Amendment jury right where legal rights were to be "ascertained and determined").

²⁶ Ted D. Lee & Michelle Evans, *The Charade: Trying a Patent Case to All "Three" Juries*, 8 TEX. INTELL. PROP. L.J. 1, 7 (1999) (noting that it was "an unusual occurrence" for early patent cases to be tried before a jury).

²⁷ *Id.* at 7–8.

Court once acknowledged that most patent cases were tried by a judge and revealed similar statistics: two out of 131 patent cases were decided by a jury in 1968 (1.5%), eight of 132 patent cases were decided by a jury in 1969 (6.1%), and three of 119 trials were decided by a jury in 1970 (2.5%).²⁸ However, after the creation of the Federal Circuit and the development of uniform rules governing jury instructions and interrogatories, the number of jury trials skyrocketed.²⁹ The “high-water mark” occurred in 1994 when seventy percent of patent cases were tried by a jury.³⁰ With the growing popularity of jury trials, damages awarded by juries increased dramatically.³¹ Between 1982 and 1992, the fifteenth largest patent damages jury award was \$19.8 million, while the largest jury verdict was \$873 million.³² The increasing use of juries in patent suits due to their lucrative verdicts begged the question: is there an absolute right to a jury in a patent suit?

In order to determine whether or not a jury right existed, a court would look to see whether that right existed at English common law in 1791, when the Seventh Amendment was ratified.³³ In the arena of patents, the Federal Circuit clarified the two-prong historical test (which examines the nature of the issues involved and the nature of the remedy sought) in *In re Lockwood*.³⁴ The *Lockwood* court, in reviewing a declaratory judgment action, examined the nature of the issues and the nature of the remedy sought.³⁵ The Federal Circuit concluded that there exists a jury right if the remedy sought is legal, as opposed to equitable, in nature, and if there is an “adjudication of legal rights” or an “implementation of legal remedies.”³⁶

The United States Supreme Court furthered the *Lockwood* test in *Markman v. Westview Instruments*.³⁷ When utilizing the two-prong historical test, the Court first determines the character of the cause of action.³⁸ The Court then determines whether a particular issue is necessarily a jury issue.³⁹ This second question is answered by “search[ing] the English common law for ‘appropriate analogies’ rather than a ‘precisely analogous common-law cause of action.’”⁴⁰

²⁸ *Blonder-Tongue Labs., Inc. v. Univ. of Ill. Found.*, 402 U.S. 313, 338 n.30 (1971).

²⁹ *Lee & Evans*, *supra* note 26, at 8.

³⁰ *Id.*

³¹ *Id.* at 9.

³² *Id.*

³³ *Dimick v. Schiedt*, 293 U.S. 474, 476 (1935).

³⁴ 50 F.3d 966, 971–72 (Fed. Cir. 1995), *vacated sub nom.* *Am. Airlines, Inc. v. Lockwood*, 515 U.S. 1182 (1995). The Federal Circuit subsequently noted that while the United States Supreme Court inexplicably vacated *Lockwood*, the Federal Circuit still finds its reasoning “pertinent.” *Tegal Corp. v. Tokyo Electron Am., Inc.* 257 F.3d 1331, 1340 (Fed. Cir. 2001).

³⁵ *Id.* at 972. This test for statutory actions involved two steps: (1) a comparison of the statutory action to 18th-century actions in the courts of England, and (2) a determination of whether the remedy is equitable or legal in nature. *Id.*

³⁶ *Id.*

³⁷ 517 U.S. 370, 376–77 (1996) [hereinafter *Markman II*].

³⁸ *Id.* at 377

³⁹ *Id.*

⁴⁰ *Id.* at 378 (quoting *Tull v. United States*, 481 U.S. 412, 420–21 (1987)); *see also* *Tegal Corp. v. Tokyo Electron Am., Inc.*, 257 F.3d 1331, 1339 (Fed. Cir. 2001). “A right to a jury attaches only to cases more similar to those that were tried in courts of law.” *Id.* (citing *Tull*, 481 U.S. at 417). In *Tegal*, the plaintiff brought a patent infringement suit seeking both injunctive relief and damages. *Id.* at 1338. The defendant raised affirmative defenses without asserting a counterclaim. *Id.* However, the plaintiff dropped its damages suit, and the district court ordered that the trial would

C. Jury Bias in Patent Trials

The popular perception that there is a significant difference in a patentee's success rate when juries decide patent claims is supported by statistical data taken from 1983 to 1999.⁴¹ When juries decided patent suits, the patentee "win" rate exceeded 68%,⁴² while when a judge adjudicated patent trials, the patentee "win" rate was closer to 51%.⁴³ This demonstrates a statistically significant predictor of which party will prevail based on who adjudicates the trial.⁴⁴

However, the empirical data also demonstrates that patentees have an advantage over alleged infringers no matter who decides the issues of fact.⁴⁵ Overall, when the data set was categorized by substantive issue, e.g., validity, enforceability, infringement, willfulness, and damages, seven statistically significant trends emerged:

- [1] patents are more likely to be held valid than invalid;
- [2] patents are more likely to be held enforceable than unenforceable;
- [3] patents are more likely to be held infringed than not infringed;
- [4] patents are more likely to be held willfully infringed than not willfully infringed;
- [5] patents are more likely than not to be held valid, enforceable, infringed, and willfully infringed when adjudicated by a jury;
- [6] patents are more likely than not to be held valid, enforceable, and infringed when adjudicated by a judge; [and]
- [7] either party has an equal chance of winning on the issue of willfulness when adjudicated by a judge.⁴⁶

When multiple issues are decided at the district court level, the same party tends to prevail in a sweeping, all-or-nothing fashion.⁴⁷ When validity and infringement were both at issue, juries found for the same party on both issues 86% of the time, but judges found for the same party 74% of the time.⁴⁸ With respect to multiple claims, juries resolved all claims in favor of one party 87% of the time, while judges resolved all claims in favor of one party 72% of the time.⁴⁹ Therefore, the

proceed without a jury. *Id.* The defendant took issue, raised the issue on the pleadings, and filed a motion for reconsideration on the elimination of the jury. *Id.* The district court denied the motion, and the appellate court affirmed. *Id.* at 1338, 1341.

⁴¹ Kimberly A. Moore, *Judges, Juries, and Patent Cases—An Empirical Peek Inside the Black Box*, 99 MICH. L. REV. 365, 386 (2000).

⁴² *Id.* at 387. The statistical analysis therefore rejects the null hypothesis that "when a jury decides a patent claim, there is an equal chance of success for the patent holder and the infringer." *Id.* at 386.

⁴³ *Id.* The statistical analysis therefore suggests that the null hypothesis, "when a judge decides a patent claim, there is an equal chance of success for the patent holder and the infringer" cannot be rejected. *Id.*

⁴⁴ *Id.* at 387.

⁴⁵ *Id.* at 391.

⁴⁶ *Id.* at 390–91.

⁴⁷ *Id.* at 402–04.

⁴⁸ *Id.* at 403.

⁴⁹ *Id.* at 404.

adjudicator is a statistically significant predictor of whether a party will prevail on all issues in cases with multiple claims and multiple issues.⁵⁰ The data suggests that judges are statistically more capable of resolving cases issue-by-issue instead of case-by-case.⁵¹

One of the few things that a potentially liable “infringer” can do to increase his chances of prevailing is seek a declaratory judgment that the patent is not infringed; when juries adjudicate patent claims, the party who filed the suit is a statistically significant factor in who prevails.⁵² There are three factors that contribute to the advantage an infringer gains by filing the lawsuit: (1) the infringer may gain an advantage by being able to choose the forum; (2) the infringer determines when the lawsuit begins; and (3) the jury is less likely to be biased in favor of the patentee because the patentee is not bringing the lawsuit.⁵³ Regarding the third factor, that juries are more sympathetic to a plaintiff, if an infringer files suit, the perception that the patentee is a victim and the infringer is a villain is somewhat mitigated.⁵⁴ However, in a bench trial, filing a declaratory judgment plays no statistically significant role in who prevails.⁵⁵ These statistical trends have legitimized popular perceptions that juries are generally more sympathetic towards patentees, as plaintiffs, but are much less so when alleged infringers, as plaintiffs, seek a declaratory judgment of noninfringement.⁵⁶

While jurors’ initial perceptions certainly pose a problem to defendant corporations and other alleged infringers, combinations of complicated factual and legal issues also pose difficulties for jurors, in spite of jurors’ collective diligence in attempting to understand such complexities.⁵⁷ Juries face two major issues in a patent trial: (1) learning and comprehending complex scientific factual data and (2) properly applying complicated and often confusing instructions on the law.⁵⁸ Combining juror bias with extremely complicated issues of law and fact raises issues of jury competence.⁵⁹ Judges and practitioners doubt that juries can handle these complex issues.⁶⁰ The Federal Circuit has also voiced displeasure at remanding cases that patent juries have mishandled.⁶¹ At least one United States Supreme

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.* at 405.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.* at 407.

⁵⁷ Cynthia E. Kernick, *The Trial*, in PATENT LITIGATION STRATEGIES HANDBOOK, 767, 787 (Barry L. Grossman & Gary M. Hoffman eds., 2005).

⁵⁸ *Id.*

⁵⁹ *See* Panther Pumps & Equip. Co. v. Hydrocraft, Inc., 468 F.2d 225, 228 (7th Cir. 1972). “The task of giving error-free instructions in a patent case may indeed be extremely difficult.” *Id.* “Presumably this is only one of the many reasons why members of the Patent Bar have wisely avoided jury trials in patent litigation.” *Id.* at 228 n.9.

⁶⁰ Paul R. Michel & Michelle Rhyu, *Improving Patent Jury Trials*, 6 FED. CIRCUIT B.J. 89, 90–91 (1996) (“Some suggest that jurors, mostly people of only average education and intelligence, cannot properly decide complex cases, particularly technological disputes.”).

⁶¹ *E.g.*, Am. Hoist & Derrick Co. v. Sowa & Sons, Inc. 725 F.2d 1350, 1352 (Fed. Cir. 1984) (reversing the district court’s determination that the jury could have concluded that no damages were proved).

Court Justice has expressed similar sentiments.⁶²

D. Complications with Law and Equity

Without clear rules for specifically when a jury is allowed, the courts are left with the task of determining whether – and to what extent – a Seventh Amendment jury right exists as patent law and rules of procedure evolve.⁶³ Complications begin to emerge when a plaintiff invokes both law and equity. A case involving both legal and equitable principles is a hybrid case. These problems are exacerbated when a plaintiff's claim and a defendant's counterclaim collectively create a hybrid case. A hybrid case can also result when a plaintiff seeks one type of remedy (e.g., legal) and the defendant seeks the other (e.g., equitable).

1. One Party's Creation of a Hybrid Case

A court must look at both the nature of the claim asserted and the type of remedy the plaintiff seeks.⁶⁴ There are four possible combinations of claims and remedies a single party may raise: (1) legal claim and legal remedy, (2) legal claim and equitable remedy, (3) equitable claim and legal remedy, and (4) equitable claim and equitable remedy.⁶⁵ Of the four possible combinations of legal and equitable claims and remedies, courts have consistently held that only the legal claim-legal remedy combination is absolutely entitled to a jury.⁶⁶ A plaintiff may manipulate its claim-remedy combination in order to either require or preclude the use of a jury. Without asserting a counterclaim, the defendant may not affect the plaintiff's election. For example, where a defendant raises affirmative defenses but does not assert any counterclaims, the defendant is not entitled to a jury when a plaintiff has elected to forego a jury by seeking only equitable relief.⁶⁷

⁶² *Ross v. Bernhard*, 396 U.S. 531, 545 n.5 (1970) (Stewart, J., dissenting) ("Certainly there is no consensus among commentators on the desirability of jury trials in civil actions generally. Particularly where the issues in the case are complex . . . much can be said for allowing the court discretion to try the case itself.")

⁶³ See Gary D. Spivey, Annotation, *Right to Jury Trial in Patent Infringement Action in Federal Court*, 18 A.L.R. FED. 690, § 2(b) (1974).

⁶⁴ *Tegal Corp. v. Tokyo Electron Am., Inc.*, 257 F.3d 1331, 1339 (Fed. Cir. 2001).

⁶⁵ John E. Sanchez, *Jury Trials in Hybrid and Non-Hybrid Actions: The Equitable Clean-Up Doctrine in the Guise of Inseparability and Other Analytical Problems*, 38 DEPAUL L. REV. 627, 648–49 (1989).

⁶⁶ See *Curtis v. Loether*, 415 U.S. 189, 196 n.11 (1974) (citing *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500, 510–11 (1959) & *Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 470–73 (1962)); *Ross*, 396 U.S. at 538 ("[T]here is a right to jury trial on the legal claims which must not be infringed either by trying the legal issues as incidental to the equitable ones or by a court trial of a common issue existing between the claims."). In *Curtis*, the Court indicates the "obvious" right to a jury trial on a legal claim. *Curtis*, 415 U.S. at 196 n.11. However, the Court also notes that a jury trial right exists on the legal claim even if it shares common issues to an equitable claim. *Id.* ("The right cannot be abridged by characterizing the legal claim as 'incidental' to the equitable relief sought.")

⁶⁷ See, e.g., *Tegal*, 257 F.3d at 1339; see also *Beaunit Mills, Inc. v. Eday Fabric Sales Corp.*, 124 F.2d 563, 566 (2d. Cir. 1942). In *Beaunit Mills*, the plaintiff-infringer sought a declaratory judgment against the defendant-patentee's knitting patent. *Id.* at 564. The defendant counterclaimed,

2. *Two Parties' Claims and Counterclaims Creating a Hybrid Case*

Problems arise if there are both legal and equitable claims and counterclaims.⁶⁸ For example, if a plaintiff brings an equitable claim and a defendant brings a legal counterclaim (or vice versa) it is entirely likely that factual disputes relate to both the plaintiff's legal (equitable) and the defendant's equitable (legal) claims.⁶⁹ Trying the equitable claim first without a jury may preclude a jury from fact finding on the legal claim under *res judicata* or collateral estoppel.⁷⁰ Trying the legal claim first, however, with a jury would result in juries making factual findings on the equitable claim.⁷¹

3. *Two Parties' Remedies and Counter-Remedies Creating a Hybrid Case*

Further complications may develop if there are both legal and equitable remedies sought by the parties. Such a situation could arise, for instance, when a plaintiff seeks an equitable remedy, but the defendant, on his counterclaim, seeks a legal remedy. The defendant would only be granted a right to a jury if he sought legal remedies on his counterclaim.⁷² Similar to hybrid cases, the trend has shifted in favor of allowing juries to hear these cases despite the plaintiff's seeking an equitable remedy.⁷³

Historically, patent courts specifically looked at several methods to determine whether or not a jury right existed.⁷⁴ Today, the courts look primarily at the remedy

seeking a judgment that the patent be valid and infringed, injunctive relief and an accounting for damages. *Id.* The court dismissed the defendant's counterclaim. *Id.* Then, the court "annulled" the defendant's jury demand because, when the plaintiff's complaint was considered absent the counterclaim, the case only involved equitable issues. *Id.* The court then determined that the defendant's appeal was taken from an interlocutory, non appealable order and dismissed the appeal. *Id.* at 564–65.

⁶⁸ Note, *The Right to a Nonjury Trial*, 74 HARV. L. REV. 1176, 1186 (1961) (discussing the problems with the order of trial after Congress merged legal and equity jurisdiction in the federal district courts).

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ *Id.*

⁷² See, e.g., *Ryan Distrib. Corp. v. Caley*, 51 F. Supp. 377, 380 (E.D. Pa. 1943). *Ryan Distributing* involved a plaintiff's seeking a declaratory judgment that defendant's patent was invalid or not infringed. *Id.* at 378. The defendant's counterclaimed, alleging that plaintiff was indeed infringing and sought an accounting and damages. *Id.* The defendant also demanded a jury. *Id.* The court found that but for the plaintiff's filing for declaratory judgment, an equitable claim, the defendant-patentee could have sued seeking the requested legal relief, thereby preserving its right to a jury. *Id.* at 379. The court held that the plaintiff's first filing should not change the nature of the case and denied the plaintiff's motion to strike the defendant's jury demand. *Id.* at 380.

⁷³ Spivey, *supra* note 63, at § 5(c).

⁷⁴ See *Markman II*, 517 U.S. 370, 378 (1996) (citing *Balt. & Carolina Line, Inc. v. Redman*, 295 U.S. 654, 657 (1935)). The Court indicated that they have attempted to make the distinction between a jury and non-jury right based on a distinction between issues of substance versus issues of procedure and based on issues of law versus issues of fact. *Id.* The *Markman II* Court found the soundest course was to use the historical method by examining English common law. *Id.*

being sought.⁷⁵ For example, *Tegal Corp. v. Tokyo Electron America, Inc.*⁷⁶ held that a defendant did not have a right to a jury because the plaintiff only sought equitable relief and the defendant did not raise a counterclaim, let alone a counterclaim seeking a legal remedy.⁷⁷

E. Segregating Law for the Court and Fact for the Jury

What is a question of fact for a jury versus what is a question of law for a court is not always clear in patents.⁷⁸ Very generally, however, utility, infringement, willful infringement, and damages are fact issues that a jury may decide.⁷⁹ In contrast, however, obviousness and fraud on the United States Patent & Trademark Office (“USPTO”) have been held to be questions of law for the court.⁸⁰

When examining the history of the Seventh Amendment, there is no evidence to suggest that the Framers gave a civil jury right much attention.⁸¹ While few juries were initially seen in the patent arena, the last forty years have seen juries deciding an increasing number of issues in patent trials.⁸² This is problematic since juries are statistically biased toward patentees and have difficulty understanding complex scientific and legal issues.⁸³ The courts themselves are not always clear on what issues juries decide in what situations, further complicating the role of the jury.⁸⁴

II. ANALYSIS

This section demonstrates the erosion of the right to a jury in patent trials. It seeks to show that lack of incorporation through the Due Process Clause Fourteenth Amendment indicates that the Seventh Amendment is not a fundamental right. Furthermore this section demonstrates how complexity exceptions and the *Markman II* decision further illustrate limitations of a jury trial right.

⁷⁵ *Tegal Corp. v. Tokyo Electron Am., Inc.*, 257 F.3d 1331, 1341 (Fed. Cir. 2001).

⁷⁶ *Id.* at 1331.

⁷⁷ *Id.* at 1341.

⁷⁸ V. Bryan Medlock, Jr., *Jury Trials of Patent Cases*, in PATENT LITIGATION 1990 487, 492 (PLI Patents, Copyrights, Trademarks, & Literary Prop., Course Handbook Series No. 299, 1990), available at WL, 299 PLI/Pat 487 (indicating that the federal circuit consistently rules that certain claims are legal and certain claims are equitable).

⁷⁹ See *TWM Mfg. Co. v. Dura Corp.*, 789 F.2d 895, 898 (Fed. Cir. 1986) (damages); *SRI Int'l v. Matsushita Elec. Corp.*, 775 F.2d 1107, 1125 (Fed. Cir. 1985) (en banc) (infringement); *Raytheon Co. v. Roper Corp.*, 724 F.2d 951, 956 (Fed. Cir. 1983) (utility); *Underwater Devices Inc. v. Morrison-Knudsen Co.*, 717 F.2d 1380, 1389 (Fed. Cir. 1983), *overruled on other grounds by In re Seagate Tech., LLC*, 497 F.3d 1360 (Fed. Cir. 2007) (en banc) (willful infringement).

⁸⁰ See *Am. Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1364 (Fed. Cir. 1984) (fraud on the USPTO); *SSIH Equip. S.A. v. U.S. Int'l Trade Comm'n*, 718 F.2d 365, 375 (Fed. Cir. 1983) (obviousness).

⁸¹ Klein, *supra* note 9, at 1008.

⁸² Lee & Evans, *supra* note 26, at 7–8.

⁸³ Moore, *supra* note 41, at 365.

⁸⁴ See Spivey, *supra* note 63, at § 2.

A. The Seventh Amendment Right is Not Fundamental

It is helpful to examine the scope of the Seventh Amendment in order to establish limited roles of juries. Application of the Seventh Amendment is narrow, and its application to patent trials, and even civil litigation generally, illustrates that the right is not a guarantee.⁸⁵

American jurisprudence defines a fundamental right as one that is “found to be implicit in the concept of ordered liberty”⁸⁶ or one that is “deeply rooted in this Nation’s history and tradition.”⁸⁷ Fundamental rights fall into two broad categories: those that the Constitution expressly enumerated and those that the Supreme Court conferred based on its interpretation of the Framers’ intent.⁸⁸ Explicit fundamental rights protected by the Constitution, would be found, for example, in the First Amendment: freedom of speech,⁸⁹ freedom to exercise one’s own religion,⁹⁰ and freedom from imposed establishment of religion.⁹¹ Others have been conferred through Supreme Court precedent.⁹² These include, but certainly are not limited to,

⁸⁵ See *Tull v. United States*, 481 U.S. 412, 426 (1987) (holding that the Seventh Amendment protects “only those incidents which are regarded as fundamental, as inherent in and of the essence of the system of trial by jury”).

⁸⁶ *Palko v. Connecticut*, 302 U.S. 319, 325 (1937).

⁸⁷ *Moore v. City of E. Cleveland*, 431 U.S. 494, 503 (1977).

⁸⁸ ERWIN CHERMERINSKY, *CONSTITUTIONAL LAW: PRINCIPLES AND POLICIES* 795 (3d ed. 2006). There exists a dispute between originalists and nonoriginalists in terms of how a fundamental right is established. *Id.* Originalists, for example, believe that fundamental rights are limited to those specifically enumerated in the Constitution and that the courts overstep their bounds when they recognize an implied right as fundamental. *Id.* Nonoriginalists permit the courts to protect fundamental rights that may not be enumerated specifically within the text of the Constitution, but should be inferred from the general intent of the Framers. *Id.*

⁸⁹ U.S. CONST. amend. I; *N.Y. Times Co. v. Sullivan*, 376 U.S. 254, 273 (1964) (indicating that the ability to criticize one’s government and government officers is “the central meaning of the First Amendment”); *Abrams v. United States*, 250 U.S. 616, 630 (1919) (Holmes, J., dissenting) (suggesting the metaphor of the Marketplace of Ideas).

⁹⁰ U.S. CONST. amend. I; *Sherbert v. Verner*, 374 U.S. 398, 410 (1963) (declaring the denial of unemployment benefits to a Seventh-day Adventist who quit a job that required her to work on Sunday a violation of the Free Exercise Clause); *Wisconsin v. Yoder*, 406 U.S. 205, 233–34 (1972) (invalidating a law that required school attendance until age sixteen as violative of the Free Exercise Clause as applied to Amish children because compulsory education after eighth grade ran counter to firmly rooted Amish religious practices).

⁹¹ U.S. CONST. amend. I; *Santa Fe Indep. Sch. Dist. v. Doe*, 530 U.S. 290, 316 (2000) (holding that a public high school’s policy of reciting prayer over the public announcement system before varsity football games violated Establishment Clause).

⁹² *Griswold v. Connecticut*, 381 U.S. 479, 484 (1965) (indicating that certain rights are inherent in the First Amendment).

the right to privacy,⁹³ the right to marry,⁹⁴ and the right to raise one's children free from interference.⁹⁵

The first clause of the Seventh Amendment states that “[i]n suits at common law, . . . the right of trial by jury shall be preserved”⁹⁶ The Seventh Amendment does not actually confer the right to a jury trial – it merely preserves a right that existed at English common law in 1791.⁹⁷ Moreover, the Seventh Amendment applies only to the federal government, and not necessarily to states.⁹⁸ Additionally, the Seventh Amendment has not been incorporated to apply against the states through the Due Process Clause of the Fourteenth Amendment.⁹⁹ Thus, the right to a jury trial, though a part of the Bill of Rights, cannot be considered fundamental.¹⁰⁰

The second part of the Seventh Amendment, referred to as the Reexamination Clause, states that “no fact tried by a jury, shall be otherwise reexamined in any

⁹³ *Lawrence v. Texas*, 539 U.S. 558, 578–79 (2003) (recognizing a right to private, consensual sexual conduct by declaring sodomy laws unconstitutional); *Planned Parenthood of Se. Pa. v. Casey* 505 U.S. 833, 845–46 (1992); *Roe v. Wade*, 410 U.S. 113, 164–66 (1973) (conferring the right of a woman to be free from a per se government prohibition of abortions); *Griswold*, 381 U.S. at 485 (protecting the right of married couples to purchase contraceptives).

⁹⁴ *Loving v. Virginia*, 388 U.S. 1, 12 (1967) (holding antimiscegenation laws unconstitutional by reversing the convictions of an interracial married couple that Virginia claimed were illegally married).

⁹⁵ *Pierce v. Soc’y of Sisters*, 268 U.S. 510, 534–35 (1925) (affirming a parent’s right to make decisions for their children by declaring a law forcing children to attend public schools unconstitutional); *Meyer v. Nebraska*, 262 U.S. 390, 403 (1923) (recognizing family autonomy and the right of parents to control the upbringing of their children by invalidating a state law that barred the teaching of languages other than English in public schools).

⁹⁶ U.S. CONST. amend. VII.

⁹⁷ *Balt. & Carolina Line, Inc. v. Redman*, 295 U.S. 654, 657 (1935) (indicating that the aim of the Seventh Amendment is primarily to “preserve the substance of the common-law right of trial by jury”); *Dimick v. Schiedt*, 293 U.S. 474, 476 (1935) (stating that one must look to the common law in order to determine whether or not a jury right is appropriate).

⁹⁸ *See Minneapolis & St. Louis R.R. Co. v. Bombolis* 241 U.S. 211, 217 (1916). In *Bombolis*, a railroad employee was killed in the course of his employment, and his estate sued for negligence under the federal Employers’ Liability Act. *Id.* at 215. At trial, the jury failed to reach a unanimous verdict after twelve hours. *Id.* at 216. However, pursuant to a Minnesota law, the court authorized five-sixths of the jury to reach a verdict. *Id.* Although federal common law required a unanimous jury verdict, the Supreme Court held that the Seventh Amendment did not apply to the state legislature even in the course of a federal action. *Id.* at 217.; *see also* *Chi., Rock Island & Pac. Ry. Co. v. Cole*, 251 U.S. 54, 56 (1935) (“There is nothing . . . in the Constitution of the United States or its Amendments that requires a State to maintain the line with which we are familiar between the functions of the jury and those of the Court. It may do away with the jury altogether” (citing *Walker v. Sauvinet*, 92 U.S. 90, 92–93 (1876))).

⁹⁹ *See Pearson v. Yewdall*, 95 U.S. 294, 296 (1877). “[A]rt. 7 of the amendments to the Constitution of the United States relating to trials by jury applies only to the courts of the United States” *Id.*; *see also*, Stanley H. Friedelbaum, *State Courts and the Separation of Powers: A Venerable Doctrine in Varied Contexts*, 61 ALB. L. REV. 1417, 1436 (1998) (“The Seventh Amendment, it appeared, ranked . . . as least likely [among the Amendments in the Bill of Rights] to be considered for absorption or incorporation by means of the Fourteenth Amendment.” *Id.*

¹⁰⁰ *See* Brent E. Simmons, *The Invincibility of Constitutional Error: The Rehnquist Court’s States’ Rights Assault on Fourteenth Amendment Protections of Individual Rights*, 11 SETON HALL CONST. L.J. 259, 357 n.418 (2001) (noting that not all guarantees within the Bill of Rights are essentially fundamental, specifically the Seventh Amendment right to a jury trial).

Court of the United States, than according to the rules of the common law.”¹⁰¹ The Reexamination Clause does not establish that juries are the exclusive finders of fact.¹⁰² *If* a jury is the finder of fact, *only then* will those facts not be reexamined on appeal.¹⁰³

If a right to a jury trial is not fundamental, then a act of Congress removing the jury option from an adjudicatory forum would receive only a minimum level of scrutiny from a court addressing the act’s constitutionality.¹⁰⁴ Under this level of scrutiny, even if the Court disagrees with the legislation, it will still uphold the law as constitutional, provided Congress had a rational basis for believing the act to meet a legitimate end.¹⁰⁵

B. The Courts Have Limited Juries in Various Areas of Fact and Law that are Too Complex

Courts have been able to whittle away a right to a jury trial because the right to a civil jury trial is not fundamental and because the Reexamination Clause of the Seventh Amendment does not guarantee that juries are the sole fact finders. This section examines specific cases and how federal courts have further limited the civil jury right.

1. Development of a Complexity Exception

Over the last thirty years, the courts have begun to invoke a complexity exception, where a judge may remove a complex issue of law or fact from the jury and

¹⁰¹ U.S. CONST. amend. VII. *But see* Gasperini v. Ctr. for Humanities, Inc., 518 U.S. 415, 432–33 (1996). “In keeping with the historic understanding, the Reexamination Clause does not inhibit the authority of trial judges to grant new trials ‘for any of the reasons for which new trials have heretofore been granted in actions at law in the courts of the United States.’ . . . That authority is large.” *Id.* (quoting the FED. R. CIV. P. 59(a)).

¹⁰² Atlas Roofing Co. v. Occupational Safety & Health Review Comm’n, 430 U.S. 442, 460 (1977) (“The point is that the Seventh Amendment was never intended to establish the jury as the exclusive mechanism for factfinding in civil cases.”); Paul F. Kirgis, *The Right to a Jury Decision on Sentencing After Booker: What the Seventh Amendment Can Teach the Sixth*, 39 GA. L. REV. 895, 926 (2005).

¹⁰³ U.S. CONST. amend. VII.

¹⁰⁴ *See* United States v. Carolene Prods. Co., 304 U.S. 144, 152 (1938) (holding that, under a minimum level of scrutiny, the Court presumes the legislation to be constitutional based on the assumption that the law “rests upon some *rational basis* within the knowledge and experience of the legislators” (emphasis added)).

¹⁰⁵ Williamson v. Lee Optical of Okla., Inc., 348 U.S. 483, 487–88 (1955) (refusing to strike down an Oklahoma law distinguishing between optometrists and ophthalmologists merely because the law, although wasteful and unnecessary, was out-of-step with the Court’s own school of thought). The Court, however, would more strictly scrutinize any law passed that targets a fundamental right or a particular group of people. *Carolene Prods.*, 304 U.S. at 153 n.4 (“There may be narrower scope for operation of the presumption of constitutionality when legislation appears on its face to be within a specific prohibition of the Constitution, such as those of the first ten amendments, which are deemed equally specific when held to be embraced within the Fourteenth.”).

decide the issue herself.¹⁰⁶ This exception has generated much discussion and much controversy over the last thirty years, polarizing constitutional scholars.¹⁰⁷ This section discusses how this area developed and how it is applicable in the patent arena.

a. Katchen v. Landy

In *Katchen v. Landy*,¹⁰⁸ the Supreme Court began to recognize that a right existed in specialized courts to adjudicate jury issues without offending the Seventh Amendment.¹⁰⁹ The issue in *Katchen* was procedural: whether or not a bankruptcy court has jurisdiction to decide an issue of insolvency without a jury.¹¹⁰ Petitioner Katchen relied on *Beacon Theatres, Inc. v. Westover*¹¹¹ and *Dairy Queen, Inc. v. Wood*,¹¹² to preserve his jury right because he raised issues of both law and equity in his claim.¹¹³ The Supreme Court held that bankruptcy proceedings are inherently equitable, and, therefore, the traditional Seventh Amendment right conferring a jury only in legal matters was not violated.¹¹⁴

What is exceptional about *Katchen* is not the equitable character of bankruptcy, but rather how the Court distinguished *Beacon Theatres* and *Dairy Queen*: “In neither *Beacon Theatres*, nor *Dairy Queen* was there involved a *specific statutory scheme* contemplating the prompt trial of a disputed claim without the intervention of a jury.”¹¹⁵ The Court’s distinction, although dicta, illustrates that a specific statutory scheme may abridge a jury right in a civil trial.¹¹⁶ *Katchen* recognizes the uniqueness of bankruptcy courts under the Bankruptcy Act and thus allowed the bankruptcy courts to operate undisturbed by a jury.¹¹⁷

b. Ross v. Bernhard

*Ross v. Bernhard*¹¹⁸ is another case that questions the limitations of juries. In *Ross*, the plaintiffs brought a derivative suit against the directors of their investment

¹⁰⁶ Joseph A. Miron, Jr., Note, *The Constitutionality of a Complexity Exception to the Seventh Amendment*, 73 CHI.-KENT L. REV. 865, 865 (1998).

¹⁰⁷ Compare Morris S. Arnold, *A Historical Inquiry into the Right to Trial by Jury in Complex Civil Litigation*, 128 U. PA. L. REV. 829 (1980), with James S. Campbell & Nicholas Le Poidevin, *Complex Cases: A Reply to Professor Arnold*, 128 U. PA. L. REV. 965 (1980).

¹⁰⁸ 382 U.S. 323 (1966).

¹⁰⁹ *Id.* at 329.

¹¹⁰ *Id.* at 325.

¹¹¹ 359 U.S. 500 (1959).

¹¹² 369 U.S. 469 (1962).

¹¹³ *Katchen*, 382 U.S. at 338; *Beacon Theatres*, 359 U.S. at 510–11 (stating that “only under the most imperative circumstances . . . can the right to a jury trial of legal issues be lost through prior determination of equitable claims”); *Dairy Queen*, 369 U.S. at 472–73.

¹¹⁴ *Katchen*, 382 U.S. at 336–37.

¹¹⁵ *Id.* at 339 (emphasis added).

¹¹⁶ *See id.*

¹¹⁷ *Id.* at 326–27.

¹¹⁸ 396 U.S. 531 (1970).

corporation.¹¹⁹ The Supreme Court held that the derivative nature of the suit was equitable in character, and that the jury right was preserved since both legal and equitable remedies were sought.¹²⁰

The *Ross* Court's method of analysis is exponentially more significant than the particular facts of the case. The *Ross* Court, in dicta, expanded the traditional two-prong historical test – examining the common law according to pre-merger custom and examining the nature of the remedy sought – and added a third prong: “the practical abilities and limitations of juries.”¹²¹ The Court's language concedes that juries are limited in their capacities to adjudicate difficult areas of law and of fact, and that juries' limitations fall into line with 1791 English common law.¹²²

c. In Re Japanese Elec. Prods. Antitrust Litigation

Although the Supreme Court, in *Ross*, toyed with a complexity exception, the United States Court of Appeals for the Third Circuit, in *In re Japanese Electronic Products Antitrust Litigation*,¹²³ was the first court to hold a litigant may make a showing that their case is too complex for a jury.¹²⁴ That case involved complex litigation claims and counterclaims alleging violations of several federal statutes, including the 1916 Antidumping Act, the Sherman Act, the Wilson Tariff Act, the Robinson-Patman Act, the Clayton Act, and the Lanham Act.¹²⁵ The Third Circuit held that taking a complex case out of the jury's hands would not be a violation of the Seventh Amendment.¹²⁶ Guided by the dictum of *Ross*, the court specifically weighed the interests carried by the Due Process Clause of the Fifth Amendment against the Seventh Amendment right to a civil jury, stating that “[t]he loss of the right to jury trial in a suit found too complex for a jury does not implicate the same fundamental concerns [as the potential loss of due process from having a jury adjudicate too complex a case].”¹²⁷ Using the example of maritime and admiralty judicial systems, the Third Circuit also indicated that courts are perfectly capable of reaching fair decisions and that, in those contexts, the Seventh Amendment has never guaranteed a right to a jury trial.¹²⁸ “[T]he Supreme Court has consistently refused to rule that the preservation of civil jury trial is an essential element of ordered liberty required of the states by the *due process clause of the fourteenth amendment*.”¹²⁹ While the complexity exception invoked in *In re Japanese Electronic Products Antitrust*

¹¹⁹ *Id.* at 531.

¹²⁰ *Id.* at 542.

¹²¹ *Id.* at 538 n. 10.

¹²² Patrick Devlin, *Jury Trial of Complex Cases: English Practice at the Time of the Seventh Amendment*, 80 COLUM. L. REV. 43, 107. (1980) (“The practical abilities and limitations of juries would have been a factor very much in the mind of a Chancellor in 1791.”).

¹²³ 631 F.2d 1069 (3d Cir. 1980).

¹²⁴ *Id.* at 1086.

¹²⁵ *Id.* at 1072–73.

¹²⁶ *Id.* at 1084.

¹²⁷ *Id.*

¹²⁸ *Id.* at 1085.

¹²⁹ *Id.*

Litigation is not accepted in every circuit,¹³⁰ a complexity exception represents another step away from the right of jury trials in complex litigation.

2. *Markman and Further Limitations of the Civil Jury*

The landmark Supreme Court case limiting the issues a jury may decide in a patent trial is *Markman v. Westview Instruments, Inc.*¹³¹ Herbert Markman was the owner of a reissue patent entitled, “Inventory Control and Reporting System for Drycleaning Stores.”¹³² The patent essentially described a method to minimize efficiency problems associated with the clothing dry cleaning process by using a complex system of optical scanners and bar codes.¹³³ Markman sued Westview Instruments, a company that sold specialty electronic devices, claiming that the equipment sold infringed Markman’s patent.¹³⁴

At trial, Markman presented testimony to a jury from several expert witnesses (including himself) on the issue of whether Westview’s equipment infringed his patent based on the construction of the allegedly infringed claims.¹³⁵ After Markman finished presenting his case, Westview moved for a directed verdict.¹³⁶ Although a jury found that Westview infringed one of Markman’s independent claims, Westview’s motion was eventually granted on the grounds that the courts and not juries decide claim construction as a matter of law.¹³⁷

Markman appealed to the United States Court of Appeals for the Federal Circuit, which affirmed.¹³⁸ The Federal Circuit offered four justifications for its decision: (1) a patent is a government grant, (2) the public should be afforded fair notice and consistent construction of patent claims, (3) the patentee should be afforded fair notice and final construction of her patent claims, and (4) patent claim construction is analogous to statutory interpretation.¹³⁹ First, claim interpretation as a matter of law allows a court to determine the scope of the governmentally conferred right of a patent.¹⁴⁰ As an interpretation of a governmentally granted right, a claim’s construction should be treated as if it were originally part of the

¹³⁰ See, e.g., *In re U.S. Fin. Sec. Litig.*, 609 F.2d 411, 431–32 (9th Cir. 1979). A real estate corporation’s corporate failure brought on a litany of litigation ranging from criminal proceedings to Securities & Exchange Commission proceedings to bankruptcy proceedings to private civil damage actions. *Id.* at 413 n.1. In spite of the twenty separate suits joined into one single action, the Ninth Circuit explicitly held that there is no express or implied complexity exception to the Seventh Amendment jury trial right. *Id.* at 431–32.

¹³¹ 517 U.S. 370 (1996).

¹³² *Id.* at 374; U.S. Patent No. Re. 33,054 (filed Aug. 28, 1987).

¹³³ *Markman II*, 517 U.S. at 374.

¹³⁴ *Id.* at 374–75.

¹³⁵ *Id.* at 375.

¹³⁶ *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 973 (Fed. Cir. 1995), *aff’d*, 517 U.S. 370 (1996) [hereinafter *Markman I*].

¹³⁷ *Id.*

¹³⁸ *Id.* at 989.

¹³⁹ *Id.* at 978–79, 987. See also Scott A. Lund, Comment, *Patent Infringement and the Role of Judge and Jury in Light of Markman and Hilton Davis*, 21 J. CORP. L. 627, 637–38 (1996).

¹⁴⁰ *Markman I*, 52 F.3d at 978.

specification.¹⁴¹ Second, claim interpretation by courts will provide consistent and fair notice to other parties of the scope of a competitor's patent.¹⁴² Claim interpretation by courts will also promote consistent claim construction in the public's eyes.¹⁴³ Third, having claim interpretation within the realm of the jury would deter a patent owner from determining the "permanent and universal definition of his rights under the patent . . ." ¹⁴⁴ Fourth, claim construction should be treated similarly to statutory interpretation because patents can be more predictably interpreted based on established canons of statutory construction.¹⁴⁵ Because statutory interpretation is strictly a matter of law, it follows that claim construction should also be strictly a matter of law.

The Supreme Court began its review of *Markman* with the two-prong historical test.¹⁴⁶ First, the Court addressed whether a particular issue at trial must fall to the jury in order to "preserve the substance of the common-law right as it existed in 1791."¹⁴⁷ By using this familiar language, the Court's analysis of the first prong was consistent with the traditional analysis.¹⁴⁸ A traditional analysis would continue to the second prong of this historical test to "determine whether [the remedy sought] is legal or equitable in nature."¹⁴⁹ The *Markman* Court, however, altered the second prong, asking "whether a particular issue occurring within a jury trial is itself necessarily a jury issue."¹⁵⁰

Modifying the second prong shifted the Court's analysis. Ordinarily, the Court would have separated legal issues from factual issues and allowed the jury to determine the factual issues.¹⁵¹ In *Markman*, even though claim construction was an issue in a cause of action that claimed a jury trial right, claim construction was viewed within a historical context to determine whether or not it must be heard by a jury in order to preserve the substantive common law right.¹⁵² The Court failed to find analogous claim construction issues, which would guarantee a jury right, in its review of precedent in historical context.¹⁵³ While claim construction is generally a

¹⁴¹ *Id.*

¹⁴² *Id.* at 979.

¹⁴³ *Id.*

¹⁴⁴ *Id.*

¹⁴⁵ *Id.* at 987.

¹⁴⁶ *Markman II*, 517 U.S. 370, 376 (1996).

¹⁴⁷ *Id.*

¹⁴⁸ *Id.* at 377 (stating that "there is no dispute that infringement cases today must be tried to a jury, as their predecessors were more than two centuries ago"); see *Tull v. United States*, 481 U.S. 412, 417 (1987) ("[T]he Court must examine both the nature of the action and of the remedy sought. First, we must compare the statutory action to 18th-century actions brought in the courts of England prior to the merger of the courts of law and equity.").

¹⁴⁹ *Tull*, 481 U.S. at 417–18.

¹⁵⁰ *Markman II*, 517 U.S. at 376.

¹⁵¹ Margaret L. Moses, *What the Jury Must Hear: The Supreme Court's Evolving Seventh Amendment Jurisprudence*, 68 GEO. WASH. L. REV. 183, 227 (2000). Justice Souter referred to the act of "construing a term of art following a receipt of evidence" as a "mongrel practice." *Markman II*, 517 U.S. at 378. By "mongrel," Souter likely means "mixed," referring to mixed areas of law and fact, with the issues of law determined by the Court and those of fact determined by a jury. Moses, *supra*, at 227.

¹⁵² *Markman II*, 517 U.S. at 377–80.

¹⁵³ *Id.* at 379–80 (finding that "the mere smattering of patent cases the [the Court has] from [the 18th-century] shows no established jury practice sufficient to support an argument by analogy

matter of law,¹⁵⁴ factual disputes about the meaning of each claim have generally been reserved for a jury.¹⁵⁵ *Markman* demonstrates a further limitation of the importance of juries in patent trials.

C. District Court Judges Are Having Similar Difficulties

Eliminating juries from patent trials would leave judges deciding all issues of fact and law. *Markman* made claim construction an issue of law for a judge instead of an issue of fact for a jury.¹⁵⁶ However, increasing judicial reversal rates on the issue of claim construction since *Markman* indicate that federal district judges may be as ill-equipped to handle complicated patent issues as juries.¹⁵⁷ From April 23, 1996, the day the Supreme Court decided *Markman*, through 2003, the Federal Circuit held that the lower court wrongly construed at least one term in 37.5% of the cases, causing the Federal Circuit to vacate or reverse the lower court's judgment 29.7% of the time.¹⁵⁸ As an immediate effect of *Markman*, the Federal Circuit – by its own statistics – reversed almost 40% of all claim constructions in 1997.¹⁵⁹

Judge Rader of the Federal Circuit has voiced little confidence in district judges' abilities to interpret claims correctly; he seems to question whether judges are any better at construing claims than juries.¹⁶⁰ Judge Rader pointed out that, like juries, judges have the same learning curve and the same reliance on experts when attempting to understand new technologies.¹⁶¹ Notably, the Federal Circuit, which is ordinarily the only court to review claim constructions, has a significantly higher reversal rate than other circuit courts of appeals.¹⁶² While post-*Markman* reversal

that today's construction of a claim should be a guaranteed jury issue"). The Supreme Court's *Markman II* decision is not novel in indicating that the fact finding role of the jury is limited. See *Atlas Roofing Co. v. Occupational Safety & Health Review Comm'n*, 430 U.S. 442, 460 (1977). In *Atlas Roofing*, employers petitioned for review of fines accrued for violating the Occupational Safety and Health Act. *Id.* at 447. The Court held that Congress could assign an administrative agency adjudication without a jury trial and not violate the Seventh Amendment. *Id.* at 455. Justice White said, "[t]he point is that the Seventh Amendment was never intended to establish the jury as the exclusive mechanism for factfinding in civil cases." *Id.* at 460.

¹⁵⁴ See *Markman I*, 52 F.3d 967, 978 (Fed. Cir. 1995).

¹⁵⁵ See *Moses*, *supra* note 151, at 218. This is certainly true in other areas of substantive law, such as contract law. See Restatement (Second) of Contracts § 212(2) (1981) ("A question of interpretation of an integrated agreement is to be determined by the trier of fact if it depends on the credibility of extrinsic evidence or on a choice among reasonable inferences to be drawn from extrinsic evidence.")

¹⁵⁶ *Markman II*, 517 U.S. at 390; *Markman I*, 52 F.3d at 978.

¹⁵⁷ Kimberly A. Moore, *Markman Eight Years Later: Is Claim Construction More Predictable?*, 9 LEWIS & CLARK L. REV. 231, 239 (2005).

¹⁵⁸ *Id.*

¹⁵⁹ *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1476 (Fed. Cir. 1998) (Rader, J., dissenting).

¹⁶⁰ *Id.* at 1474–76. "What is the distinction between a trial judge's understanding of the claims and a trial judge's interpretation of the claims to the jury? Don't judges instruct the jury in accordance with their understanding of the claims? In practice, how does this court's lofty appellate logic work?" *Id.* 1474.

¹⁶¹ *Id.* at 1475.

¹⁶² See Cheryl Lee Johnson, *The False Promise and Promises of Markman's Decision to Task Judges with Claim Construction and the Judicial Scorecard*, in HOW TO PREPARE & CONDUCT

rates in the area of claim construction eclipse 50% in the Federal Circuit, reversal rates of non-patent legal issues in other courts of appeals are less than 20%.¹⁶³

III. PROPOSAL

Because there is such uncertainty in the outcome of patent cases,¹⁶⁴ it is time to remove both lay juries and judges without a patent background from the patent arena. This section proposes an establishment of an Article I tribunal to decide issues of law, specifically claim construction.

“The Congress shall have Power . . . To constitute Tribunals inferior to the supreme Court” under the U.S. Constitution.¹⁶⁵ It is important to note that the Constitution uses the language “tribunal” instead of “courts” as it does in Article III,¹⁶⁶ implying a distinction between the two bodies.¹⁶⁷ This distinction has long been held extend Congress’s powers by conferring jurisdiction to Congress to create a court outside the realm of the judiciary.¹⁶⁸ Therefore, it follows that Congress may create a tribunal that exercises its powers under the Patent and Copyright Clause,¹⁶⁹ and that Article III juries have a different “constitutional position” than administrative agencies.¹⁷⁰ While Congress may constitutionally create an administrative tribunal, Congress may not statutorily strip parties of their Seventh Amendment rights to a jury trial.¹⁷¹

MARKMAN HEARINGS 2005, at 9, 64 (PLI Patents, Copyrights, Trademarks, & Literary Prop., Course Handbook Series No.837, 2005), available at WL, 837 PLI/Pat 9.

¹⁶³ *Id.*

¹⁶⁴ *Cybor Corp.*, 138 F.3d at 1476 (Rader, J., dissenting) (stating that post-*Markman*, “the trial court’s early claim interpretation provides no early certainty at all, but only opens the bidding”).

¹⁶⁵ U.S. CONST. art. I, § 8, cl. 9.

¹⁶⁶ *Compare id.* (“The Congress shall have Power . . . To constitute *Tribunals* inferior to the supreme Court” (emphasis added)), *with id.* art. III, § 1 (“The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior *Courts* as the Congress may from time to time ordain and establish.” (emphasis added)).

¹⁶⁷ *Ex parte Bakelite Corp.*, 279 U.S. 438, 449 (1929).

[I]t long has been settled that Article III does not express the full authority of Congress to create courts, and that other Articles invest Congress with powers in the exertion of which it may create inferior courts and clothe them with functions deemed essential or helpful in carrying those powers into execution.

Id.

¹⁶⁸ *See* *Glidden Co. v. Zdanok*, 370 U.S. 530, 531–32 (1962); *Ex parte Bakelite*, 279 U.S. at 449; *Am. Ins. Co. v. 356 Bales of Cotton*, 26 U.S. 511, 546 (1828).

¹⁶⁹ U.S. Const., art. I, § 8, cl. 8 (“The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”).

¹⁷⁰ Ellen E. Sward, *Legislative Courts, Article III, and the Seventh Amendment*, 77 N.C. L. REV. 1037, 1067 n.151 (1999). Administrative agencies are a discretionary creation of Congress, while juries, in some circumstances, are constitutionally required. *Id.*

¹⁷¹ *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 51–52 (1989).

“On the common law side of the federal courts, the aid of juries is not only deemed appropriate but is required by the Constitution itself” . . . Congress may devise novel causes of action involving public rights free from the strictures of the Seventh Amendment if it assigns their adjudication to tribunals without statutory authority to employ juries as factfinders. But it lacks the power to strip parties contesting matters of private right of their constitutional right to a trial by jury.

Within the realm of patents, one example of such a legislative tribunal is the Board of Patent Appeals and Interferences (“BPAI”) – an administrative body run out of the USPTO.¹⁷² The primary role of BPAI is to hear appeals on whether or not an application should be approved and an invention should be patented.¹⁷³ If the applicant is still dissatisfied, she may appeal to the United States Court of Appeals for the Federal Circuit.¹⁷⁴

Because Congress has established the BPAI as a legislative tribunal deciding issues of patentability, Congress can create a new body to hear other issues after the patent has been granted. Indeed, the BPAI itself hears some post-grant patent proceedings.¹⁷⁵ This comment proposes that Congress create a new administrative tribunal (“Patent Tribunal”) to hear those post-grant issues that are a matter of law – namely claim construction. Furthermore, this Patent Tribunal could adjudicate issues of fact in certain circumstances.¹⁷⁶ Administrative patent judges on the Patent Tribunal would preside over all *Markman* hearings and adjudicate any other potential legal issues that a jury ordinarily would not decide. In fact, the role of these judges would be comparable to that of a federal hearing examiner.¹⁷⁷ The operation of the Patent Tribunal generally would be subject to procedural administrative law.¹⁷⁸ The effect of this Patent Tribunal would be to improve judicial

As we recognized in *Atlas Roofing*, to hold otherwise would be to permit Congress to eviscerate the Seventh Amendment's guarantee by assigning to administrative agencies or courts of equity all causes of action not grounded in state law, whether they originate in a newly fashioned regulatory scheme or possess a long line of common-law forbears. . . . The Constitution nowhere grants Congress such puissant authority. “[L]egal claims are not magically converted into equitable issues by their presentation to a court of equity,” . . . nor can Congress conjure away the Seventh Amendment by mandating that traditional legal claims be brought there or taken to an administrative tribunal.

Id. (citations omitted).

¹⁷² 35 U.S.C. § 134 (2006). When a patent application goes through the USPTO, an examiner decides whether or not the invention is entitled to a patent. *Id.* § 131. If the patent is rejected, the applicant can file for reexamination. *Id.* § 132(a). If the application is rejected a second time, the applicant may appeal the second rejection to the BPAI. *Id.* § 134(a).

¹⁷³ *See id.* § 134.

¹⁷⁴ *Id.* § 141.

¹⁷⁵ *See id.* § 134(b) (appeal of rejection during *ex parte* reexamination of an issued patent); *id.* § 134(c) (appeal of rejection during *inter partes* reexamination of an issued patent).

¹⁷⁶ For instance, if the case involved only equitable issues, the Patent Tribunal might be able to adjudicate all issues in the case without offending the Seventh Amendment. *See Tegal Corp. v. Tokyo Electron Am., Inc.*, 257 F.3d 1331, 1341 (Fed. Cir. 2001). Furthermore, the parties could waive their Seventh Amendment rights, thus allowing the Patent Tribunal to try the *entire* case.

¹⁷⁷ *See, e.g., Butz v. Economou*, 438 U.S. 478, 514 (1978) (holding that federal hearing examiners are performing adjudicatory functions within a federal agency and are therefore entitled to absolute immunity for damages caused by their judicial acts). “There can be little doubt that the role of the modern federal hearing examiner or administrative law judge . . . is ‘functionally comparable’ to that of a judge. His powers are often, if not generally, comparable to those of a trial judge.” *Id.* at 513.

¹⁷⁸ *See, e.g., 5 U.S.C. § 553* (2006) (regulating rule making in an administrative agency); *Id.* § 554 (regulating subject matter adjudicated); *Id.* § 556 (regulating powers and duties, burden of proof, evidence and the record as a basis of decision in administrative hearings); *Id.* § 557 (regulating initial decisions, conclusiveness, review by an agency, submission by parties and contents of decisions made by administrative judges); *Id.* § 3105 (providing for administrative law judges to be assigned to Article I cases and proceedings).

economy by removing *Markman* hearings from Article III federal district courts and by decreasing reversal rates on claim construction because judges with patent backgrounds would be construing these claims. This proposal is hardly a radical concept given that Congress has attempted to create an administrative board to handle some post grant proceedings in its most recent patent reform legislation.¹⁷⁹

A balancing test is used to determine whether adjudication in the Article I Patent Tribunal impermissibly threatens the integrity of Article III courts.¹⁸⁰ While no factor is dispositive, a court will examine (1) “the extent to which the ‘essential attributes of judicial power’ are reserved to Article III courts,” (2) “the extent to which the non-Article III forum exercises the range of jurisdiction and powers normally vested only in Article III courts,” (3) “the origins and importance of the right adjudicated, and” (4) “the concerns that drove Congress to depart from the requirements of Article III.”¹⁸¹

This balancing test weighs in favor of adjudicating post-grant legal disputes in the proposed Article I Patent Tribunal. With respect to the first two factors, because patents are enumerated within Congress’s Article I powers, its encroachment into Article III powers of adjudication are minimal.¹⁸² While a right to a civil jury trial is important in general, the right has been eradicated in the context of claim construction through *Markman*.¹⁸³ Finally, Congress can justify creating a patent tribunal by referencing jury bias, federal district judicial reversal rates and general judicial inefficiency as a rational basis for removal.

CONCLUSION

The Framers of the United States Constitution never intended the Seventh Amendment to create rigid, absolute rights. In fact, that the rights has never explicitly been incorporated to apply to the states via the Due Process Clause of the Fourteenth Amendment implies that the right to a jury trial in a civil matter is certainly not a fundamental right. Moreover, the *Markman* decisions, as well as others, have eroded the universe of issues that juries can decide.

The merger of law and equity combined with the creation of the United States Court of Appeals for the Federal Circuit has increased the presence of juries in patent trials. Unfortunately, jury bias and the complicated issues of law and technology involved in patent suits have brought into question a jury’s capability to fairly and accurately decide issues. At least one judge on the Federal Circuit has

¹⁷⁹ Patent Reform Act of 2007, H.R. 1908, 110th Cong. § 7 (2007) (proposing a Patent Trial and Appeal Board and giving the Board the power to “conduct post-grant opposition proceedings”).

¹⁸⁰ *Commodity Futures Trading Comm’n v. Schor*, 478 U.S. 833, 851 (1986) (stating that the Court will not “adopt formalistic and unbending rules” when determining when a non-Article III tribunal “impermissibly threatens the institutional integrity of the Judicial Branch”).

¹⁸¹ *Id.*

¹⁸² *Markman I*, 52 F.3d 967, 978 (1995) (“When a court construes the claims of the patent, it ‘is as if the construction fixed by the court had been incorporated in the specification,’ . . . and in this way the court is defining the federal legal rights created by the patent document.” (quoting GEORGE TICKNOR CURTIS, *A TREATISE ON THE LAW OF PATENTS FOR USEFUL INVENTIONS* § 452 (4th ed. 1873))).

¹⁸³ *Markman II*, 517 U.S. 370, 378 (1996).

even questioned District Court judges' abilities to understand complex technology and law, particularly in the area of claim construction.¹⁸⁴

Congress may create an Article I Patent Tribunal as long as that tribunal does not strip a party of his jury right – one that Supreme Court jurisprudence has diminished over time. By creating a Patent Tribunal, composed of judges experienced in patent law, Congress may mitigate the current issues today's juries and judges cause in patent trials without offending the Seventh Amendment.

¹⁸⁴ See *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1474–76 (Fed. Cir. 1998) (Rader, J., dissenting).