


**THE RELATIONSHIP BETWEEN  
THE UNITED STATES COURT OF  
APPEALS FOR THE FEDERAL  
CIRCUIT  
AND THE UNITED STATES  
SUPREME COURT**



# Introduction

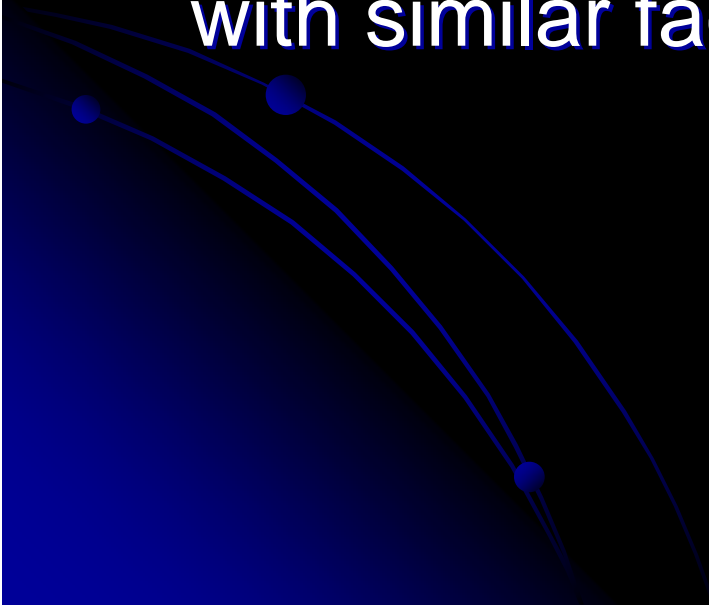
- Appellate structure of US judiciary relating to patent matters, generally
    - Prior to 1982: regional circuit courts of appeal
    - 1982: all appeals from patent cases consolidated into the United States Court of Appeals for the Federal Circuit
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# Introduction

- There has been a long history of complaints about decisions of the United States Court of Appeals for the Federal Circuit in patent cases
  - Individual case decisions have been criticized as poorly reasoned and inappropriate
  - More broadly, the court has been criticized for its jurisprudential behavior generally

# Introduction

- Tendency toward rapid movements in the law
- Inconsistent respect for precedent
- Lack of uniformity in decisions that deal with similar fact patterns

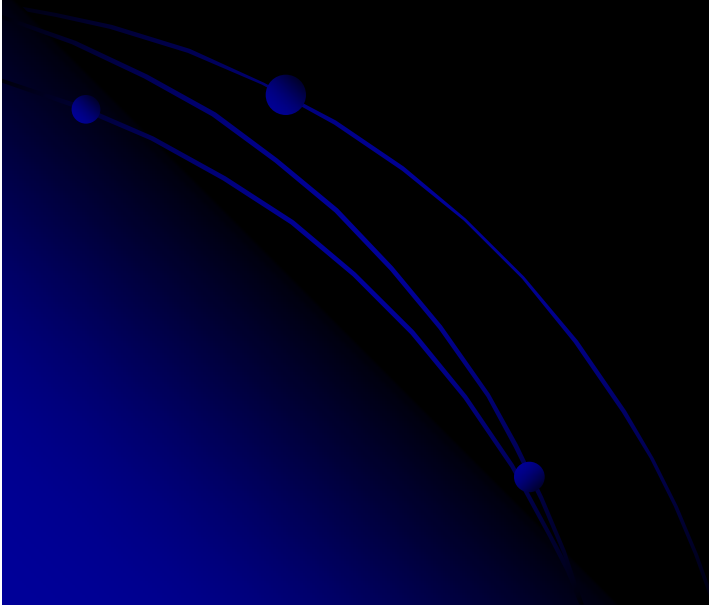


# Introduction

- Recently (since the mid 1990's) the US Supreme Court has shown an increasing tendency to review patent decisions of the Federal Circuit
  - Increased raw number of certiorari petitions granted in patent cases, per term
  - Decreased activity of US Supreme Court of the same period, generally
  - Overall, rate of review increased by factor of about 4x

# Recent US Supreme Court Decisions

- 2004-2005 term
  - Merck KGaA v. Integra Lifesciences I, Ltd.,  
545 U.S. 193 (June 13, 2005)



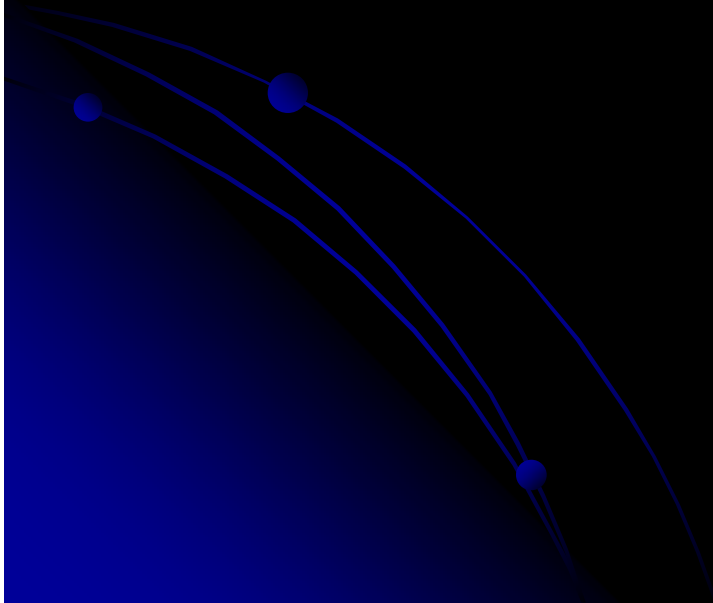
# Recent US Supreme Court Decisions

- 2005-2006 term
  - eBay Inc. v. MercExchange, L.L.C., 126 S.Ct. 1837 (May 15, 2006)
  - Illinois Tool Works Inc. v. Independent Ink, Inc., 547 U.S. 28 (March 01, 2006)
  - Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc., 126 S.Ct. 2921 (Mem) (June 22, 2006) (dismissing cert.)

# Recent US Supreme Court Decisions

- 2006-2007 term
  - MedImmune, Inc. v. Genentech, Inc., 127 S.Ct. 764 (January 09, 2007)
  - Microsoft Corp. v. AT & T Corp., --- S.Ct. ----, 2007 WL 1237838 (April 30, 2007)
  - KSR Intern. Co. v. Teleflex Inc., --- S.Ct. ----, 2007 WL 1237837 (April 30, 2007)

# Common Properties or Trends



# The Supreme Court is More Hostile to Patent Owners Than is the Federal Circuit.

- Merck KGaA v. Integra Lifesciences I, Ltd.
  - Safe harbor against infringement for uses related to regulatory submission
  - Supreme Court adopts more expansive view of exception to infringement

# The Supreme Court is More Hostile to Patent Owners Than is the Federal Circuit.

- eBay Inc. v. MercExchange, L.L.C.
  - Standard for award of permanent injunction to successful patent owner
  - Supreme Court imposes more difficult standard
  - Concurring opinions suggest targeted use against non-producing, speculative owners

# The Supreme Court is More Hostile to Patent Owners Than is the Federal Circuit.

- Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.
  - Medical diagnostic procedure, differing from art only in information conveyed to diagnostician
    - “mental steps” doctrine
  - Cert. dismissed without decision on merits
  - Four Justices would have sharply narrowed definition of patentable subject matter, especially with regard to business methods and non-traditional matters

# The Supreme Court is More Hostile to Patent Owners Than is the Federal Circuit.

- MedImmune, Inc. v. Genentech, Inc.
  - Addresses when dispute is sufficiently immediate to support declaratory judgment jurisdiction
  - Supreme Court adopts more lenient standard

# The Supreme Court is More Hostile to Patent Owners Than is the Federal Circuit.

- Microsoft Corp. v. AT & T Corp.
  - Whether export of master disk, containing single software copy, is “supply” of “component” for all copies made outside the US
  - Supreme Court adopts narrower view of patent owner’s power to control export

# The Supreme Court is More Hostile to Patent Owners Than is the Federal Circuit.

- KSR Intern. Co. v. Teleflex Inc.
  - Obviousness or inventive step
  - Addresses showing required to establish adequate basis for modifying prior art into the claimed invention
  - Supreme Court adopts lower required showing

# The Supreme Court is More Hostile to Patent Owners Than is the Federal Circuit.

- Compare US Supreme Court cases on claim interpretation
  - Warner-Jenkinson Co., Inc. v. Hilton Davis Chemical Co., 520 U.S. 17 (March 03, 1997)
  - Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd., 535 U.S. 722 (May 28, 2002)

# The Supreme Court Favors Standards Over Rules

- Merck KGaA v. Integra Lifesciences I, Ltd.,
  - More expansive, standard-based definition of infringement exception
- eBay Inc. v. MercExchange, L.L.C.
  - Replacing rigid, pro-patent owner rule with four-factor test

# The Supreme Court Favors Standards Over Rules

- **MedImmune, Inc. v. Genentech, Inc.,**
  - Discarding “apprehension of suit” test in favor of traditional, flexible definition of case or controversy
- **KSR Intern. Co. v. Teleflex Inc.,**
  - Discarding rule requiring express statement of prior-art teaching, in favor of allowing consideration of information disclosed implicitly

# The Supreme Court Favors Standards Over Rules

- Illinois Tool Works Inc. v. Independent Ink, Inc.
  - Antitrust action based on improper use of patent right
  - Addresses showing required to establish that patent owner possessed market power
  - Supreme Court strikes down “*per se*” rule in favor of case-by-case showing

# The Supreme Court Favors Standards Over Rules

- Warner-Jenkinson Co., Inc. v. Hilton Davis Chemical Co., 520 U.S. 17 (March 03, 1997)
  - Supreme Court imposes more flexible treatment of language interpretation, in Doctrine of Equivalents
- Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd., 535 U.S. 722 (May 28, 2002).
  - Same, as to Prosecution History Estoppel

# The Supreme Court Favors Standards Over Rules

- Pfaff v. Wells Electronics, Inc., 525 U.S. 55 (November 10, 1998).
  - Striking down rigid rule regarding onset of on-sale novelty bar in favor of more flexible standard of “ready for patenting”

# Consistency Between Patent Practice and Other Areas of the Law

- MedImmune, Inc. v. Genentech, Inc.,
  - Imposing consistent definition of case or controversy
- eBay Inc. v. MercExchange, L.L.C.
  - Imposing traditional test for entitlement to injunctive relief

# Consistency Between Patent Practice and Other Areas of the Law

- Florida Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank, 527 U.S. 627 (June 23, 1999).
  - Insisting that state sovereign immunity extend to matters of patent infringement

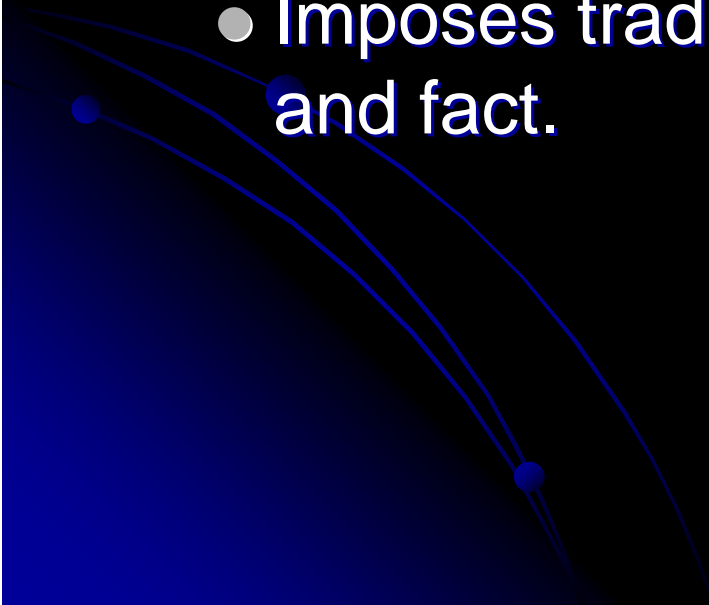
# Consistency Between Patent Practice and Other Areas of the Law

- Dickinson v. Zurko, 527 U.S. 150 (June 10, 1999).
  - Standard of review for factual determinations of USPTO
  - Strikes down attempt to adopt *sui generis* appellate review, in favor of general standard applied to all agencies


# Consistency Between Patent Practice and Other Areas of the Law

- Holmes Group, Inc. v. Vornado Air Circulation Systems, Inc., 535 U.S. 826 (June 03, 2002).
  - Addresses standard for determining jurisdiction of Federal Circuit vs. other courts of appeal
  - Imposes consistent definition of “arising under” jurisdiction on patent provision

# Consistency Between Patent Practice and Other Areas of the Law

- Markman v. Westview Instruments, Inc., 517 U.S. 370 (April 23, 1996).
    - Addresses nature of claim construction issue
    - Imposes traditional distinction between law and fact.
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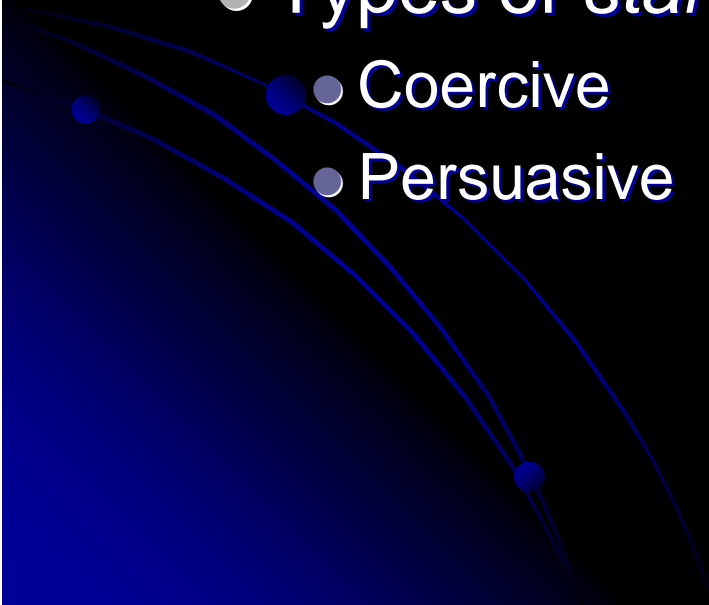
# Federal Circuit Jurisprudence Generally

- Potential Effect of Prior Work Experience of the Judges
    - Viewed as a group, the prior work experiences of the judges of the Federal Circuit is peculiarly unique.
      - Prior judicial experience at the trial level
      - Prior experience in the legislative branch
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# Federal Circuit Jurisprudence Generally

- Is this reflected in the court's style of decision making?
  - Comprehensive rule system announced in early, single cases
  - Tendency to tolerate large incremental changes in substantive law
  - General lack of emphasis on statement of reasoning and analysis

# Federal Circuit Jurisprudence Generally

- The concentration of subject matter jurisdiction into the Federal Circuit has affected the quality of the court's adjudications negatively.
    - Types of *stare decisis*
      - Coercive
      - Persuasive
- 

# Federal Circuit Jurisprudence Generally

- The concentration of subject matter jurisdiction into the Federal Circuit has affected the quality of the court's adjudications negatively.
  - Relative importance of coercive vs. persuasive *stare decisis*:
    - In U.S. Federal appellate courts generally
    - In the Federal Circuit