

Essay

Patent Reexamination and the Seventh Amendment

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Introduction

Because patents are increasingly valuable and the number of patents issued increases every year,¹ oversight by the U.S. Patent and Trademark Office (“PTO”) and the judiciary must be streamlined to ensure the patent holders’ rights are protected. After a patent has been issued by the PTO, there are two ways in which the patent’s validity may be subsequently challenged. Patent reexamination is one way and consists of a statutory procedure by which patents issued by the PTO are reexamined for validity.² In addition, defendants in patent infringement suits can challenge the validity of a patent by raising patent invalidity as an affirmative defense. Because the reexamination statutes allow any party to challenge patent validity, defendants to infringement actions often collaterally attack validity by raising that issue with the PTO. Consequently, patents are often reexamined by the PTO when the patent holder is already involved in contentious litigation.³ The end result is that patent reexamination proceedings

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¹ Gideon Parchomovsky & R. Polk Wagner, *Patent Portfolios*, 154 U. PA. L. REV. 1, 17–18 (2005).

² See 35 U.S.C. §§ 301–307 (2006) (describing the procedures for a patent reexamination).

³ Michael A. Molano & Margaret G. Ziegler, *Who Has the Final Word on Patent Validity, the PTO or the District Court?: Collateral Estoppel and Patent Reexamination*, in *PARALLEL PAT-*

and patent infringement litigation have the potential of taking place concurrently and resulting in different outcomes.

The Federal Circuit, the governing court on issues of patent law, has yet to develop a clear policy on how patent reexamination and litigation should coexist. As a result, a few recent cases have been resolved by reversing jury verdicts based on PTO reexamination decisions. This application of patent reexamination decisions by the Federal Circuit is thus unconstitutional because the procedure violates litigants' Seventh Amendment right to a jury trial.⁴ Further, as patent litigation and reexamination proceedings increase, the need for a clear, constitutional policy persists.

This Essay proceeds in five parts. The first and second discuss the interplay between judicial review and patent reexamination. The third part moves to a discussion of the history and implications of the Seventh Amendment. The fourth part is a discussion of relevant evidentiary standards and standards of review. Finally, this Essay concludes by discussing the conflict between the Seventh Amendment and patent reexamination, explaining how the procedures of the PTO and the Federal Circuit infringe litigants' rights to a jury trial.

I. Patent Litigation and Reexamination

A. The Roles of District Courts and the Federal Circuit in Patent Reexamination

The PTO, an administrative agency, initially determines whether a patent applicant has satisfied the patentability requirements.⁵ Inventors work through an extensive process so that the PTO can determine whether or not a patent application satisfies patentability requirements.⁶ A PTO decision whether to grant a patent is reviewable by the court when: (1) the PTO refuses to grant a patent and the administrative decision is appealed to the Federal Circuit;⁷ or (2) a

ENT LITIGATION AND REEXAMINATION PROCEEDINGS 2007: KEEPING YOUR CASE ON TRACK 185, 193 (Prac. Law. Inst. ed., 2007).

⁴ See Mark D. Janis, *Rethinking Reexamination: Toward a Viable Administrative Revocation System for U.S. Patent Law*, 11 HARV. J.L. & TECH. 1, 4 (1997) (predicting numerous Seventh Amendment challenges to the patent reexamination scheme); see also *Petition for a Writ of Certiorari at 9–19, Translogic Tech., Inc. v. Hitachi, Ltd.*, No. 8-259 (U.S. Aug. 26, 2008), 2008 WL 3991643 (raising the Seventh Amendment argument).

⁵ See U.S. Patent & Trademark Office, Introduction, <http://www.uspto.gov/web/menu/intro.html> (last visited Mar. 18, 2009).

⁶ See 35 U.S.C. §§ 111–122 (2006) (describing the patent application process).

⁷ *Id.* § 141.

litigant in a patent infringement suit raises invalidity as a defense in court or in a declaratory judgment action.⁸

When invalidity is raised as a defense to infringement, the factfinder is often a jury in the district court.⁹ The Federal Circuit, with support from the Supreme Court, has consistently held that patent validity is an issue to be tried to a jury because it is a mixed question of law and fact.¹⁰ A litigant who challenges patent validity is required to prove to the jury by clear and convincing evidence that a patent is invalid.¹¹ A finding of invalidity by the district court typically has nonmutual collateral estoppel effect and can be raised by any subsequent defendant against whom a patent infringement claim is raised pertaining to the same patent.¹² Essentially, a finding of *invalidity* by a district court (once affirmed on appeal or after all appeals are exhausted) renders the patent invalid for all future proceedings, but a finding of *validity* by the district court has little effect on future proceedings and is the impetus for much of this discussion.¹³

B. The Role of the PTO in Patent Reexamination

Any person may petition the PTO for a reexamination of a patent, provided the petitioner provides evidence of prior art in existing

⁸ *Id.* § 282.

⁹ See *In re Lockwood*, 50 F.3d 966, 980 (Fed. Cir. 1995) (recognizing a patentee's right to a jury trial under the Seventh Amendment in both patent infringement lawsuits and declaratory judgment actions regarding a patent's validity), *vacated mem.*, *Am. Airlines, Inc. v. Lockwood*, 515 U.S. 1182, 1182 (1995). Even though *In re Lockwood* was vacated, the Federal Circuit continues to rely on the opinion's reasoning. See, e.g., *In re Tech. Licensing Corp.*, 423 F.3d 1286, 1288 n.1 (Fed. Cir. 1995) ("Although the Supreme Court vacated the order of this court in *Lockwood* when, after the Court granted certiorari, *Lockwood* withdrew his request for a jury trial, we have continued to rely on the relevant and detailed analysis in *Lockwood*, which contains this court's most extensive discussion of the historical and legal framework for analyzing the jury trial right in connection with actions involving claims of patent infringement and invalidity. Accordingly . . . the court's analysis in *Lockwood* has been neither supplanted nor questioned and we find its reasoning pertinent." (citation and quotations omitted)).

¹⁰ See, e.g., *Paltex Corp. v. Mossinghoff*, 758 F.2d 594, 603 (Fed. Cir. 1985); see also *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 377 (1996) ("Equally familiar is the descent of today's patent infringement action from the infringement actions tried at law in the 18th century, and there is no dispute that infringement cases today must be tried to a jury, as their predecessors were more than two centuries ago.").

¹¹ *Tech. Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1326 (Fed. Cir. 2008) ("When an alleged infringer attacks the validity of an issued patent, our well-established law places the burden of persuasion on the attacker to prove invalidity by clear and convincing evidence."); *Am. Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1360 (Fed. Cir. 1984).

¹² *Blonder-Tongue Labs., Inc. v. Univ. of Ill. Found.*, 402 U.S. 313, 349–50 (1971).

¹³ See *id.*

patents or publications¹⁴ and raises a “substantial new question of patentability.”¹⁵ During reexamination, the PTO takes another look at the patent and the prior art to determine if the patent claims were properly granted.¹⁶ Once the PTO determines that a substantial new question of patentability exists, the patent holder is notified of the reexamination¹⁷ and the proceedings begin.¹⁸ The PTO reviews the prior art and the patent claims without any deference to its original decision to grant a patent.¹⁹ The patent owner may amend or add claims to ensure that the patent is properly distinguished from the prior art, or the owner may cancel claims determined to be unpatentable.²⁰

Once a reexamination is completed, the patent owner can appeal a decision by the PTO to cancel or amend any claims by filing an appeal with the Board of Patent Appeals and Interferences and then, if necessary, with the Court of Appeals for the Federal Circuit.²¹ Once all appeals or the time for appeal have been exhausted, the PTO will issue a certificate canceling any unpatentable claims.²²

C. Court Decisions and Patent Reexamination Interplay

Under current law, reexamination can proceed if litigation is underway or pending, and litigation can proceed if reexamination is underway or pending. Oftentimes judges will stay district court proceedings pending a decision in a reexamination;²³ they are not, however, required to do so.²⁴ On the other hand, the PTO cannot stay a reexamination proceeding while litigation in the district court is proceeding because 35 U.S.C. § 305 requires that all reexaminations proceed with special dispatch.²⁵ The result is that a situation may occur

¹⁴ 35 U.S.C. §§ 301–302 (2006).

¹⁵ *Id.* § 303.

¹⁶ *See id.* §§ 304–305.

¹⁷ *Id.* § 304.

¹⁸ *Id.* § 305.

¹⁹ *See id.* (“[R]eexamination will be conducted according to the procedures established for initial examination . . .”).

²⁰ *Id.*

²¹ *See id.* § 306 (establishing the same appeals process for reexaminations as that used for initial patent applications).

²² *Id.* § 307.

²³ *See, e.g.,* *Medichem, S.A. v. Rolabo, S.L.*, 353 F.3d 928, 936 (Fed. Cir. 2003) (“We point out that, on remand, a stay of proceedings in the district court pending the outcome of the parallel proceedings in the PTO remains an option within the district court’s discretion.”).

²⁴ *See id.*

²⁵ *See* *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1426 (Fed. Cir. 1988) (holding that the PTO may not stay reexamination proceedings).

where a court decides that a patent is valid before or at substantially the same time that the PTO decides through reexamination that the patent is invalid.²⁶

When this situation arises, which decision controls? If the Federal Circuit affirms the PTO decision at the cost of the jury verdict, then the decision of an administrative agency is overriding a jury verdict. On the other hand, if the Federal Circuit upholds a jury verdict finding a patent valid after the PTO has declared that same patent invalid, can the patent be enforced against the alleged infringer? Because the Federal Circuit has exclusive appellate jurisdiction over patent matters, the Federal Circuit must determine how to apply conflicting reexamination and district court decisions. Unfortunately, the Federal Circuit's decisions in this area thus far have been confusing and ignore the requirement of a Seventh Amendment right to a jury trial.

II. *The Federal Circuit's Reexamination and Litigation Decisions*

Because the Federal Circuit is in the unique position of hearing all patent infringement appeals, the court needs to establish a uniform policy on this issue. The court's attempts in the past to reconcile patent reexamination proceedings with concurrent patent infringement litigation are difficult to decipher. For example, in 1998 the Federal Circuit addressed whether a district court is required to stay proceedings after the PTO finds a claim invalid, but before all of the appeals pertaining to the reexamination procedure have been exhausted.²⁷ The court decided, in an unpublished decision, that a stay was not required because, pursuant to 35 U.S.C. §§ 301–307, the patent claim at issue had not been officially cancelled.²⁸ The PTO had decided that the patent claims were invalid; the PTO, however, had not yet issued a certificate of cancellation when the motion to stay the litigation was filed, meaning the patent claim was not yet deemed invalid by the PTO and the district court's decision to continue with the litigation was proper.²⁹ The implication of this decision is that a district court action cannot be halted when a concurrent patent reexamination pro-

²⁶ See, e.g., *Translogic Tech., Inc. v. Hitachi, Ltd.*, 250 F. App'x 988, 988 (Fed. Cir. 2007) (unpublished decision) (vacating a decision by the United States District Court for the District of Oregon finding a patent valid approximately two months before the PTO's Board of Patent Appeals found the patent invalid on reexamination), *cert. denied*, 129 S. Ct. 628 (2008).

²⁷ *In re Bingo Card Minder Corp.*, No. 534, 1998 WL 130514, at *1 (Fed. Cir. Feb. 25, 1998) (unpublished decision).

²⁸ *Id.* at *1–2.

²⁹ *Id.* at *2.

cedure is still proceeding.³⁰ It follows that if a final judicial decision is issued before a final reexamination decision, then the reexamination decision cannot force the court to reopen a final judgment.

Recently in 2007, however, the Federal Circuit was confronted with similar circumstances and again issued an unpublished decision to decide the case. In *Translogic Technology, Inc. v. Hitachi, Ltd.*,³¹ the defendant in a patent litigation suit appealed a district court jury verdict finding a patent valid.³² In addition to the appeal of the jury verdict, a reexamination decision involving the same patent was appealed to the Federal Circuit, so that appeal of the jury verdict and appeal of the reexamination decision were pending before the Federal Circuit at the same time.³³ The Federal Circuit decided to uphold the PTO's decision to invalidate the patent.³⁴ As a result, the Federal Circuit issued an unpublished decision vacating the jury verdict "in light of" the Federal Circuit's earlier decision in the reexamination appeal.³⁵ The court offered no further reasoning on the issue of whether a jury verdict could be vacated based on a nonfinal decision by the PTO,³⁶ with the implication being that a jury verdict can be reversed based on a review of an administrative agency decision even though the agency's decision is not yet final.

The Federal Circuit has addressed patent reexamination and litigation in a number of other cases that add to the confusion. For example, in the recent Blackberry litigation, the Federal Circuit did not stay an appeal in a patent infringement suit despite a pending reexamination decision by the PTO.³⁷ In that case, the jury found the patent valid and infringed,³⁸ and the defendant subsequently filed for reexamination of the claims at issue.³⁹ The Federal Circuit did not stay the appeal of the jury verdict pending the reexamination decision and instead substantially affirmed the jury decision.⁴⁰

³⁰ See *id.* at *1–2.

³¹ *Translogic Tech., Inc. v. Hitachi, Ltd.*, 250 F. App'x 988, 988 (Fed. Civ. 2007) (unpublished decision).

³² *Id.*

³³ *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1251 (Fed. Cir. 2007).

³⁴ *Id.*

³⁵ *Translogic Tech.*, 250 F. App'x at 988.

³⁶ See *id.*

³⁷ *NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, 1291 n.3 (Fed. Cir. 2005).

³⁸ *Id.* at 1291.

³⁹ *Id.* at 1291 n.3.

⁴⁰ *Id.* at 1325–26.

After the decision by the Federal Circuit, but before the reexamination was completed, the parties in the case settled for \$612 million.⁴¹ If the parties had not settled before reexamination was completed, an awkward situation would have resulted: although the courts decided that NTP infringed on RIM's patent, the PTO still could have decided that the patent claims were invalid. In that situation, would NTP still be required to pay the inevitably large damage award?⁴² Or would the verdict have been vacated given the decision by the PTO? If the patent is only invalid prospectively, then a patent infringer will be stuck paying damages for infringement of an invalid patent. If the patent is considered to be invalid beginning the day it was issued, then the decision by the PTO nullifies the jury verdict. The Federal Circuit has never explicitly decided this issue, but instead appears to assume that the administrative decision overrules a jury verdict without explanation.

Finally, in 2008 the Federal Circuit addressed whether a "substantial new question of patentability" can be raised during reexamination based on prior art that was considered during a validity determination in a district court.⁴³ The Federal Circuit affirmed the PTO's interpretation that the issue can be considered by the PTO as long as the PTO has not previously considered the issue.⁴⁴ In affirming the PTO, the Federal Circuit recognized that an administrative agency cannot review a decision of an Article III court, but determined that because the two proceedings have differing standards of proof, there is no separation of powers concern.⁴⁵ The court did not specifically address concerns related to a jury verdict in a district court.⁴⁶ The implication, however, is again that a PTO decision takes priority over a jury verdict.

III. The Seventh Amendment

A patent reexamination decision by the PTO cannot override a jury verdict of patent validity because this violates the Seventh Amendment. The Seventh Amendment provides:

⁴¹ Rob Kelley, *Blackberry Maker, NTP Ink \$612 Million Settlement*, CNNMONEY.COM, Mar. 3, 2006, http://money.cnn.com/2006/03/03/technology/rimm_ntp.

⁴² *See id.*

⁴³ *In re Swanson*, 540 F.3d 1368, 1374–79 (Fed. Cir. 2008).

⁴⁴ *Id.* at 1379.

⁴⁵ *Id.* at 1378–79.

⁴⁶ *Id.*

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of a trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.⁴⁷

The purpose of the Seventh Amendment is to protect the right to a jury trial as it existed when the Amendment was adopted in 1791.⁴⁸ To determine if a jury trial is required by the Seventh Amendment, a court asks: (1) whether the cause of action was tried at law at the time of the founding or is analogous to an action tried at law at the time of the founding; and (2) whether the decision must fall to the jury to preserve the right to a jury trial as it existed in 1791.⁴⁹ Today's patent infringement actions are analogous to those that existed in the 18th century and "there is no dispute that [patent] infringement cases today must be tried to a jury."⁵⁰

In addition to protecting individuals' right to a jury trial, the Seventh Amendment also protects individuals from having a jury verdict overturned without due cause. The Reexamination Clause of the Seventh Amendment "controls the allocation of authority to review verdicts."⁵¹ Jury verdicts can only be reconsidered if the process for reconsideration is one that was available at common law when the Seventh Amendment was ratified. The only options at common law to reexamine facts decided by a jury are: (1) the granting of a new trial; or (2) review de novo for legal errors.⁵²

The Supreme Court determined that infringement cases must be tried to a jury in *Markman v. Westview Instruments, Inc.*⁵³ In *Markman*, though, the Court distinguished between issues of law, such as claim construction, to be decided by a judge, and issues of fact to be decided by a jury.⁵⁴ The Federal Circuit has further recognized that the Seventh Amendment protects a patent holder's right to have is-

⁴⁷ U.S. CONST. amend. VII.

⁴⁸ *Balt. & Carolina Line, Inc. v. Redman*, 295 U.S. 654, 657 (1935).

⁴⁹ *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 376 (1996).

⁵⁰ *Id.* at 377.

⁵¹ *Gasperi v. Ctr. for Humanities, Inc.*, 518 U.S. 415, 432 (1996). When mentioning the Reexamination Clause, courts are referring to the portion of the Seventh Amendment stating, "no fact tried by a jury shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law." U.S. CONST. amend. VII; see, e.g., *Gasperi*, 518 U.S. at 432-33.

⁵² *Capital Transaction Co. v. Hof*, 174 U.S. 1, 13 (1899).

⁵³ *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 377 (1996).

⁵⁴ *Id.* at 377-78.

sues of validity tried by a jury.⁵⁵ The treatment of patent infringement trials is consistent with the general treatment of jury questions—questions of fact are for the jury while questions of law are for judges.

Patent validity raises a series of inherently factual questions. Patent claims can be found invalid if the factfinder determines the claim is not novel⁵⁶ or is obvious.⁵⁷ Novelty raises factual questions pertaining to prior art such as the date of publication, whether the prior art was published in the United States, the date of invention, or whether the invention was enabled.⁵⁸ The obviousness inquiry raises questions such as the limits of the scope of the prior art, the content of the prior art, the differences between the prior art and the claims, and the extent of commercial success.⁵⁹ Once those issues have been tried to a jury, they may only be reviewed consistent with the Seventh Amendment.

IV. *Evidentiary Standards and Standards of Review*

Evidentiary standards and standards of review significantly complicate the analysis of whether patent reexamination conflicts with the Seventh Amendment. By the time the validity of a patent is challenged in an infringement action, that patent has already been examined and granted by the PTO. As a result, patents are afforded a presumption of validity during litigation.⁶⁰ A defendant in patent litigation must prove by clear and convincing evidence that a patent is invalid,⁶¹ and any review of a jury decision regarding patent validity is

⁵⁵ See *In re Lockwood*, 50 F.3d 966, 980 (Fed. Cir. 1995) (recognizing the right to a jury trial on patent validity in a declaratory judgment action); *Patlex Corp. v. Mossinghoff*, 758 F.2d 594, 603 (Fed. Cir. 1985) (recognizing the right to a jury trial on patent validity issues). The issue of whether patent validity is a question of fact for the jury or a question of law for judges has not been decided by the Supreme Court, and there are some contrary views. See, e.g., *In re Lockwood*, 50 F.3d at 980–81 (Nies, J., dissenting) (rejecting the majority's conception of a right to a jury trial on issues of patent validity). Because the Federal Circuit has addressed the issue and consistently held that patent validity is an issue for the jury, this discussion will assume that individuals have a right to a jury trial for questions of fact related to patent validity.

⁵⁶ 35 U.S.C. § 102 (2006).

⁵⁷ *Id.* § 103.

⁵⁸ See *id.* §§ 102, 112.

⁵⁹ See *id.* § 103; *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17–18 (1966) (“Such secondary considerations as commercial success, long felt but unsolved needs, failure to others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.”).

⁶⁰ 35 U.S.C. § 282.

⁶¹ *Id.*

de novo for issues of law and clear error for factual issues.⁶² In effect, the granting of a patent by the PTO gives the patent holder a substantial advantage in patent litigation, as a defendant is forced to show that the PTO was clearly wrong in granting the patent in order to establish invalidity.

A PTO reexamination considers the claims anew,⁶³ so the patent holder is not granted any advantage even though the patent has already been issued. Courts are required, however, to grant the PTO substantial deference in reviewing reexamination decisions.⁶⁴ The Federal Circuit reviews findings of fact by the PTO for substantial evidence,⁶⁵ a deferential standard of review. If any reasonable view of the evidence supports the PTO's conclusions of fact, then the Federal Circuit must uphold those findings.⁶⁶

Because there is no system for managing reexamination proceedings and infringement litigation that proceed concurrently, the Federal Circuit is faced with a substantial problem. If evidence can reasonably be construed to support two different findings, then a jury may make a factual finding that is different than the factual finding of the PTO. In both instances, the Federal Circuit is required to uphold the findings of the factfinder unless the evidence cannot reasonably support the determination.⁶⁷ Assuming the evidence supports both findings, which one must the Federal Circuit uphold: the decision of an administrative agency or a jury verdict? Most recently, the Federal Circuit sided with the PTO and ignored the dictates of the Reexamination Clause of the Seventh Amendment.⁶⁸

⁶² *ACCO Brands, Inc. v. ABA Locks Mfrs. Co.*, 501 F.3d 1307, 1311 (Fed. Cir. 2007) ("A jury verdict must be upheld unless there is no legally sufficient evidentiary basis for a reasonable jury to find as the jury did." (quotations omitted)).

⁶³ See 35 U.S.C. § 305 ("[R]eexamination will be conducted according to the procedures established for initial examination . . .").

⁶⁴ See *In re Jolley*, 308 F.3d 1317, 1320 (Fed. Cir. 2002) ("We review the Board's legal conclusions without deference, but we must affirm its factual findings if they are supported by substantial evidence.").

⁶⁵ *Id.*

⁶⁶ See *id.* ("Substantial evidence 'means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.'" (quoting *Consol. Edison Co. v. NLRB*, 305 U.S. 197, 229 (1938))).

⁶⁷ Some commentators have even analogized the standard used to review an agency adjudication to that used to review a jury verdict. See, e.g., Edward Rubin, *It's Time to Make the Administrative Procedure Act Administrative*, 89 CORNELL L. REV. 95, 143 (2003).

⁶⁸ See *supra* notes 31–36 and accompanying text.

V. The Seventh Amendment Conflict

The Federal Circuit's approach to patent reexamination and jury verdicts conflicts with the Seventh Amendment. A jury verdict cannot be reviewed unless the method of review was available at common law at the time the Seventh Amendment was ratified.⁶⁹ "It has also been the firm and unvarying practice of Constitutional Courts to render no judgments not binding and conclusive on the parties and none that are subject to later review or alteration by administrative action."⁷⁰ If a court, including the Federal Circuit, makes a decision allowing the findings of an administrative agency to trump findings on the same issue by a jury, then the Seventh Amendment has been violated. The Federal Circuit, as with all other courts, is only permitted to review jury decisions to grant a new trial or for errors of law.⁷¹ At least in cases where the Federal Circuit has attempted to reconcile a PTO reexamination decision with a jury decision, the court has not granted a new trial or purported to base its decision on an error of law.⁷² Further, it is obvious the Federal Circuit's approach of favoring an administrative agency decision over the decision of a federal jury is not an approach that was available to a court at common law in 1791.

The Federal Circuit considered the question of whether or not the patent reexamination procedure as a whole violates the Seventh Amendment in *Paltex Corp. v. Mossinghoff*.⁷³ In *Paltex*, the patent holder challenged the reexamination scheme by arguing that it violated his Seventh Amendment rights because when the patent was issued he was granted the right to have patent validity decided only by a jury.⁷⁴ The patent holder argued that even if the patent was issued erroneously, the grant entitled him to review only by a jury.⁷⁵ The Federal Circuit determined that the patent reexamination statutes did not facially violate the Seventh Amendment, relying heavily on its

⁶⁹ See *supra* notes 51–52 and accompanying text.

⁷⁰ *Chi. & S. Air Lines, Inc. v. Waterman S.S. Corp.*, 333 U.S. 103, 113–14 (1948).

⁷¹ *Parsons v. Bedford*, 28 U.S. (3 Pet.) 433, 448 (1830).

⁷² See *supra* notes 31–36 and accompanying text. It is reasonable to think a decision by the Federal Circuit that disregards findings of fact by a jury in favor of findings of fact by the PTO oftentimes would not be based on an error of law. Under the evidentiary standards and standards of review in both situations, the findings of fact by the agency or jury cannot be reversed unless the Federal Circuit finds clear error. See *supra* Part IV. One can imagine many situations where the evidence can reasonably be construed in two ways, yet the court would find the agency's findings more persuasive.

⁷³ *Paltex Corp. v. Mossinghoff*, 758 F.2d 594, 603–05 (Fed. Cir. 1985) (holding patent reexamination does not violate the Seventh Amendment).

⁷⁴ *Id.* at 603.

⁷⁵ *Id.* at 603–04.

finding that patents are public rights as opposed to private rights, which have historically been entitled to a jury trial.⁷⁶ The court reasoned that patent reexamination was a method for the PTO to determine if the government properly granted a right to a party, meaning the right at issue could only be conferred by the government and thus was a public right.⁷⁷

In *Paltex*, the Federal Circuit considered the limited question of whether the patent reexamination statute was a facial violation of the Seventh Amendment.⁷⁸ The court did not consider the result when an administrative agency and jury both make separate, but reasonable, findings of fact. Ten years later in *In re Lockwood*,⁷⁹ a denial for rehearing en banc that the Federal Circuit continues to rely on, the court addressed the necessity of a jury trial for issues of patent validity. The court stated: “[m]aintenance of the jury as a fact-finding body is of such importance and occupies so firm a place in our history and jurisprudence that any seeming curtailment of the right to a jury trial should be scrutinized with the utmost care.”⁸⁰ Further, the court found that its decision to reinstate the patentee’s jury demand “preserve[d], as it must, the patentee’s ability to compel a jury trial on the factual questions relating to patent validity.”⁸¹

Taking *Paltex* and *Lockwood* together, the Federal Circuit establishes that the patent reexamination statutes on their face do not violate the Seventh Amendment, but the reexamination and litigation interplay it has applied violates the Seventh Amendment. As the Federal Circuit recognizes, in suits analogous to those at common law, the right to a jury on factual issues is an important and well established right.⁸² The Federal Circuit used strong wording in both *Paltex* and *Lockwood* in emphasizing that the right to a jury trial must be preserved. While reexamination proceedings do not in every case violate the patent holder’s right to a jury trial, the potential of a violation exists in specific situations. Where a jury determines that a patent is valid, a subsequent determination by the PTO that the patent is invalid cannot be used to override the jury verdict without violating the Seventh Amendment.

⁷⁶ *Id.* at 604–05.

⁷⁷ *Id.* at 604.

⁷⁸ *Id.* at 603–05.

⁷⁹ *In re Lockwood*, 50 F.3d 966 (Fed. Cir. 1995).

⁸⁰ *Id.* (quoting *Dimick v. Schiedt*, 293 U.S. 474, 486 (1935)).

⁸¹ *Id.* at 972.

⁸² *Id.* at 971–72.

Conclusion

The right to a jury trial in suits analogous to those at common law is a well established tradition. In an attempt to reconcile the PTO's reexamination procedure and civil litigation for patent infringement, the Federal Circuit ignores traditional Seventh Amendment jurisprudence and its own decisions about the right to a jury trial. The Federal Circuit's approach to reconciling conflicting reexamination decisions and jury verdicts is to avoid confronting difficult questions by issuing unpublished, nonprecedential decisions. Because no established policy exists, litigants are left to determinations on a case-by-case basis of whether a jury or the PTO will decide the factual issues in their case. Because the PTO cannot stay reexamination pending the outcome of litigation, it is up to the Federal Circuit, the Supreme Court, or Congress to establish a consistent policy for patent reexamination and litigation. What is clear, though, is that the Federal Circuit's decision to favor decisions by the PTO over decisions by juries cannot stand.