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The Procedural Impact of KSR on Patent Litigation

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NOTE

The Procedural Impact of *KSR* on Patent Litigation

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INTRODUCTION

The procedural implication of the 2007 decision of the Supreme Court in *KSR International Co. v. Teleflex, Inc.* reshapes the way trial courts construct jury instructions in obviousness challenges. Prior to *KSR*, although the question of obviousness was recognized as an issue of law, it was largely treated as a question of fact because juries were essentially making the legal findings of obviousness due to the practical difficulty in separating the underlying factual determinations from the ultimate decision. The *KSR* decision seems to suggest that jury interrogatories should be submitted on specific factual questions and that the court shall make the legal determination of obviousness. Considering the complexity of the obviousness inquiry, special interrogatories with a general verdict appear to be a possible solution that can implement the procedural requirement imposed by *KSR*. In fact, special interrogatories not only make it easier for juries in their deliberation by breaking the complicated obviousness question into factual inquires, but also for judges in reviewing the jury verdicts which become more reviewable when they are explained and supported by the specific answers to special interrogatories. Consequently, the use of special interrogatories can help avoid lengthy retrials and enhance judicial consistency. Still, it is yet to be determined how courts interpret the procedural implications of *KSR* and whether the Federal Circuit is willing to provide guidance for lower courts if special interrogatories are indeed recognized as an effective mechanism to implement the procedural requirement.

This Note argues that in light of the Supreme Court's decision in *KSR*, the use of special interrogatories in jury instructions concerning the question of obviousness provides a solution to meet the *KSR* procedural

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requirement, along with other benefits in patent litigation.

Part I discusses the procedural implication of the *KSR* decision and its impact on trial courts' practice in allocating the determination of the question of obviousness. Part II examines the unreviewability of jury verdicts in patent cases. Part III analyzes the existing mechanisms employed by trial courts to minimize the unreviewability of jury verdicts, presenting that the practice of special interrogatories is more favorable. Part IV further argues that in the context of *KSR*, special interrogatories provide a beneficial practice that will not only satisfy the *KSR* requirement in the obviousness inquiry, but also improve certainty and uniformity in the judicial process for the law of obviousness. Part V suggests that the Federal Circuit has the power to provide guidance to trial courts for jury instructions regarding the question of obviousness. However, it remains to be seen whether the Federal Circuit is willing to assume the supervisory role to provide such guidance. Finally, Part VI discusses the tactical concerns for counsels following *KSR*.

I. THE *KSR* OPINION AND ITS PROCEDURAL IMPLICATION

The Supreme Court's decision in *KSR* is widely acknowledged as the most significant patent case in at least a quarter century. The discussions about *KSR* have been mostly focused on its substantive change to the standard of obviousness. However, *KSR* may have an even greater impact on the process the district courts should follow to decide obviousness challenges.[1]

In *Graham v. John Deere*, the Supreme Court held that the ultimate question whether a patent is invalid under 35 U.S.C. § 103 is a question of law.[2] The question of law for obviousness, however, "lends itself to several basic factual inquiries."[3] Specifically, obviousness is determined based on the scope and content of the prior art, differences between the prior art and the patent claims, and the level of ordinary skill in the relevant field.[4] Secondary considerations may shed further light on the obviousness inquiry.[5]

Prior to *KSR*, although the question of obviousness was recognized as a question of law and *Graham* sets out the factors in determining the

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[1] *See* John F. Duffy, KSR v. Teleflex: *Predictable Reform of Patent Substance and Procedure in the Judiciary*, 106 MICH. L. REV. FIRST IMPRESSIONS 34, 37 (2007), http://www.michiganlawreview.org/firstimpressions/vol106/duffy.pdf.

[2] Graham v. John Deere Co., 383 U.S. 1, 17 (1966).

[3] *Id.*

[4] *Id.*

[5] *Id.*

obviousness inquiry, there was no procedural guidance in *Graham* outlining the specific process through which obviousness determinations are to be made.[6] It seems logical that *Graham* sets out the approach where the jury decides specific factual questions and the judge then determines the legal question of obviousness with the jury's findings in mind.[7] However, as a practical matter, district courts typically did not proceed in this manner and routinely relegated the question of obviousness to the jury, a practice that the Federal Circuit affirmed.[8] One court, while recognizing that the ultimate question as to the existence or nonexistence of obviousness is a legal question, stated that "obviousness as an ultimate question cannot meaningfully be separated from [the] factual determinations which are peculiarly within the [factfinder's] province, such as the credibility of the experts."[9] Although the Federal Circuit approved the function split of the judge and the jury in an obviousness question,[10] it did not mandate it and in fact permitted district courts to submit the ultimate question of obviousness to the jury.[11] Specifically, the Federal Circuit engaged in the "teaching, suggestion, and motivation" test for the issue of obviousness, where "the fact finder must determine 'whether a person of ordinary skill in the art, possessed with the understandings and knowledge reflected in the prior art, and motivated by the general problem facing the inventor, would have been led to make the combination recited in the claims.'"[12] Therefore, juries

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6 *See id.*

7 *See id.*

8 *See* Connell v. Roebuck & Co., 722 F.2d 1542, 1547 (Fed. Cir. 1983) ("We hold that it is not error to submit the question of obviousness to the jury."); Roberts v. Sears, Roebuck & Co., 723 F.2d 1324, 1339 (7th Cir. 1983) ("[T]he district court adopted as its own findings the 'special verdicts' of the jury finding the [] patent was neither anticipated nor obvious . . . ."); Norfin, Inc. v. Int'l Bus. Mach. Corp., 453 F. Supp. 1072, 1077 (10th Cir. 1978) (holding that there was no error in the court's procedure where "[t]he jury decided the question of obviousness as a question of fact, the court reserving any conclusion of validity to itself."); Rosen v. Lawson-Hemphill, Inc., 549 F.2d 205, 209 (1st Cir. 1976) ("In this circuit, the question of obviousness vel non is essentially one of fact . . . ."); *see also* Int'l Tel. & Tel. Corp. v. Raychem Corp., 538 F.2d 453, 456 (1st Cir. 1976) ("[T]his court has often stated that the determination of obviousness, although within limits a question of law, is essentially one of fact.").

9 Forbro Design Corp. v. Raytheon Co., 532 F.2d 758, 763 (1st Cir. 1976).

10 *See* Allen Organ Co. v. Kimball Int'l Inc., 839 F.2d 1556, 1561-62 (Fed. Cir. 1988) (stating that with regard to a finding of obviousness in the district court, "the jury makes written findings on each factual issue, and the court applies the law to the jury's findings").

11 *See* McGinley v. Franklin Sports, Inc., 262 F.3d 1339, 1356 (Fed. Cir. 2001) (overturning the district court's holding that the patent was obvious as a matter of law because the jury's factual findings on obviousness were substantially contradictory to such a holding).

12 NPF Ltd. v. Smart Parts, Inc., 187 F. App'x. 973, 977 (Fed. Cir. 2006) (citing *In re* Kahn, 441 F.3d 977, 988 (Fed. Cir. 2006)); *see also In re* Fulton, 391 F.3d 1195, 1199-1200 (Fed. Cir. 2004) ("What the prior art teaches, whether it teaches away from the claimed invention, and whether it motivates a combination of teachings from different references are

were essentially making the legal judgment on whether a claimed combination would be obvious to a person of ordinary skill in the art.

The *KSR* decision seems to suggest that permitting the jury to decide the ultimate legal question of obviousness is wrong. In *KSR*, the Supreme Court reaffirms *Graham*, particularly holding that "[t]he ultimate judgment of obviousness is a legal determination."[13] In fact, the Court went further than *Graham* and stated affirmatively throughout the opinion that the court should decide obviousness issues.[14] Additionally, the Court extensively discussed how the obviousness determination is made:

> Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue. To facilitate review, this analysis should be made explicit. *See In re Kahn*, 441 F.3d 977, 988 (C.A. Fed. 2006) ("[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.").[15]

Such emphasis indicates that the Supreme Court sees the issue of whether it is obvious to combine as a decision for the judge, and a decision that must rest on sufficient factual findings as established in *Graham*.

Despite the procedural change implicated in *KSR*, the Seventh Circuit insists that the Supreme Court did not intend "by its statement in *KSR* regarding the standard of review, to overturn the long-established practice of having juries determine obviousness[,] particularly because the question of who decides that point was not presented in *KSR*."[16] Judge Matthew F. Kennelly of the U.S. District Court for the Northern District of Illinois, who led the panel preparing the Seventh Circuit's Model Patent Jury Instructions, believes that "[the decision of obviousness] is a jury question unless it is appropriate for summary judgment."[17] He reasons that:

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questions of fact.").

13 KSR Int'l, Co. v. Teleflex, Inc., 550 U.S. 398, 427 (2007).

14 *See id.* at 407, 413, 415, 417-18.

15 *Id.* at 418.

16 SEVENTH CIRCUIT MODEL PATENT JURY INSTRUCTIONS § 11.3.6 cmt. 1, at 61 (2008) [hereinafter SEVENTH CIRCUIT INSTRUCTIONS], *available at* http://www.scribd.com/doc/4767488/CA7-pattern-patentlaw-jury-instructions-final-July-2008.

17 *A Panel Discussion on Obviousness in Patent Litigation:* KSR International v. Teleflex, 6 J. MARSHALL REV. INTELL. PROP. L. 595, 625 (2007).

> [T]he Supreme Court does not try lawsuits. So when they say it is an issue of law, that does not mean that when [a case] get[s] to a trial, the judge is going to be deciding it, unless he decides it by a Rule 50 motion, which is the equivalent, essentially, of a summary judgment motion in the middle of a trial. The jury is going to be making the decision on obviousness if the case goes to trial.[18]

More specifically, Judge Kennelly does not think "anybody should draw from *KSR* that we are now going to have some sort of a system where we just give the jury a list of facts to find, and then the judge is going to make the decision of obviousness."[19]

The understanding that *KSR* allocates the obviousness determination to the court because *KSR* involved summary judgment seems inaccurate.[20] In the *KSR* opinion, the Court makes it clear that the obviousness analysis is to be employed by patent examiners as well as by courts.[21] Therefore, obviousness analysis does not rest on the specific procedural context of summary judgment. Furthermore, the Court discussed whether summary judgment was appropriate or was precluded by disputed issues of fact, and held it "appropriate" to invalidate the patent claim at issue on summary judgment.[22] The separate discussion about summary judgment confirms that the Court considers the obviousness determination as a general proposition, and not just in the context of summary judgment.

Therefore, it can be strongly argued that *KSR* requires that jury interrogatories be submitted on specific factual questions and that the obviousness decision itself be made by the judge.[23] The approach taken by the Northern District of California represents this view. In its Model Patent Jury Instructions, the first alternative provides the jury with "underlying factual questions it must answer to enable the court to make the ultimate legal determination of the obviousness question[,]" and the second alternative allows the jury to render an advisory verdict on the ultimate question of obviousness.[24] Citing the Supreme Court's statement in *KSR*, the Committee emphasizes in the notes of both sets of instructions that "[t]he court, not the jury, should make the legal conclusion on the

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18 *Id.* at 627.

19 *Id.* at 625.

20 *See* Constantine L. Trela, Jr., *An Afterward To: A Panel Discussion On Obviousness In Patent Litigation:* KSR International v. Teleflex, 6 J. MARSHALL REV. INTELL. PROP. L. 633, 634 (2007).

21 *See, e.g.*, KSR Int'l, Co. v. Teleflex, Inc., 550 U.S. 398, 407, 419-21.

22 *Id.* at 427.

23 *See supra* note 11 and accompanying text.

24 MODEL PATENT JURY INSTRUCTIONS FOR THE NORTHERN DISTRICT OF CALIFORNIA §B4.3b, 31-32 n.9-10 (2007).

obviousness question based on underlying factual determinations made by the jury."[25]

Even though it may be clear that the jury should answer only the *Graham* factual inquiries to form the background information for the judge's ultimate legal ruling, it may be difficult in practice for a district judge to actually construct a manageable, understandable, and useful verdict form that clearly separates law and fact, and then to use the jury's responses to decide the legal issue of obviousness.[26] It has been suggested that there may be other alternatives to the approach with clear function split between judge and jury in obviousness questions.[27] In fact, the Seventh Circuit's jury instructions present an alternative after *KSR* by having the juries decide the question of obviousness, which is based on the *Graham* factual inquiries.[28] While the Seventh Circuit's approach eases a district judge's task in constructing a post-*KSR* verdict form, it carries the danger of falling back to the pre-*KSR* practice in which the determination of obviousness issues is practically treated as an issue of fact. Therefore, in order to effectively implement the *KSR* procedural requirement and to practically draft a manageable, understandable and useful verdict form, courts should employ some safeguards while keeping in mind the virtually unreviewable nature of jury verdicts.

II. THE UNREVIEWABILITY OF JURY VERDICTS IN PATENT CASES

The Seventh Amendment of the Constitution preserves the right to jury trials.[29] The Court of Appeals for the Federal Circuit has regularly affirmed the right to jury trials in patent actions.[30] After several decades of growth, the proportion of jury trials for patent actions has maintained at a high level.[31] However, there has been "extensive scholarly debate and increasing skepticism regarding the role of juries in patent cases."[32]

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25 *Id.* at 34 n.10.

26 *See* Trela, *supra* note 20, at 635.

27 *See id.* at 635.

28 SEVENTH CIRCUIT INSTRUCTIONS, *supra* note 16, at 60.

29 U.S. CONST. amend. VII.

30 *See In re* SGS-Thomson Microelectronics, Inc., No. 428, 1995 U.S. App. LEXIS 10017, at *2 (Fed. Cir. 1995) (holding that patentee retained his right to a jury on validity and infringement issues even if damages could not have been sought); Paltex Corp. v. Mossinghoff, 758 F.2d 594, 603 (Fed. Cir. 1985) (holding that the Seventh Amendment protects the right to a jury trial on issues of patent validity in patent infringement actions).

31 *See* Kimberly A. Moore, *Judges, Juries, and Patent Cases—An Empirical Peek Inside The Black Box*, 99 MICH. L. REV. 365, 366 (2001). From 1968 to 1970, 2.8% of all patent cases tried in district court were heard by juries. *Id.* From 1997 to 1999, 59% of all patent cases were tried to juries. *Id.*

32 *Id.* at 365.

Some of this skepticism has been common in civil cases: juries exhibit certain biases in decision-making process and "are unduly swayed by tangential factors."[33] Juries also tend to lump issues together and make decisions on whole suits rather than analyze them individually.[34] In patent actions, jury competency is a particular concern because most jurors do not understand the complexity of the technology at issue to accurately apply the law.[35] Despite these concerns about juries in patent actions, the affirmance rate for jury verdicts and bench judgments are nearly identical at appellate review.[36] However, appellate review of jury verdicts is less meaningful than appellate review of judgments by the court because the standard of review the Federal Circuit employs when reviewing jury verdicts on factual questions is highly deferential.[37]

Additionally, unlike judgments made in bench trials where the judge is required to articulate findings of fact and conclusions of law that explain and support his or her judgment, jury verdicts are virtually unreviewable because of their black box nature.[38] When the jury is asked to return a verdict on issues of mixed law and fact, it is even more difficult for an appellate court to analyze the verdict without knowing what the jury's factual finding was and whether the jury confused the law and fact in its decision-making process. Nonetheless, whether or not the jury correctly applied the law to its factual findings, the standard of review is *de novo* and the trial court's decision should not be disturbed on appeal absent prejudicial error.[39] Thus, the inherent unreviewability of jury verdicts not only jeopardizes the consistency and certainty of patent law, but also the public interest fostered by the patent system.

Since nearly its establishment, the Federal Circuit has been keenly aware of the problems presented by the trial of patent cases to juries by recognizing that:

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33 *Id.* at 368.

34 *See id.* at 368.

35 *See id.* at 369-72.

36 *See id.* at 368.

37 *See In re* Zurko, 258 F.3d 1379, 1384 (Fed. Cir. 2001) ("The substantial evidence standard has been analogized to the review of jury findings, and it is generally considered to be more deferential than the clearly erroneous standard of review.").

38 *See* Structural Rubber Prods. Co. v. Park Rubber Co., 749 F.2d 707, 719 (Fed. Cir. 1984) ("Findings of fact by the jury are more difficult to set aside (being reviewed only for reasonableness under the substantial evidence test) than those of a trial judge (to which the clearly erroneous rule applies).").

39 Int'l Alliance of Theatrical Stage Employees & Moving Picture Technicians v. Int'l Alliance of Theatrical Stage Employees & Moving Picture Mach. Operators Holding Co. 902 So.2d 959, 963 (Fla. Dist. Ct. App. 2005); Sulzer Textil A.G. v. Picanol N.V., 358 F.3d 1356, 1363 (Fed. Cir. 2004); Advanced Display Sys., Inc., v. Kent State Univ., 212 F.3d 1272, 1282 (Fed. Cir. 2000).

> Concerns have been expressed by the patent bar that a jury trial creates a black box into which patents are thrown and emerge intact or invalid by an unknown and unknowable process. The trial of a patent case, in which the judge and jury perform appropriate functions and which provides a record that clearly delineates the basis for the decision, not only would allay these concerns, but is also the right of litigants.[40]

More specifically, it has been stated that:

> When a court is presented with a naked general verdict involving mixed issues of law and fact or the application of law to fact, an erroneous verdict may be effectively unreviewable because it is impossible to unscramble the issues of law from the issues of fact in order to analyze and assess whether the decision of the jury was both legally correct and based upon non-reversible factual findings.[41]

Because of these concerns in patent cases tried by juries, when a case with mixed issues of fact and law reaches the jury, it has been urged that courts should "institute safeguards consistent with the Seventh Amendment to ensure that the legal issues are determined by the court and that only triable factual questions are determined by the jury."[42]

III. MECHANISMS TO IMPROVE THE REVIEWABILITY OF JURY VERDICTS

Special verdicts and special interrogatories accompanying general verdicts are recognized as two mechanisms enhancing jury proceedings and minimizing the chances of retrial.[43] As the Supreme Court stated, "[I]n cases that reach the jury, a special verdict and/or interrogatories on each claim element could be very useful in facilitating review, uniformity, and possibly postverdict judgments as a matter of law."[44] Rule 49 of the Federal Rules of Civil Procedure authorizes the use of special verdicts and general verdicts with special interrogatories in civil cases.[45] Rule 49(a) governs special verdicts where a court requires a jury "to return only a special

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40 *Structural Rubber*, 749 F.2d at 718 (Fed. Cir. 1984).

41 Brief for Matsushita Elect. Corp. of Am. and Matsushita Elect. Indus. Co., as Amici Curiae Supporting Respondents, at 21, Markman v. Westview Instruments, Inc., 517 U.S. 370 (1996) (No. 95-26).

42 *Id.* at 17; *see* Paul J. Zegger & Peter Lee, *The Paper Side of Patent Jury Trials: Jury Instructions, Special Verdict Forms, and Post-Trial Motions*, 910 PLI/PAT 701, 707-08 (2007).

43 *See* Zegger & Lee, *supra* note 42, at 716.

44 *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 39 n.8 (1997).

45 FED. R. CIV. P. 49.

verdict in the form of a special written finding upon each issue of fact."[46] A court may also use general verdicts with special interrogatories that require a jury to return a general verdict with answers to written interrogatories on specific issues of fact necessary to the verdict.[47] When a court uses special verdicts, the judge need not and should not "give any charge about the substantive legal rules beyond what is reasonably necessary to enable the jury to answer intelligently the questions" given to them, which eliminates the potentially complicated instructions of law, leaving juries to simply answer factual questions.[48] Unlike a special verdict, in a general verdict, a court must instruct a jury as to the relevant law and the jury must apply the law to the facts based on their findings.[49] Both mechanisms compel a jury to consider factual issues individually, thus improving the consistency of jury verdicts and the underlying decision-making process.[50] The use of special verdicts is considered a particularly useful tool in conserving judicial resources and in effectuating the congressional policy expressed in the patent law, because it separates the respective functions of judge and jury and greatly simplifies the instructions given to the jury.[51] However, when the law and fact cannot be so neatly separated and when it is necessary and desirable for the trial judge to submit to the jury mixed questions of law and fact, special verdicts are not so helpful as a practical matter.[52]

Additionally, because a special verdict does not ask the jury to provide details of the specific fact-findings the jury made, courts exhibit more favorable attitude towards special interrogatories in connection with a general verdict in which the answers to each issue of fact are given along with a general verdict.[53] As early as 1897, the Supreme Court recognized

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46 *Id.*

47 *Id.*

48 *Skidmore v. Baltimore & O.R. Co.*, 167 F.2d 54, 66 (2d Cir. 1945); *see R.H. Baker & Co. v. Smith-Blair, Inc.*, 331 F.2d 506, 511 (9th Cir. 1964); *Krolikowski v. Allstate Ins. Co.*, 283 F.2d 889, 891-92 (7th Cir. 1960).

49 FED. R. CIV. P. 49.

50 *See* Zegger & Lee, *supra* note 42, at 716.

51 *See* Structural Rubber Prods. Co. v. Park Rubber Co., 749 F.2d 707, at 723-24 (Fed. Cir. 1984); *see generally* John R. Brown, *Federal Special Verdicts: The Doubt Eliminator*, 44 F.R.D. 245, 338 (1967); Samuel M. Driver, *The Special Verdict—Theory and Practice*, 26 WASH L.REV. 21, 21-23 (1957); Elizabeth A. Faulkner, *Note, Using the Special Verdict to Manage Complex Cases and Avoid Compromise Verdicts*, 21 ARIZ. ST. L.J. 297 (1989); Charles T. McCormick, *Jury Verdicts Upon Special Questions in Civil Cases*, 2 F.R.D. 176, 181 (1941); Gary M. Ropski, *Constitutional and Procedural Aspects of the Use of Juries in Patent Litigation (Part II)*, 58 J. Pat. Off. Soc'y. 673 (1976).

52 *See* 9B CHARLES ALLAN WRIGHT & ARTHUR R. MILLER, FEDERAL PRACTICE AND PROCEDURE § 2506, at 128 (3d ed. 2008).

53 *See* J. F. Riley, Annotation, *Submission of Special Interrogatories in Connection with General Verdict under Federal Rule 49(b), and State Counterparts*, 6 A.L.R. 3d 438, § 2, at 442-43 (1966).

the existence of the practice of special interrogatories in jury instructions, holding that a court might require specific answers to special interrogatories in addition to the general verdict.[54] Since the adoption of the Federal Rules of Civil Procedure in 1938, many federal trial and appellate courts have advocated the use of special interrogatories in connection with a general verdict in jury instructions, and have particularly recommended their use in cases involving complicated issues in order to aid both the jury and the trial court in applying the facts to the law, as well as the appellate courts upon review.[55] As noted by the Fifth Circuit, special interrogatories facilitate review because their use frees the court from having to survey every possible basis for the jury's decision.[56] The use of special interrogatories "may also help avoid lengthy retrials, [for example,] by demonstrating in a particular case that implementation of the harmless error standard is appropriate."[57] Before *KSR*, the Federal Circuit stated that:

> The role of the trial judge in deciding upon motions for a [judgment notwithstanding the verdict] and new trial, and that of this court on review, are greatly facilitated when the jury has answered a series of factual inquiries in writing. When obviousness is an issue, interrogatories seeking answers in writing to inquiries drawn about those listed in [*Graham*], insofar as the evidence adduced at trial relate to those inquiries, should be employed . . . .[58]

Since *KSR*, special interrogatories have gained more preferential attitude

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54 Walker v. New Mexico & S.P.R. Co., 165 U.S. 593, 597 (1897).

55 *See* Mfg. Research Corp. v. Graybar Elec. Co., 679 F.2d 1355, 1365 (11th Cir. 1982) ("[W]e have neither any explicit detailed fact findings nor any valid findings implicit in the verdict and we are unable to apply the Graham test of obviousness to this patent."); Baumstimler v. Rankin, 677 F.2d 1061, 1071-72 (5th Cir. 1982) ("While the use of special interrogatories is left to the sound discretion of the trial judge, failure to utilize this method in a patent case places a heavy burden of convincing the reviewing court that the trial judge did not abuse his discretion."); E.I. du Pont de Nemours & Co. v. Berkley & Co., 620 F.2d 1247, 1256 n.5 (8th Cir. 1980) ("Whatever the considerations and concerns involved in current discussions of juries in complex litigation, use of interrogatories and special verdicts, from which the parties and an appellate court may glean the basis for the verdict, would appear to alleviate at least some of those concerns in some cases."); *see also* Control Components, Inc. v. Valtek, Inc., 609 F.2d 763, 774 (5th Cir. 1980) (Rubin, J., concurring in part and dissenting in part) (explaining that use of general verdicts is a "Serbonian bog that threatens to engulf patent litigation"), *cert. denied*, 449 U.S. 1022 (1980) (dissent from denial of rehearing en banc) (submission of obviousness to jury by general verdict is inconsistent with *Graham v. John Deere Co.*, 383 U.S. 1 (1966)).

56 *See Baumstimler*, 677 F.2d at 1071-72.

57 Am. Hoist & Derrick Co. v. Sowa & Sons, Inc., 725 F.2d 1350, 1361 (Fed. Cir. 1984) (citing 28 U.S.C. § 2111 (1982)).

58 R.R. Dynamics, Inc. v. A. Stucki Co., 727 F.2d 1506, 1516 (Fed. Cir. 1984) (citation omitted).

from the Federal Circuit. When reviewing a judgment as a matter of law, the Federal Circuit specifically pointed out that "[w]hile a special verdict that asks a jury whether a patent claim is obvious provides more insight than one which simply asks whether the patent is invalid, the former still does not provide any detail into the specific fact findings made by the jury."[59]

As pointed out by the courts, the use of special interrogatories in connection with a general verdict can help both jury and judge in their decision process. It also provides a solution that circumvents the difficult task of having to separate law and fact in obviousness issues while it still "accords with the inherent divisional lines between the roles of judge and jury . . . ."[60]

IV. SPECIAL INTERROGATORIES AND POST-*KSR* JURY INSTRUCTIONS

In light of *KSR* and the challenge courts face to implement the *KSR* procedural requirement, the need to utilize special interrogatories in jury instructions for obviousness issues intensifies. Indeed, the complexity of the obviousness inquiry calls for the use of special interrogatories, which not only greatly simplify the task of the jury in complicated patent cases, but also make it possible for the trial court on motion, and for the appellate court on appeal, to review and modify the judgment originally entered without having to order a new trial, which without the answers to the special interrogatories would have been necessary.[61]

Under the approach of the Seventh Circuit's jury instructions, which ask the jury to produce a verdict for the question of obviousness after considering the factual inquiries, a jury is essentially given the mixed question of fact and law and is required to enter into a general verdict for the ultimate legal determination of obviousness.[62] Even though the instructions ask the jury to consider the underlying factual inquiries in reaching the verdict, without the aid of special interrogatories of specific

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59 Agrizap, Inc. v. Woodstream Corp., 520 F.3d 1337, 1343 n.3 (Fed. Cir. 2008) ("By compelling a jury to consider factual issues individually, special verdicts and interrogatories may improve the consistency of jury verdicts as well as the underlying decision-making processes that produce them.") (citing Paul J. Zegger et al., *The Paper Side of Patent Jury Trials: Jury Instructions, Special Verdict Forms, and Post-Trial Motions*, in PATENT LITIGATION 2007 701, 716 (2007)).

60 *Baumstimler*, 677 F.2d at 1071.

61 *See* Brief of Matsushita Elect., *supra* note 41, at 21-22; *In re* Tzipori, No. 2008-1119, 2008 U.S. App. LEXIS 22226, *23-24 (Fed. Cir. Oct. 15, 2008) ("Given the complexity of the technological issues and the combination of multiple references used to reject claim 26, a more comprehensive explanation of the Board's reasoning would have facilitated review. . . .")

62 SEVENTH CIRCUIT INSTRUCTIONS, *supra* note 16, at 60.

factual findings, a court presumes the factual findings and legal conclusion necessary to support the verdict reached by the jury when reviewing a general verdict.[63] Because the facts actually found by the jury are never known outside the jury room, a jury's general verdict on obviousness can be affirmed even when the verdict is based upon some inaccurate understanding of legal application to the fact. Such an approach will unavoidably result in allowing the jury to draw a legal conclusion for the obviousness question, a situation that the *KSR* Court intends to prevent.

After *KSR*, the Federal Circuit has closely followed the Supreme Court's guidance in treating obviousness as an issue of law. In *Agrizap, Inc. v. Woodstream Corporation*, the Federal Circuit exercised due deference to the jury's factual findings and reviewed *de novo* the conclusion of obviousness.[64] The court reversed the trial court's denial of the alleged infringer's motion for a judgment as a matter of law as to the obviousness of the claims, because "the objective considerations of nonobviousness . . . including substantial evidence of commercial success, praise, and long-felt need, were inadequate to overcome a strong showing of primary considerations that rendered the claims invalid."[65] It is in this same opinion that the court stated that special interrogatories would have been more desirable than special verdicts.[66]

To summarize, due to the large uncertainty and the unreviewability caused by mere general verdicts, special interrogatories will improve certainty and uniformity in the judicial process for the law of obviousness by allowing reviewing judges to evaluate a verdict on obviousness without having to speculate as to what the jury may or might have concluded in the factual findings. Special interrogatories are also more beneficial than special verdicts in that the additional details of the jury's factual findings connected to special interrogatories can better equip a reviewing court with sufficient ground in rendering a ruling. For a court to exercise *de novo* review authority with confidence, the facts should be as clearly expressed as possible to permit the application of the law to those facts. In addition to allowing for critical and meaningful review by the appellate court, special interrogatories will also serve the purpose of "[e]xposing inaccurate jury decision-making" which has "the advantages of directing targeted reform

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63 *See* Bio-Rad Lab., Inc. v. Nicolet Instrument Corp., 739 F.2d 604, 607 (Fed. Cir. 1984), *overruled on other grounds by* Markman v. Westview Instruments, Inc., 52 F.3d 967 (Fed. Cir. 1995) (en banc); Perkin-Elmer Corp. v. Computervision Corp., 732 F.2d 888, 893 (Fed. Cir. 1984).

64 *Agrizap, Inc.*, 520 F.3d at 1342-43.

65 *Id.* at 1344.

66 *Agrizap, Inc.*, 520 F.3d at 1343 n.3 (Fed. Cir. 2008) (citing Zegger & Lee, *supra* note 42, at 716 ("By compelling a jury to consider factual issues individually, special verdicts and interrogatories may improve the consistency of jury verdicts as well as the underlying decision-making processes that produce them.")).

efforts."[67]

V. FEDERAL CIRCUIT'S POTENTIAL SUPERVISORY ROLE IN JURY INSTRUCTIONS FOR OBVIOUSNESS QUESTIONS

Research prior to *KSR* shows that, although special verdicts or special interrogatories appear to have been utilized in nearly every patent case, the questions posed were generally not meaningfully drafted when the major goal of judges and lawyers in patent cases is to simplify the case for the lay jury.[68] While the Federal Circuit has been explicit about its preference of meaningful special interrogatories in jury instructions, it has been reluctant to exercise control over the use or the form of jury verdicts in patent cases:

> This court recognized that *administration*, *supervision*, *management*, and *overseeing* of the courts within a regional circuit are the sole province of that regional circuit and its Circuit Council. Unlike those bodies, this court is not an "administrator," "supervisor," "manager," or "overseer" of the district courts. Hence this court said it lacked the general authority set forth in 28 U.S.C. § 332, and that it lacked "administrative authority," "direct supervisory authority," and "general authority." . . . [T]his court has no congressionally granted authority to inject itself into the business-like elements of the administration of justice within the regional circuits.[69]

However, the Supreme Court has noted otherwise when recommending the use of special verdicts and/or special interrogatories in patent cases, stating that "[w]ith regard to the concern over unreviewability due to black-box jury verdicts, we offer only guidance, not a specific mandate. . . . We leave it to the Federal Circuit how best to implement procedural improvements to promote certainty, consistency, and reviewability to this area of law."[70]

If the Federal Circuit determines that special interrogatories are the appropriate procedural mechanism to "promote certainty, consistency, and reviewability" in patent law, it has the authority to carry out the Supreme Court's requirement under the choice of law rule. One commentator urged the Federal Circuit to do so and suggested two options the Federal Circuit may have to reform the procedural part of patent law for questions like

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67 Kimberly A. Moore, *Juries, Patent Cases, & A Lack of Transparency*, 39 HOUS. L. REV. 779, 782 (2002).

68 *Id.* at 783, 786.

69 *In re* Innotron Diagnostics, 800 F.2d 1077, 1083 (Fed. Cir. 1986).

70 Warner-Jenkinson Co. v. Hilton Davis Chem. Co., 520 U.S. 17, 39 n.8 (1997).

obviousness.[71] First, the Federal Circuit "could encourage district courts to utilize detailed special interrogatories when deciding doctrine of equivalents issues by holding that it is an abuse of discretion each time the court fails to do so."[72] After cases are consistently remanded for retrial with the holding that the general verdicts do not provide an adequate basis to review the jury's decision, district courts will begin to use special interrogatories to accommodate the Federal Circuit's preference.[73]

The second option is based on the Federal Circuit's choice of law rule, which states that the district court should apply the law of the regional circuit to all procedural issues unless the procedural issue is related to substantive matters "unique to" patent law.[74] Thus, the Federal Circuit can require district courts to use special interrogatories in matters of procedure that are "unique to" patent law, such as the question of obviousness, which would never be appealed to another court, and therefore is subject only to Federal Circuit law on the underlying substantive legal issues.[75] Hence, the specificity of special interrogatories for obviousness inquiries would impose minimal procedural difference on the district court.

Additionally, this approach circumvents the issue of the Federal Circuit's supervisory authority over district courts, because the imposition of special interrogatories does not fall within the supervisory authority, which has been narrowly defined by the Federal Circuit to include only the general business area of the court, such as the "'assignment of judges, adjustment of calendars, transfer of case to another district, [or] reference to master.'"[76] Therefore, as the exclusive source of substantive patent law and because the guidance on procedure of obviousness is minimal, the Federal Circuit can require district courts to utilize special interrogatories procedurally. In fact, district court judges probably will appreciate some guidance from the Federal Circuit on the form of special interrogatories because district court judges will be able to use the guidance to construct jury instructions that will serve both trial courts and appellate courts' interest when the jury verdicts are reviewed.

With its exclusive jurisdiction over patent appeals, the Federal Circuit

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71 Moore, *supra* note 67, at 797-98.

72 *Id.*

73 *Id.*

74 *See id.* at 798.

75 *Id.* at 798 n.86 ("At least one Judge of the Federal Circuit, Paul R. Michel, has argued that the court may be able to mandate the use of special verdict forms on the issues of obviousness and the doctrine of equivalents in order to improve the reviewability of these issues when appealed from a jury verdict.") (citing Paul R. Michel & Michelle Rhyu, *Improving Patent Jury Trials*, 6 Fed. Cir. B.J. 89, 102-03 (1996) (discussing the possibility of mandating special verdicts under special circumstances)).

76 *See id.* at 798-99 (citing *In re* Innotron Diagnostics, 800 F.2d 1077, 1082 (recognizing that this issue does not arise in cases in which the regional circuit courts have jurisdiction.))

possesses the power to provide guidance for special interrogatories for obviousness questions. Such supervision from the Federal Circuit will not only benefit the district courts in managing jury instructions and reviewing jury verdicts, but also serve the interest of promoting uniformity and consistency in the question of obviousness in patent law. However, despite its preference of special interrogatories, it is yet a question whether the Federal Circuit is willing to exercise its power to provide such guidance.

VI. TACTICAL CONSIDERATION

Different from a court's point of view and goals to facilitate review, uniformity, and postverdict judgments, submission of special interrogatories to the jury may not be the correct approach as a strategic matter for litigating counsels. Research shows that the shorter and more obtuse the verdict, the easier it would be for bias and prejudice to impact the verdict.[77] Based on the suggestion of conventional wisdom and empirical research that juries are generally pro-patentee, it is generally to the patentees' benefit to resist requests for special interrogatories for obviousness inquiries because it would be unlikely for the Federal Circuit to overturn a jury verdict without details of factual inquiries in favor of the patentee.[78] In contrast, the accused infringer would likely prefer special interrogatories, as it is more likely that the jury's pro-patentee bias will not impact their decision-making when they are forced to answer a series of specific factual questions underlying the obviousness decision.[79]

It still remains to be seen how district courts and the Federal Circuit interpret *KSR* to impose the required obligations on the district courts and what mechanisms they would implement to fulfill the obligations. If special interrogatories indeed will be the approach taken to ease the issues caused by the black-box nature of jury verdicts, counsels for patentees will have to engage in tactics in framing the language of special interrogatories and objecting to the language or the number of special interrogatories submitted by the opposing counsel to counter the negative effect resulted from the procedural impact of *KSR*.[80]

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77 *See id.* at 788.

78 *See* Laurence H. Pretty & Janene Bassett, *Reconciling Section 112, Paragraph 6 with the Doctrine of Equivalents in the Wake of* Warner-Jenkinson Co. v. Hilton Davis Chemical, 489 PLI/PAT 359, at 392 (1997) ("Obviously, patentees will likely want simple interrogatories aimed at the central issue, hoping to convince the jury that infringement has occurred, while the accused will likely want more interrogatories in order to fragment the issues to educate jury about the infringement analysis.").

79 *See* Ronald S. Longhofer, *Jury Trial Techniques in Complex Civil Litigation*, 32 U. MICH. J.L. REFORM 335, 347 (1999).

80 *See* Zegger & Lee, *supra* note 42, at 720.

CONCLUSION

In *KSR*, the Supreme Court reaffirmed that the question of obviousness in patent cases is a question of law for the court. The implicated procedural requirement calls for the use of special interrogatories in jury instructions for obviousness. However, because obviousness is an issue of law with underlying factual inquiries, it has proven difficult for trial courts to separate the fact and law in constructing jury instructions. The use of special interrogatories in connection with a general verdict will simplify the task of the jury in complicated patent cases, as well as improve the transparency of jury verdicts that will facilitate review and postverdict judgment as a matter of law. Without having to draw the line between law and fact, special interrogatories in connection with a general verdict also ease trial courts' tasks. Ultimately, the use of special interrogatories in the patent obviousness question will improve certainty and uniformity in the law of obviousness.

Although it still remains to be seen how lower courts interpret the Supreme Court's procedural requirement implicated in *KSR*, if the Federal Circuit determines the use of special interrogatories is an effective mechanism to satisfy the *KSR* procedural requirement and is willing to provide guidance to trial courts, it may have two options to reform the procedural law. It could encourage the use of special interrogatories when deciding doctrine of equivalents issues by holding that it is an abuse of discretion each time the district court fails to use special interrogatories. It could also require the use of special interrogatories by district courts on the ground that the procedure of obviousness issues are "unique to" patent law and thus federal law applies.

For patent owners, the use of special interrogatories may negate the benefit of a mere general verdict, the result of which tends to favor patentees due to jury's general pro-patentee bias. When special interrogatories are utilized, patent owners should consider other tactics such as framing the language of special interrogatories and objecting to the language or the number of special interrogatories submitted by the opposing party.