

## INSTRUMENTALISM AT THE FEDERAL CIRCUIT

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### ABSTRACT

In the last nine years, the Supreme Court has taken an increased interest in patent law, and in each case it decided between 2002–2010, it reversed the Federal Circuit’s patent-related decision. In addition, the Supreme Court has at times been vocally critical of the Federal Circuit’s failure to follow Supreme Court precedent. How has the Federal Circuit responded to this intervention? This Article asserts that the Supreme Court’s increased attention has changed the Federal Circuit’s rhetoric, but not its actions. While the Federal Circuit has responded by discussing Supreme Court precedent in its recent patent decisions, a critical analysis reveals that the Federal Circuit hyper-interprets that precedent to appear to require the Federal Circuit’s policy-driven outcome, when in reality the precedent is not so confining. The Federal Circuit hyper-interprets Supreme Court precedent out of a desire for certainty and relatively outcome-determinative rules. Yet, rather than discuss its desire for certainty and the effects of its decisions, the Federal Circuit has minimized policy discussion. The Federal Circuit’s hyper-interpretation of precedent leads to opinions that lack full legitimacy and its reticence toward policy discussion increases the chances that the tests it adopts are sub-optimal.

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\* Assistant Professor, Campbell University School of Law. Thanks to David Adelman, Oren Bracha, Chester Chuang, Chris Cotropia, Rochelle Dreyfuss, Timothy Holbrook, Will Hubbard, Jay Kesan, Ed Lee, Mark Lemley, Lisa Lukasik, Sarah Luddington, Lee Petherbridge, and Greg Vetter for their willingness to review and comment. Thanks also to the participants at the 2011 IP Scholars Roundtable at Drake Law School and the 2011 Junior Scholars-in-Intellectual Property Workshop at Michigan State Law School for valuable insights.

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## INTRODUCTION

“Follow our precedent!” “Don’t be so rigid!” How is a Court of Appeals to respond to such strident directives from the Supreme Court?<sup>1</sup> This Article seeks to analyze how the U.S. Court of Appeals for the Federal Circuit (“Federal Circuit”) has responded to similar directives from the Supreme Court. The analysis focuses on the Federal Circuit’s judicial reasoning as embodied in its written opinions from recent important patent-related decisions.

Congress created the Federal Circuit in 1982 with a mandate to bring clarity and uniformity to the patent system.<sup>2</sup> It has achieved this in part by tending to adopt outcome-determinative tests such as bright-line rules—as opposed to vaguer standards—wherever possible.<sup>3</sup> Bright-line rules have benefits. They are, for example, easy to apply and thus provide certainty and reduce judicial discretion.<sup>4</sup> Conversely, rules’ strengths may also be their weaknesses—rules may encourage actors to abuse the rules’ intent by “walking the line,” and rules may prevent judges from exercising discretion that would lead to a “better” result.<sup>5</sup>

The literature has extensively analyzed the benefits and demerits of rules and standards,<sup>6</sup> the Federal Circuit’s tendency to adopt rule-oriented results,<sup>7</sup> and the Supreme Court’s recent high reversal rate of Federal Circuit patent decisions,<sup>8</sup> especially where the Federal Circuit went too far in the “rules” direction. Little scholarship, however, has analyzed the Federal Circuit’s response to the Supreme Court’s interventions, including the process and

1. For an explanation of these exaggerations of statements from the Supreme Court, see *infra* Part III.A.

2. Paul M. Janicke, *To Be or Not to Be: The Long Gestation of the U.S. Court of Appeals for the Federal Circuit (1887–1982)*, 69 ANTITRUST L.J. 645, 653–54, 659 (2001).

3. See Peter Lee, *Patent Law and the Two Cultures*, 120 YALE L.J. 2, 27 (2010) (noting that many have observed the Federal Circuit’s formalistic tendency); Paul Michel, *Judicial Constellations: Guiding Principles as Navigational Aids*, 54 CASE W. RES. L. REV. 757, 762 (2004) (noting that starting in the late 1980s, the Federal Circuit’s “focus shifted toward . . . the need for greater clarity, coherence, and predictability”); John R. Thomas, *Formalism at the Federal Circuit*, 52 AM. U. L. REV. 771, 778–92 (2003) (discussing the Federal Circuit’s tendency to engage in rule-making formalism).

4. E.g., Thomas, *supra* note 3, at 776.

5. E.g., *id.*

6. See, e.g., Louis Kaplow, *Rules Versus Standards: An Economic Analysis*, 42 DUKE L.J. 557 (1992); Carol M. Rose, *Crystals and Mud in Property Law*, 40 STAN. L. REV. 577, 590–97 (1988).

7. See, e.g., Lee, *supra* note 3, at 27; Thomas, *supra* note 3, at 778–92.

8. See, e.g., Rochelle Cooper Dreyfuss, *In Search of Institutional Identity: The Federal Circuit Comes of Age*, 23 BERKELEY TECH. L.J. 787 (2008); John M. Golden, *The Supreme Court as “Prime Percolator”: A Prescription for Appellate Review of Questions in Patent Law*, 56 UCLA L. REV. 657, 671 (2009).

reasoning by which the Federal Circuit has adopted and justified its relatively outcome-determinative tests in the shadow of the Supreme Court's now watchful eye. This Article intends to provide this analysis.

Specifically, the Federal Circuit's recent high-profile patent decisions appear to have drifted toward "forced" formalism: its written opinions seek to justify and explain the adoption of rule-oriented tests as *required* by binding Supreme Court precedent,<sup>9</sup> whereas closer scrutiny of the allegedly confining precedent reveals more freedom. The court writes as if the announced rule-oriented tests follow inevitably from controlling precedent,<sup>10</sup> when in fact it appears that policy motives, not precedent, dictate the outcomes.

Evidence of this apparent drift toward forced formalism appears in several of the Federal Circuit's en banc opinions issued in between 2008–2010: *In re Bilski*<sup>11</sup> (concerning the doctrine of patentable subject matter), *Abbott Laboratories v. Sandoz, Inc.*<sup>12</sup> (concerning the scope of "product-by-process" patent claims), and *Ariad Pharmaceuticals, Inc. v. Eli Lilly & Co.*<sup>13</sup> (concerning the written description doctrine). In each decision, the court achieved what it regarded as a certainty-engendering result (e.g., a relatively formalistic, rule-oriented test) and sought to justify the rule as mandated by Supreme Court precedent.<sup>14</sup> Yet in each case, the Supreme Court precedent, while clearly relevant, was more nuanced and less confining than the Federal Circuit asserted. Rather than being confined by precedent, it appears that the Federal Circuit allowed policy considerations to determine the particular results. There is nothing necessarily "wrong" with allowing policy considerations to serve as a guide to decision-making, yet one would expect that the Federal Circuit's opinions would make clear the relative importance of policy versus precedent in dictating the decision. Instead, the Federal Circuit appears to overemphasize the precedent and deemphasize the policy.

Of course, the Federal Circuit's close attention to Supreme Court precedent is not surprising given the Supreme Court's recent interest in patent law and its propensity for reversing the Federal Circuit's decisions.<sup>15</sup> Indeed, in the years

9. See *infra* notes 70–73 and accompanying text.

10. See *infra* notes 70–73 and accompanying text.

11. 545 F.3d 943, 950 (Fed. Cir. 2008) (en banc), *aff'd sub nom.* *Bilski v. Kappos*, 130 S. Ct. 3218 (2010). The Supreme Court affirmed the result but rejected the Federal Circuit's test. *Bilski*, 130 S. Ct. at 3231.

12. 566 F.3d 1282, 1293 (Fed. Cir. 2009). The court considered Section III.A.2 of the opinion en banc. *Id.* at 1291.

13. 598 F.3d 1336 (Fed. Cir. 2010) (en banc).

14. See, e.g., *Bilski*, 545 F.3d at 956 (interpreting Supreme Court cases as requiring an exclusive machine-or-transformation test).

15. See e.g., Dreyfuss, *supra* note 8, at 791; Arthur J. Gajarsa & Lawrence P. Cogswell, III, *The Federal Circuit and the Supreme Court*, 55 AM. U. L. REV. 821, 821–23 (2006); Golden, *supra* note 8, at 671; Gary M. Hoffman & Robert L. Kinder, *Supreme Court Review of Federal*

leading up to the opinions analyzed in this Article, the Supreme Court repeatedly reversed the Federal Circuit.<sup>16</sup> One must search back to 2001 to find a Supreme Court opinion completely affirming a Federal Circuit patent opinion.<sup>17</sup>

Given the Supreme Court's increasingly intense gaze, one would expect the Federal Circuit to pay renewed attention to Supreme Court precedent, and this has in fact occurred.<sup>18</sup> But this Article analyzes whether the increased attention to precedent has changed what the Federal Circuit is *doing*, or instead only what it is *writing*, and draws attention to a recent tendency in the Federal Circuit's outcome justifications as embodied in its written opinions.

This Article analyzes the Federal Circuit's judicial reasoning through the lenses of formalism and instrumentalism,<sup>19</sup> arguing that the Federal Circuit achieved its end results (relatively formalistic, rule-oriented tests) not as a formalist court closely following precedent, but rather as an instrumentalist (policy-driven) court wanting to mold precedent to its purposes while nevertheless writing in a formalistic style. Part I of this Article briefly discusses and defines various types of formalism and instrumentalism. Part II reviews recent high-profile Federal Circuit patent decisions to demonstrate the court's tendency toward forced formalism in its written opinions.

Part III discusses the reasons behind and the consequences of the Federal Circuit's forced formalism. While the reasons behind the trend are not entirely clear, certainly they were catalyzed by the Supreme Court's increased scrutiny of patent law. Other probable factors include the Federal Circuit's aversion to discussing policy in its decisions, its desire either to gain affirmance from the Supreme Court or to avoid review altogether, and the desire to force the

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*Circuit Patent Cases – Placing the Recent Scrutiny in Context and Determining if it will Continue*, 20 DEPAUL J. ART TECH. & INTELL. PROP. L. 227, 239 (2010).

16. *Quanta Computer, Inc. v. LG Elecs.*, 553 U.S. 617, 638 (2008) (reversing the Federal Circuit); *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 428 (2007) (same); *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 459 (2007) (same); *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 137 (2007) (same); *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 394 (2006) (vacating the Federal Circuit's decision); *Ill. Tool Works, Inc. v. Indep. Ink, Inc.*, 547 U.S. 28, 46 (2006) (same); *Merck KGaA v. Integra Lifesciences I, Ltd.*, 545 U.S. 193, 208 (2005) (same); *Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826, 834 (2002) (same); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 742 (2002) (same).

17. *See J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred Int'l, Inc.*, 534 U.S. 124, 146 (2001). After this Article was submitted for publication, the Supreme Court twice completely affirmed Federal Circuit patent decisions. *See Bd. of Trs. v. Roche Molecular Sys.*, 131 S. Ct. 2188, 2199 (2011); *Microsoft Corp. v. i4i Ltd. P'ship.*, 131 S. Ct. 2238, 2252–53 (2011).

18. *See, e.g., Hoffman & Kinder, supra* note 15, at 254 (noting that the *Bilski* Federal Circuit opinion “cited and analyzed virtually every Supreme Court decision relating to patentable subject matter from *O'Reilly v. Morse* to *Diamond v. Diehr*”).

19. The terms “formalist” and “instrumentalist” as used herein are defined and clarified in Part I.

Supreme Court to clarify its earlier precedents. Regardless of the reasons for it, the Federal Circuit's forced formalism tends to lead to opinions lacking full legitimacy and the adoption of sub-optimal legal rules.

#### I. THE PRESCRIPTIVE AND DECISIONAL ASPECTS OF FORMALISM AND INSTRUMENTALISM

Students of the law quickly become familiar with two well-known jurisprudential concepts: formalism and instrumentalism. Both terms are subject to various definitions and sub-definitions,<sup>20</sup> and this Article uses the terms in limited ways.

While the two terms have other meanings, parsing both concepts reveals a prescriptive aspect and a decisional aspect. The prescriptive aspect relates to adjudicative decrees, and would divide along the familiar lines of those judges and lawmakers tending to prefer clear but inflexible rules (hereinafter "rule-making formalism") and those favoring less clear but more flexible standards ("standard-making instrumentalism"). Both rules and standards have familiar benefits and drawbacks. Rules tend to be straightforward to understand and apply, while standards involve more flexibility and interpretation. For example, a quintessential rule is "the speed limit is 55 mph;" while the corresponding standard is "do not drive unreasonably fast." Those appreciating rule-making formalism point out, for example, that rule-making formalism generates ex ante and ex post efficiencies in decision-making and brings certainty to the law (e.g., drivers know how fast to drive and judges know when accused drivers have broken the law).<sup>21</sup> Unlike the rule-making formalist, the standard-making instrumentalist would perhaps laud a standard's flexibility among other advantages.<sup>22</sup>

As commentators have observed, the Federal Circuit's recent patent jurisprudence leans toward rule-making formalism;<sup>23</sup> that is, it seeks relative certainty through rules rather than standards. Consistent with this observation, others have called for the Federal Circuit to allow more room for policy to

20. See, e.g., Duncan Kennedy, *Form and Substance in Private Law Adjudication*, 89 HARV. L. REV. 1685, 1687–1701 (1976); Frank I. Michelman, *A Brief Anatomy of Adjudicative Rule-Formalism*, 66 U. CHI. L. REV. 934, 934 (1999); Richard H. Pildes, *Forms of Formalism*, 66 U. CHI. L. REV. 607, 607 (1999); Frederick Schauer, *Formalism*, 97 YALE L.J. 509, 509–10 (1988).

21. See, e.g., Kaplow, *supra* note 6, at 568–86; Rose, *supra* note 6, at 590–97.

22. See, e.g., Rose, *supra* note 6, at 605.

23. Thomas, *supra* note 3, at 778–92; see also, Timothy R. Holbrook, *The Supreme Court's Complicity in Federal Circuit Formalism*, 20 SANTA CLARA COMPUTER & HIGH TECH. L.J. 1, 2–5 (2003) (noting that the Federal Circuit has a tendency to employ "crystal rules"); Lee, *supra* note 3, at 27 (noting that the "Federal Circuit patent doctrine is highly formalistic").

guide its decisions,<sup>24</sup> and the Supreme Court has not infrequently reversed the Federal Circuit's rule-oriented decisions in favor of a more flexible approach.<sup>25</sup> While the difference between rules and standards is helpful to an overall understanding of the Federal Circuit's jurisprudential approach, this Article does not address whether one should prefer rules or standards. Instead, this Article focuses on a second aspect of formalism and instrumentalism, the decisional aspect.

The decisional aspect of formalism and instrumentalism refers to the process by which a judge arrives at and justifies a conclusion. What may be called "decisional formalism" relates to a strong adherence to stare decisis, the treatment of precedent as strictly binding, and the rigorous application of new facts to already stated law.<sup>26</sup> On the other hand, what may be called "decisional instrumentalism" relates broadly to the concept that a court should be relatively more willing to allow policy to shape its decisions. Thus, a decisional formalist court's opinion would tend to discuss and apply legal precedent meticulously; whereas the decisional instrumentalist's opinion would more likely focus on policy and allow it to influence whether or not to follow binding precedent.

Therefore, this Article argues that recent Federal Circuit decisions reveal a court tending to draft opinions as if it were engaging in decisional formalism, while closer inspection reveals that the court is engaging in decisional instrumentalism. Further, this "forced" decisional formalism leads to opinions lacking full legitimacy and, if continued, could harm judicial legitimacy. Perhaps ironically, the policy driving the Federal Circuit's decisional instrumentalism is often its desire for rule-oriented tests (i.e., rule-making formalism)—that is, the court will hyper-interpret precedent to require a desired bright-line rule. While decisional formalism would tend to emphasize stare decisis and decisional instrumentalism would stress policy, the two are not mutually exclusive. Where policy and precedent agree, a court could heavily discuss both. Yet the Federal Circuit's decisional methodology appears to emphasize precedent and deemphasize policy even where precedent is not inconsistent with the apparently underlying policy. The dearth of policy

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24. See Dan L. Burk & Mark A. Lemley, *Policy Levers in Patent Law*, 89 VA. L. REV. 1575, 1671–75 (2003); Arti K. Rai, *Engaging Facts and Policy: A Multi-Institutional Approach to Patent System Reform*, 103 COLUM. L. REV. 1035, 1106–10 (2003).

25. See, e.g., *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 737 (2002) (reversing the Federal Circuit's rule that a claim amendment serves as an absolute bar to the doctrine of equivalents); *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 415 (2007) (reversing the Federal Circuit's overly "rigid" application of the teaching/suggestion/motivation test in obviousness determinations).

26. See Pildes, *supra* note 20, at 607, 612–17 (identifying different types of modern legal formalism, including decisional formalism, which is referred to therein as "rule-following" formalism).

discussion increases the likelihood that the court will adopt sub-optimal legal rules because rigid rules should be carefully selected after their impact has been fully vetted.

As evidence of the Federal Circuit's apparent drift toward forced formalism, this Article highlights three recent important Federal Circuit decisions: *In re Bilski*,<sup>27</sup> *Abbott Laboratories v. Sandoz, Inc.*,<sup>28</sup> and *Ariad Pharmaceuticals, Inc. v. Eli Lilly & Co.*<sup>29</sup> These three decisions represent half of the en banc decisions issued by the Federal Circuit concerning utility patents from 2008–2010.<sup>30</sup> Each decision's en banc status indicates a level of importance since, under the Federal Rules of Appellate Procedure, "[a]n en banc hearing or rehearing is not favored and ordinarily will not be ordered unless: (1) en banc consideration is necessary to secure or maintain uniformity of the court's decisions; or (2) the proceeding involves a question of exceptional importance."<sup>31</sup> Further, because each decision is en banc, it captures the thoughts of all participating Federal Circuit judges, as opposed to simply a panel of three.

Moreover, each decision's importance is likely to correlate with the number of amicus curiae briefs filed in the en banc case.<sup>32</sup> Under this heuristic, *Bilski* was a very important decision that attracted thirty-nine separate amicus briefs<sup>33</sup> and *Ariad* was of similar importance, attracting twenty-five<sup>34</sup> separate amicus briefs.<sup>35</sup> This metric fails to assist gauging the

27. 545 F.3d 943 (Fed. Cir. 2008) (en banc), *aff'd sub nom.* *Bilski v. Kappos*, 130 S. Ct. 3218 (2010). The Supreme Court affirmed the result but rejected the Federal Circuit's test. *Bilski*, 130 S. Ct. at 3231.

28. 566 F.3d 1282 (Fed. Cir. 2009). The court considered Section III.A.2 of the opinion en banc. *Id.* at 1291.

29. 598 F.3d 1336 (Fed. Cir. 2010) (en banc).

30. From 2008–2010, the Federal Circuit issued six en banc opinions (or portions of opinions) relating to utility patents. Besides *Bilski*, *Abbott Labs*, and *Ariad*, the Federal Circuit also decided *Cardiac Pacemakers, Inc. v. St. Jude Med., Inc.*, 576 F.3d 1348, 1359 (Fed. Cir. 2009) (Part C.2 of the opinion decided en banc that 35 U.S.C. § 271(f), which prohibits export of patented components for infringement abroad, does not apply to method claims); *Princo Corp. v. Int'l Trade Comm'n*, 616 F.3d 1318, 1321 (Fed. Cir. 2010) (en banc) (concerning patent misuse); and *Hyatt v. Kappos*, 625 F.3d 1320, 1323 (Fed. Cir. 2010) (en banc) (holding "that 35 U.S.C. § 145 imposes no limitation on [a patent] applicant's right to introduce new evidence before the district court").

31. FED. R. APP. P. 35(a). Of course, under subsection 1 of the rule, an en banc decision may simply indicate the need to secure uniformity in an area that is not of "exceptional importance." *Id.*

32. See DAVID E. KLEIN, MAKING LAW IN THE UNITED STATES COURTS OF APPEALS 121 (2002) (suggesting amicus briefs may be used as a proxy for the importance of cases).

33. *In re Bilski*, 545 F.3d 943, 946–49 (Fed. Cir. 2008).

34. *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1338–39 (Fed. Cir. 2010).

35. The other three Federal Circuit en banc decisions between 2008 and 2010 concerning utility patents, see *supra* note 30, garnered less attention: *Cardiac Pacemakers*, 576 F.3d at 1350–



importance of the *Abbott Labs* decision, as the court decided the issue *sua sponte* and did not provide the public with notice and opportunity to comment.<sup>36</sup>

As decisions of relative importance, one would expect the Federal Circuit to draft the opinions in anticipation of (or seeking to avoid) an increased likelihood of Supreme Court review. The next Part reviews these decisions and notes that in each decision, though in varying degrees, one can observe a tendency toward forced decisional formalism as evidenced by the hyper-interpretation of Supreme Court precedent and the relatively little discussion of policy.

## II. FORCED FORMALISM AND DECISIONAL INSTRUMENTALISM AT THE FEDERAL CIRCUIT

This Part analyzes the Federal Circuit's recent important decisions in the areas of patentable subject matter, product-by-process claims, and written description doctrine.

### A. *Decisional Instrumentalism in the Federal Circuit's Patentable Subject Matter Jurisprudence*

The patentable (or eligible) subject matter doctrine springs from section 101 of the Patent Act<sup>37</sup> and determines what sorts of things should a priori never be eligible for patenting, no matter how new or ingenious they appear.<sup>38</sup> Over the years, the Supreme Court developed at least three general categories of non-patentable subject matter that can be lumped together as "fundamental principles": laws of nature, physical phenomena, and abstract ideas.<sup>39</sup> Courts exclude the first two categories on the basis that people do not *invent* laws of nature or physical phenomena; rather, they merely *discover* and/or *describe*

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51 (six amicus briefs); *Princo*, 616 F.3d at 1321 (five amicus briefs); and *Hyatt*, 625 F.3d at 1321–22 (seven amicus briefs).

36. See *Abbott Labs. v. Sandoz, Inc.*, 566 F.3d 1282, 1301 (Fed. Cir. 2009) (Newman, J., dissenting) (criticizing the *sua sponte* en banc ruling for, *inter alia*, preventing input from amici curiae, and stating that "The court has given no notice of this impending en banc action . . . [T]he withholding of public notice, or even notice to the parties to this case, is devoid of justification.").

37. Patent Act of 1952, 35 U.S.C. § 101 (2006) ("Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.").

38. *E.g.*, *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980).

39. *Id.* ("The laws of nature, physical phenomena, and abstract ideas have been held not patentable.").

them.<sup>40</sup> For example, Einstein did not invent his famous equation,  $E=mc^2$ , because the mathematical relationship had been true (to its extent) long before Einstein described it, and he merely discovered and described it.<sup>41</sup> Courts exclude the third category, abstract ideas, in large part because “patents are issued only for new *means* to achieve useful results.”<sup>42</sup>

In its 1972 decision in *Gottschalk v. Benson*,<sup>43</sup> the Supreme Court waded into an intense debate regarding what sorts of inventions should be eligible for patenting. While the *Benson* decision was significant for its time, and was for a while seen as limiting the patentability of software (but not necessarily much else), its significance eventually waned.<sup>44</sup> *Benson* would later rise to prominence thirty-six years later when the Federal Circuit hyper-interpreted it in its 2008 en banc decision *In re Bilski*.<sup>45</sup> *Bilski* declared that *Benson* had mandated a before-unrecognized exclusive test for determining whether certain patent claims were directed toward patentable subject matter.<sup>46</sup>

How could thirty-six years pass during which numerous Federal Circuit judges not only failed to recognize that *Benson* decreed a supposedly definitive and exclusive test, but also crafted and relied on entirely different tests?<sup>47</sup> Very likely part of the story is the increased likelihood of Supreme Court intervention in the area as shown by at least three things. First, as mentioned, the Supreme Court had been mercilessly reversing the Federal Circuit in the prior several years. Second, the Supreme Court loudly hinted at its dissatisfaction with the patentable subject matter doctrine in its 2006 opinion (including a grumbling dissent) vacating certiorari as improvidently granted in *Laboratory Corp. of America Holdings v. Metabolite Laboratories, Inc.*<sup>48</sup> Third, the *Bilski* case had generated intense public interest as shown by the thirty-nine separate amicus briefs filed for the rehearing en banc.<sup>49</sup> Thus, the

40. See, e.g., *id.* (“Such discoveries are ‘manifestations of . . . nature, free to all men and reserved exclusively to none.’”) (citation omitted).

41. *Id.*

42. 1 DONALD S. CHISUM, CHISUM ON PATENTS § 1.03[2] (2010).

43. 409 U.S. 63 (1972).

44. Pamela Samuelson, *Benson Revisited: The Case Against Patent Protection for Algorithms and Other Computer Program-Related Inventions*, 39 EMORY L.J. 1025, 1028–29 (1990).

45. 545 F.3d 943 (Fed. Cir. 2008) (en banc), *aff’d sub nom.* *Bilski v. Kappos*, 130 S. Ct. 3218 (2010). The Supreme Court affirmed the result but rejected the Federal Circuit’s test. *Id.* at 3231.

46. *Id.* at 954–56.

47. See *infra* notes 55–58 and accompanying text regarding the tests used by the Federal Circuit from 1972–2008, and *infra* Part II.A.1.c discussing previous interpretations of *Benson*.

48. 548 U.S. 124, 125–26, 134–38 (2006) (writ of certiorari dismissed as improvidently granted; dissent by Justice Breyer indicating he would have reversed).

49. *Bilski*, 545 F.3d at 946–49.

Federal Circuit had every reason to anticipate Supreme Court review of its *Bilski* decision.

That the Federal Circuit expected Supreme Court review heightens the importance of scrutinizing the Federal Circuit's decisional methodology. How did the court write its opinion under the watchful gaze of the Supreme Court? This Article contends that the Federal Circuit's *Bilski* opinion provides the clearest example of the Federal Circuit's decisional instrumentalism (the policy driver being a desire for a more rule-oriented patentable subject matter test) being eclipsed by an opinion drafted in a decisional formalist style (as evidenced by overly rigid interpretation of Supreme Court precedent and little discussion of policy). Of course, that the Supreme Court's 2010 *Bilski v. Kappos* decision rejected the Federal Circuit's *Bilski* test<sup>50</sup> does not prove that the Federal Circuit engaged in forced formalism. Instead, one must review the Federal Circuit's decision to determine the persuasiveness of its treatment of precedent. If its interpretation of precedent is unpersuasive, that would suggest that policy concerns factored into the Federal Circuit's decision.

#### 1. The *Bilski* Decision and its Problematic Interpretation of *Benson*

*Bilski* concerned the eligible subject matter doctrine.<sup>51</sup> The court found the Supreme Court's standard-like test (i.e., "is the patent claim drawn to an abstract idea or law of nature?") to be "hardly straightforward,"<sup>52</sup> and, true to its rule-making formalist tendencies, settled on a more rule-oriented test.<sup>53</sup> Relying principally on the Supreme Court's 1972 *Benson* decision, the Federal Circuit concluded that the Supreme Court "ha[d] enunciated a definitive test" for subject matter eligibility, which was that a process claim is not directed to a fundamental principle if and only if "(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing."<sup>54</sup> This test will be referred to as the "machine-or-transformation test." Had the *Bilski* court simply interpreted *Benson* as endorsing the machine-or-transformation test as one of several useful tests, no controversy would arise. The *Bilski* court, however, construed *Benson* to make the machine-or-transformation test the *exclusive* test, rejecting arguments that "the Supreme Court did not intend the machine-or-transformation test to be the sole test governing § 101 analyses."<sup>55</sup> This conclusion was surprising, given that the

50. *Bilski*, 130 S.Ct. at 3226–27, 3231 (affirming the decision of patent invalidity but holding that the machine-or-transformation test "was not intended to be an exhaustive or exclusive test" and noting that *Benson* "explicitly declined" to hold that the test was exclusive).

51. *Bilski*, 545 F.3d at 949 (analyzing a method for managing the consumption risk costs of a commodity sold by a commodity provider at a fixed price).

52. *Id.* at 954.

53. *See id.* at 954–56 (discussing the machine-or-transformation test).

54. *Id.* at 954.

55. *Id.* at 955–56.

Supreme Court decided *Benson* thirty-six years earlier, and that several other tests, including the *Freeman-Walker-Abele*<sup>56</sup> and the “useful, concrete, and tangible result”<sup>57</sup> tests, had governed the patentable subject matter inquiry during those thirty-six years.<sup>58</sup>

Given the centrality the *Bilski* court placed on *Benson*, a detailed review of *Benson* is warranted, emphasizing the language relied upon by the *Bilski* court. The *Benson* Court began its legal analysis by quoting the statutory definition of “process”<sup>59</sup> as “process, art or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material.”<sup>60</sup> The Court qualified this broad definition, however, noting that “[p]henomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable.”<sup>61</sup>

The Court next surveyed several of its nineteenth century decisions and cited, *inter alia*, the 1877 case *Cochrane v. Deener*,<sup>62</sup> which stated in dictum,<sup>63</sup>

[a] process is a mode of treatment of certain materials to produce a given result. It is an act, or series of acts, performed upon the subject-matter to be

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56. The *Freeman-Walter-Abele* test became the primary eligible subject matter test during the first fifteen or so years following *Benson*. The name comes from the trio of cases from which it arose: *In re Freeman*, 573 F.2d 1237 (C.C.P.A. 1978); *In re Walter*, 618 F.2d 758 (C.C.P.A. 1980); and *In re Abele*, 684 F.2d 902 (C.C.P.A. 1982). The *Freeman-Walter-Abele* test essentially asked,

whether a mathematical algorithm is recited directly or indirectly in the claim. If so, it is next determined whether the claimed invention as a whole is no more than the algorithm itself; that is, whether the claim is directed to a mathematical algorithm that is not applied to or limited by physical elements or process steps.

*Arrhythmia Research Tech., Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1058 (Fed. Cir. 1992). Even this test, however, was not an exclusive test. See, e.g., *In re Grams*, 888 F.2d 835, 838–39 (Fed. Cir. 1989); *In re Meyer*, 688 F.2d 789, 796 (C.C.P.A. 1982).

57. See *State St. Bank & Trust Co. v. Signature Fin. Grp., Inc.*, 149 F.3d 1368, 1375 (Fed. Cir. 1998).

58. See *Bilski*, 545 F.3d at 958–60 (discussing and rejecting previously adopted tests).

59. *Gottschalk v. Benson*, 409 U.S. 63, 64 (1972). *Benson* involved a method for converting binary-coded decimal numerals into pure binary numerals, and the question was “whether the method described and claimed [was] a ‘process’ within the meaning of the Patent Act.” *Id.* at 64.

60. *Id.* at 64 n.2 (quoting 35 U.S.C. § 100(b) (2006)).

61. *Id.* at 67.

62. 94 U.S. 780 (1877). The crux of the case was whether a patented method for purifying flour required certain machinery to perform the purification, and the court held that “the process [was] patentable, irrespective of the particular form of the instrumentalities used.” *Id.* at 787. The case did not involve the eligible subject matter doctrine.

63. Because *Cochrane* dealt with infringement of a process claim that required a specific kind of machinery, and did not mention the eligible subject matter doctrine, the “transformation” language is dictum with respect to the eligible subject matter doctrine. See *Bilski v. Kappos*, 130 S. Ct. 3218, 3226–27 (characterizing the *Cochrane* “transformation” language as dictum).

*transformed and reduced to a different state or thing.* If new and useful, it is just as patentable as is a piece of machinery.<sup>64</sup>

a. The “Clue” to Patentability

Immediately after quoting *Cochrane*, the *Benson* Court stated that “[t]ransformation and reduction of an article ‘to a different state or thing’ is *the clue* to the patentability of a process claim that does not include particular machines.”<sup>65</sup> (Hereinafter, this Article refers to this language as “the clue” language.) Without elaborating further on this statement, the Court continued reviewing its earlier decisions.<sup>66</sup>

The *Bilski* court interpreted *Benson*’s “clue” language as announcing a mandatory machine-or-transformation test.<sup>67</sup> In isolation, reading the “clue” language as mandating an exclusive test would not be unreasonable—after all, the *Benson* Court referred to the test as “the” clue, not one among several clues. While one could quibble over whether a court should be seen as enunciating a new exclusive test by using a word as unassuming as “clue,” the Federal Circuit’s initial reading was not unreasonable, and the court logically argued that it did “not consider the word ‘clue’ to indicate that the machine-or-[transformation] test [was] optional or merely advisory. Rather, the Court described it as *the* clue, not merely ‘a’ clue.”<sup>68</sup>

This would seem a reasonable interpretation if the “clue” language appeared in a vacuum. But, of course, it did not. Instead, the *Benson* Court quickly qualified its opinion with a caveat, as discussed next.

b. The Caveat: “We do not hold”

Just three paragraphs after penning the “clue” language, the *Benson* Court concluded its review of precedent and then, in what this Article will refer to as “the caveat,” summarized what it did *not* decide:

It is argued that a process patent must either be tied to a particular machine or apparatus or must operate to change articles or materials to a “different state or thing.” *We do not hold* that no process patent could ever qualify if it did not meet the requirements of our prior precedents.<sup>69</sup>

After the reader digests the triple-negation (“not-no-not”), the plain meaning of this caveat is that the *Benson* Court itself explicitly foreclosed an interpretation of an exclusive machine-or-transformation test. What else could “we do not hold” mean?

64. *Cochrane*, 94 U.S. at 788 (emphasis added).

65. *Benson*, 409 U.S. at 70 (emphasis added).

66. *See id.* at 70–71.

67. *In re Bilski*, 545 F.3d 943, 955–56 (Fed. Cir. 2008).

68. *Id.* at 956 n.11.

69. *Benson*, 409 U.S. at 71 (emphasis added).

The *Bilski* court acknowledged the caveat language, but characterized the *Benson* Court as merely “equivocal in first putting forward this test.”<sup>70</sup> This leads to an apparent contradiction: how could the *Benson* Court have both established a test that is not “optional or merely advisory,” and yet been “equivocal?” The Federal Circuit did nothing to address this contradiction, nor does it appear the court could have convincingly defended its over-interpretation of *Benson*.

Further, the “we do not hold” caveat is not equivocal—it is decidedly straightforward. Indeed, the Federal Circuit majority in *Bilski* used almost identical we-do-not-hold language to clarify that its opinion in *In re Comiskey*<sup>71</sup> should not be misunderstood as having generated a new patentable subject matter test, stating simply, “[w]e did not so hold.”<sup>72</sup> It is difficult to explain how the Federal Circuit majority could have been comfortable with the clarity of the words “we did not so hold” in its own opinion, while finding equivocation in *Benson*’s “we do not hold.”

Hence, it appears the *Bilski* court knowingly hyper-interpreted *Benson* to justify administering its more favored rule-oriented test. This conclusion is bolstered by reviewing the Federal Circuit’s interpretations of *Benson* over the thirty-six years preceding the *Bilski* decision, as will be seen in the following section.

c. Prior Federal Circuit Interpretations of *Benson*

In rigidly construing *Benson* as requiring an exclusive machine-or-transformation test, the Federal Circuit paid scant attention to its own decisions dating back to the Court of Customs and Patent Appeals (“CCPA”) (the predecessor to the Federal Circuit).<sup>73</sup> The CCPA first considered whether *Benson* mandated a machine-or-transformation test in *In re Waldbaum*.<sup>74</sup> Relying on the *Benson* Court’s “caveat” language,<sup>75</sup> the *Waldbaum* court concluded that “the Supreme Court [in *Benson*] clearly did *not* say that *only* those process claims which are ‘tied to a particular machine or apparatus’ or

70. *Bilski*, 545 F.3d at 956.

71. 499 F.3d 1365, 1371 (Fed. Cir. 2007) (evaluating whether a claimed process was patentable subject matter).

72. *Bilski*, 545 F.3d at 960 (“Some may suggest that *Comiskey* implicitly applied a new § 101 test that bars any claim reciting a mental process that lacks significant ‘physical steps.’ We did not so hold, nor did we announce any new test at all in *Comiskey*.”); *see also id.* at 950 n.1 (“Although our decision in *Comiskey* may be misread by some as requiring in every case that the examiner conduct a § 101 analysis before assessing any other issue of patentability, we did not so hold.”).

73. *See Janicke, supra* note 2, at 655, 659 (discussing the creation of the Federal Circuit).

74. 559 F.2d 611 (C.C.P.A. 1977).

75. For an explanation of the “caveat” language in *Benson*, *see supra* note 69 and accompanying text.

which ‘must operate to change articles or materials to a “different state or thing”’ are statutory.”<sup>76</sup>

Subsequent CCPA decisions did not challenge or contradict the *Waldbaum* court’s interpretation that *Benson* did not require a machine-or-transformation test. Indeed, the final CCPA opinion to consider this aspect of *Benson*, *In re Meyer*,<sup>77</sup> again relied on the *Benson* “caveat” to conclude that the machine-or-transformation test “was not intended to be the exclusive test for determining the presence of statutory subject matter.”<sup>78</sup>

In 1982, the CCPA merged with the Court of Claims to create the Federal Circuit.<sup>79</sup> Early Federal Circuit decisions did not interpret *Benson* as requiring a machine-or-transformation test.<sup>80</sup> The first Federal Circuit case to interpret Supreme Court precedent as requiring something like a machine-or-transformation test was *In re Schrader*,<sup>81</sup> where the court required “transformation . . . of subject matter” but did not discuss an alternative “machine” requirement.<sup>82</sup> The *Schrader* court defended the transformation requirement as mandated by *Cochrane*<sup>83</sup> and as “reflected . . . imperfectly in *Benson*.”<sup>84</sup>

The *Schrader* decision is less defensible than the *Bilski* majority’s, as it did not even refer to the *Benson* Court’s caveat and instead only quoted *Benson*’s “clue” language in isolation.<sup>85</sup> Further, *Schrader* conflicted with binding precedent of the CCPA’s *Meyer* decision.<sup>86</sup> Regardless, future Federal Circuit

76. *Waldbaum*, 559 F.2d at 617 (emphasis added).

77. 688 F.2d 789 (C.C.P.A. 1982).

78. *Id.* at 796 & n.5.

79. See Janicke, *supra* note 2, at 655, 659.

80. See *Arrhythmia Research Tech., Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1058 (Fed. Cir. 1992) (applying the *Freeman-Walter-Abele* test); *In re Grams*, 888 F.2d 835, 838–41 (Fed. Cir. 1989) (same).

81. 22 F.3d 290, 291 (Fed. Cir. 1994) (involving patent claims to a method of conducting and completing an auction of multiple items so as to maximize—or minimize—the total price).

82. *Id.* at 294.

83. See *supra* notes 62–64 and accompanying text discussing *Cochrane v. Deener*.

84. *Schrader*, 22 F.3d at 295. Regarding the “imperfection” in *Benson*, the court noted that while *Benson* referred to transformation of an “article,” *Cochrane* referred to transformation of the “subject matter.” *Id.* at 295 n.13. The court deemed this “significant” because the term “subject matter” would include “changes to intangible subject matter representative of or constituting physical activity or objects.” *Id.* at 295 n.12. This is potentially a broader interpretation than the Federal Circuit’s *Bilski* interpretation.

85. See *id.* at 295.

86. See *supra* notes 77–78 and accompanying text discussing *Meyer*. The CCPA decided *Meyer* on September 16, 1982, and it was thus among the decisions the Federal Circuit adopted as binding precedent, namely, the “holdings [of the CCPA] . . . announced . . . before the close of business September 30, 1982.” *S. Corp. v. United States*, 690 F.2d 1368, 1369 (Fed. Cir. 1982) (en banc).

panels considering section 101 effectively ignored *Schrader*'s novel interpretation of *Benson/Cochrane* and instead followed other tests.<sup>87</sup>

While the en banc Federal Circuit is not bound by CCPA or panel decisions, in light of the court's insistence that *Benson* mandated the result in *Bilski*, it would have been preferable for the court to have explained the significance of the previous thirty-six years of contrary Federal Circuit/CCPA interpretations of *Benson*.

## 2. The *Bilski* Majority's Problematic Interpretation of *Diehr*

In addition to relying on *Benson* as requiring an exclusive machine-or-transformation test, the *Bilski* court relied on *Diamond v. Diehr*,<sup>88</sup> which came nine years after *Benson*. The *Diehr* Court held that a process for curing synthetic rubber, where some steps used a mathematical formula and a computer, was patentable subject matter.<sup>89</sup> The *Diehr* Court surveyed the relevant case law, including *Cochrane*, *Parker v. Flook*,<sup>90</sup> and *Benson*, noting that *Benson* added to *Cochrane*'s definition of "process" that "[t]ransformation and reduction of an article 'to a different state or thing' is the clue to the patentability of a process claim that does not include particular machines."<sup>91</sup> *Diehr* did not further discuss *Benson*'s "clue" language, and it did not repeat or discuss *Benson*'s we-do-not-hold caveat.

### a. Affirmation by Silence—the Missing Caveat

The *Bilski* majority seized on *Diehr*'s omission of the we-do-not-hold caveat as further evidence that the Supreme Court had adopted the machine-or-transformation test as the exclusive test for claims involving fundamental principles. In the *Bilski* court's words,

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87. *AT&T Corp. v. Excel Commc'ns, Inc.*, 172 F.3d 1352, 1358 (Fed. Cir. 1999) (rejecting arguments for an exclusive transformation test and stating that "'physical transformation' . . . is not an invariable requirement, but merely one example of how a mathematical algorithm may bring about a useful application"); *State St. Bank & Trust Co. v. Signature Fin. Grp., Inc.*, 149 F.3d 1368, 1373 (Fed. Cir. 1998) (relying on a "useful, concrete and tangible result" test and omitting entirely any discussion of a mandatory transformation test, as well as any discussion of *Cochrane*, *Benson*, or *Schrader* in relation thereto); see *In re Warmerdam*, 33 F.3d 1354, 1359 & n.2 (Fed. Cir. 1994) (advocating "eschewing efforts to describe nonstatutory subject matter in other terms," including *Cochrane*'s machine-or-transformation language). But see *In re Comiskey*, 499 F.3d 1365, 1376 (Fed. Cir. 2007) (stating that "a claim reciting an algorithm or abstract idea can state statutory subject matter only if, as employed in the process, it is embodied in, operates on, transforms, or otherwise involves another class of statutory subject matter, i.e., a machine, manufacture, or composition of matter.").

88. 450 U.S. 175 (1981).

89. *Id.* at 175, 184.

90. 437 U.S. 584 (1978). Because the Federal Circuit majority in *Bilski* did not rely heavily on *Flook*, and *Flook* is at best neutral to this analysis, it will not be separately addressed.

91. *Diehr*, 450 U.S. at 184.



[*Benson*'s we-do-not-hold] caveat was *not repeated* in *Diehr* when the Court reaffirmed the machine-or-transformation test. See *Diehr*, 450 U.S. at 184 (quoting *Benson*, 409 U.S. at 70). Therefore, we believe our reliance on the Supreme Court's machine-or-transformation test as the applicable test for § 101 analyses of process claims is sound.<sup>92</sup>

The *Bilski* majority's reaffirmation-by-silence theory is difficult to swallow. It stands, of course, on the flawed foundation that *Benson* itself introduced the machine-or-transformation test as exclusive. Accepting that *Benson* did not mandate the test, it strains the mind to conclude that *Diehr* intended to use silence and negative inference to clandestinely introduce a mandatory test that *Benson* and *Flook*<sup>93</sup> explicitly refused to adopt. The Supreme Court is no stranger to introducing new mandatory tests, and it would be awkward for it to mandate a test in such a diffident manner.

Indeed, to interpret *Diehr*'s missing caveat as announcing a binding test, one must attribute to the Supreme Court either an almost playful subtlety or a quote-cropping revisionism. If *Diehr* announced an exclusive test, one would expect the Court to discuss why it decided finally to remove the "caveat" employed by *Benson* and *Flook*. Instead, most plausibly, *Diehr* cited *Benson* simply to introduce the legal framework it had developed for analyzing eligible subject matter. To be sure, the Federal Circuit should be applauded for carefully reading and recognizing that *Diehr* omitted the *Benson* "caveat." Nevertheless, the conclusion based on this language alone seems overstated and thus driven by other motives.

Further, the Federal Circuit's theory that *Diehr* mandated or confirmed an exclusive test by silence is highly unlikely in light of *Diehr*'s own characterization of *Benson*. In summing up its prior precedent, the *Diehr* Court noted that "laws of nature, natural phenomena, and abstract ideas" are "[e]xcluded from such patent protection" and stated that *Benson* "*stand[s] for no more than these long-established principles.*"<sup>94</sup> Thus, rather than reaffirming that *Benson* announced a new, exclusive, rule-like test, the *Diehr* Court seems to have limited *Benson* as reaffirming the unremarkable and long-established standard against patenting laws of nature, natural phenomena, and abstract ideas.

92. *In re Bilski*, 545 F.3d 943, 956 (Fed. Cir. 2008) (citation omitted).

93. *Flook* stated: "An argument can be made, however, that this Court has only recognized a process as within the statutory definition when it either was tied to a particular apparatus or operated to change materials to a 'different state or thing.' See *Cochrane v. Deener*, 94 U.S. 780, 787–788. As in *Benson*, we assume that a valid process patent may issue even if it does not meet one of these qualifications of our earlier precedents. 409 U.S. at 71." *Flook*, 437 U.S. at 588 n.9.

94. *Diehr*, 450 U.S. at 185 (emphasis added).

b. What Does “e.g.” Mean?

*Diehr*’s concluding section summarized that a mathematical formula by itself cannot be patented, and this principle cannot be circumvented by attaching insignificant post-solution activity to a formula.<sup>95</sup> On the other hand, the Court stated,

when a claim containing a mathematical formula implements or applies that formula in a structure or process which, when considered as a whole, *is performing a function which the patent laws were designed to protect (e.g., transforming or reducing an article to a different state or thing)*, then the claim satisfies the requirements of § 101.<sup>96</sup>

The abbreviation “e.g.,” of course, derives from the Latin phrase “exempli gratia” and is a non-exclusive term meaning “for example.”<sup>97</sup> Yet the *Bilski* court, in a leap of creative lexicography, stated, “as we noted in *AT&T*, language such as the use of ‘e.g.’ may indicate the Supreme Court’s recognition that the machine-or-transformation test might require modification in the future.”<sup>98</sup>

There are two problems with the Federal Circuit’s defining “e.g.” as “might require modification in the future.” First, and most obviously, no dictionary defines “e.g.” that way. Second, to the extent that the *Bilski* court indicated that this novel definition arose in the Federal Circuit’s *AT&T*<sup>99</sup> decision, such a reading of *AT&T* is patently incorrect. *AT&T* held the opposite, stating that *Diehr*’s “‘e.g.’ signal denotes an example, not an exclusive requirement.”<sup>100</sup> In fact, *AT&T* necessarily found no mandatory machine-or-transformation test in *Diehr* (or *Benson*), as *AT&T* applied a different test (the “useful, concrete, and tangible result” test) for patentable subject matter.<sup>101</sup>

95. *Id.* at 191–92.

96. *Id.* at 192 (emphasis added).

97. *See, e.g.*, BLACK’S LAW DICTIONARY 593 (9th ed. 2009) (defining “e.g.” as an abbreviation meaning “for example”).

98. *In re Bilski*, 545 F.3d 943, 957 n.12 (Fed. Cir. 2008) (citing *AT&T Corp. v. Excel Commc’ns, Inc.*, 172 F.3d 1352, 1358–59 (Fed. Cir. 1999)), *aff’d sub nom. Bilski v. Kappos*, 130 S. Ct. 3218 (2010).

99. *AT&T*, 172 F.3d at 1358–61.

100. *Id.* at 1359; *see also id.* at 1358–59 (“The notion of ‘physical transformation’ can be misunderstood. In the first place, it is not an invariable requirement, but merely one example of how a mathematical algorithm may bring about a useful application.”).

101. *Id.* at 1358–60. Other Federal Circuit and CCPA opinions likewise failed to see a mandatory machine-or-transformation test in *Diehr*. *See, e.g., In re Alappat*, 33 F.3d 1526, 1543 (Fed. Cir. 1994) (en banc) (interpreting *Diehr* as standing for the straightforward concept “that certain types of mathematical subject matter, standing alone, represent nothing more than *abstract ideas* until reduced to some type of practical application”); *In re Pardo*, 684 F.2d 912, 915

Thus, the Federal Circuit's interpretation of *Diehr* is difficult to support and is largely contrary to the previous twenty-seven years of analysis.

In sum, analysis of *Bilski* and the supposedly controlling precedent reveals that the precedent did not mandate the outcome. Indeed, the *Bilski* opinion itself implicitly acknowledged this when it stated, "we certainly do not rule out the possibility that this court may in the future refine or augment the test or how it is applied."<sup>102</sup> One must ask—if the Supreme Court truly mandated an exclusive machine-or-transformation test, how would the Federal Circuit be free to refine or augment the test? To be sure, *Benson* and *Diehr* are not models of clarity.<sup>103</sup> Nevertheless, recognizing what a decision does not say is easier than recognizing what it does say. Because Supreme Court precedent did not mandate the opinion's outcome, it is likely that the Federal Circuit's opinion resulted in part from a desire to justify a desired rule-oriented test.

This Article will analyze potential reasons for and offer a critique of the Federal Circuit's decisional methodology in Part III. First, however, this Article discusses additional opinions that follow *Bilski*'s tendency toward forced decisional formalism.

#### B. *Decisional Instrumentalism in the Federal Circuit's Product-by-Process Claims Jurisprudence*

One year after its *Bilski* decision, the Federal Circuit considered en banc the proper test for infringement of "product-by-process" patent claims in *Abbott Laboratories v. Sandoz, Inc.*<sup>104</sup> Just as in *Bilski*, the majority wrote in a decisional formalistic style, claiming Supreme Court precedent required a certain outcome,<sup>105</sup> but a critical reading indicates that the precedent, while not inconsistent with the Federal Circuit's reasoning, did not require it. Instead, decisional instrumentalism motivated the decision: its policy-based goal of relative certainty led to the bright-line, rule-oriented result.

##### 1. Product-By-Process Claims

Product-by-process claims, as their name implies, attempt to cover a product (e.g., a chemical) with reference not to the product's characteristics,

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(C.C.P.A. 1982) (noting that the second part of the *Freeman-Walter* test used by the CCPA "conforms to the [*Diehr*] opinion").

102. *Bilski*, 545 F.3d at 956.

103. See, e.g., Samuelson, *supra* note 44, at 1053, 1101–02 (describing *Benson* as "not a model of clarity" and noting that *Diehr* is open to various interpretations); John R. Thomas, *The Patenting of the Liberal Professions*, 40 B.C. L. REV. 1139, 1148 (1999) (describing *Benson* as a "cryptic opinion").

104. 566 F.3d 1282, 1291 (Fed. Cir. 2009). The court *sua sponte* considered Section III.A.2 of the opinion en banc. *Id.* at 1291 n.1.

105. *Id.* at 1291–92.

but rather with reference to the process by which the product is made.<sup>106</sup> For example, a simplified product-by-process patent claim might read “Chemical X, prepared by steps A, B, and C.” An inventor might claim Chemical X in this way for one of two reasons: (1) it is a “new, indescribable product,” that is, the inventor may not yet be able to adequately describe (for patenting purposes) exactly what Chemical X is, perhaps because it is a very complex chemical; or (2) it is an “old product from a new process,” that is, Chemical X may be a well-known chemical, but the inventor has developed a new (perhaps cheaper) way to make it using steps A, B, and C.

While it may sound surprising, a “new, indescribable product”<sup>107</sup> is not unheard of, especially in the chemical and biological fields where describing a new compound in a manner detailed enough to obtain a patent may be difficult.<sup>108</sup> A scientist may know how to make a compound (e.g., an amino acid sequence or a complex chemical) and may know what it is useful for, but the scientist may not be able to describe its exact chemical structure and geometry.

The distinction between a new, indescribable product and an old product from a new process lay at the heart of a schism among Federal Circuit judges regarding how to analyze infringement of product-by-process claims.<sup>109</sup> The debate centered around whether an accused product would infringe a product-by-process claim only when the accused product was made by the same process as recited in the claim, or whether infringement was not limited by the recited process (that is, that the same product made by other methods would still infringe). The 1991 decision of *Scripps Clinic & Research Foundation v. Genentech, Inc.*<sup>110</sup> held that product-by-process claims drawn to a new, indescribable product “are not limited to product prepared by the process set forth in the claims.”<sup>111</sup>

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106. *Id.* at 1291.

107. As used in this Article, the phrase “indescribable product” refers to a product that cannot be fully described as required for patentability purposes (e.g., the enablement requirement of 35 U.S.C. § 112 (2006)), not that it literally cannot be described in any manner.

108. See, e.g., *Atl. Thermoplastics Co. v. Faytex Corp.*, 970 F.2d 834, 843 (Fed. Cir. 1992) (quoting *In re Painter*, 57 Off. Gaz. Pat. Office 999 (1891), as stating that some new products “cannot be properly defined and discriminated from the prior art otherwise than by reference to the process of producing it”); Don J. DeBenedictis, *Inconsistent Patent Rulings*, A.B.A. J., Dec. 1992, at 36, 36 (“Companies increasingly use [product-by-process] claims to patent complex new chemicals or drugs whose structure is not fully understood.”).

109. See *Abbott Labs.*, 566 F.3d at 1291 (discussing the split in Federal Circuit cases).

110. 927 F.2d 1565 (Fed. Cir. 1991).

111. *Id.* at 1583. This sentence is an oversimplification of the holding and the debate. The language of *Scripps Clinic* did not distinguish between claims to “new, indescribable products” and “old product, new process,” but the product in *Scripps Clinic* was a new, indescribable product. See *Atl. Thermoplastics*, 974 F.2d at 1282 (Newman, J., dissenting from denial of request for rehearing en banc). The dissent in *Abbott Labs* also highlights the distinction between

Just one year later, in *Atlantic Thermoplastics v. Faytex Corp.*,<sup>112</sup> a different Federal Circuit panel held the opposite, stating, “process terms in product-by-process claims serve as limitations in determining infringement”<sup>113</sup> regardless of whether the product was indescribable at the time of patenting. The *Atlantic Thermoplastics* court attempted to justify its apparent refusal to follow *Scripps Clinic* by briefly arguing—in a footnote—that *Scripps Clinic* failed to consider controlling Supreme Court precedent and thus was not binding.<sup>114</sup> While this Article does not argue which test should be preferred, it should be clear that the *Scripps Clinic* rationale would provide stronger protection for the indescribable product patent holder (because product-by-process claims would capture any users of the product, regardless how it is made), while the *Atlantic Thermoplastics* test would provide a bright-line rule (all product-by-process claims are limited by process steps for infringement purposes), but weaker protection.<sup>115</sup> Regardless, the battle between the conflicting *Scripps Clinic* and *Atlantic Thermoplastics* panel decisions and their progeny lasted eighteen years until the en banc portion<sup>116</sup> of *Abbott Labs* sided with the *Atlantic Thermoplastics* rationale. *Abbott Labs* thus established a bright-line rule that to infringe a product-by-process claim the accused infringer must practice the claimed process, regardless of whether the claim was drawn to a new, indescribable product or an old product from a new process.<sup>117</sup> This decision thus negated the need in an infringement analysis to inquire into whether a product was “indescribable” at the time of patenting.

Although the Federal Circuit crafted its opinion as if Supreme Court precedent predetermined the result, a close reading of *Abbott Labs* reveals that decisional instrumentalism motivated the majority rather than the purportedly binding precedent. To support this contention, the next sections review the *Abbott Labs* decision and the Supreme Court precedent on which it relied.

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claims to a new, indescribable product and claims to an old product, but new process. *Abbott Labs*, 566 F.3d at 1300 (Newman, J., dissenting).

112. 970 F.2d 834 (Fed. Cir. 1992).

113. *Id.* at 846–47.

114. *Id.* at 839 n.2 (determining that “the prior panel would have reached a different conclusion if it had considered controlling precedent”).

115. Supporters of *Scripps Clinic* argue that because scientists need product-by-process claims in the most cutting-edge research areas where discoveries outpace science’s descriptors, the *Atlantic Thermoplastics/Abbott Labs* bright-line but restrictive rule is likely to lower incentives to invent (or at least to disclose inventions via patents) in these technologically advanced fields. See *Abbott Labs.*, 566 F.3d at 1300 (Newman, J., dissenting). The opposing view retorts that a patentee should not gain patent protection greater than what she has disclosed. *Id.*

116. The court *sua sponte* took Section III.A.2 of the opinion en banc before issuing a panel opinion. *Id.* at 1291 n.1.

117. *Id.* at 1293.

## 2. The Federal Circuit's *Abbott Labs* Decision

The *Abbott Labs* majority opinion supported its holding that the “Supreme Court has long emphasized the limiting *requirement* of process steps in product-by-process claims” by string citing to seven Supreme Court cases.<sup>118</sup> The court provided little analysis of these supposedly confining cases, only discussed one (*Cochrane v. BASF*), and simply provided parenthetical quotes from several others.<sup>119</sup> Completely absent was any discussion of the cases in light of the distinction between new, indescribable products versus old products made from new processes. The majority remedied this reticence to some extent by also citing to the Federal Circuit's *Atlantic Thermoplastics* decision, which discussed several of the seven cases in more detail.<sup>120</sup> The *Atlantic Thermoplastics* decision, however, suffers from the same deficiencies as *Abbott Labs*: it overstated the import of the Supreme Court precedent (calling it “controlling”)<sup>121</sup> and failed to analyze the precedent in view of the distinction between new, indescribable products and old products made from new processes.

None of the cited Supreme Court precedent speaks directly or indirectly to the scope of product-by-process claims to new, indescribable products. As Judge Newman detailed in her dissent,<sup>122</sup> the most logical explanation for this dearth of analysis (in both *Abbott Labs* and *Atlantic Thermoplastics*) is that none of the Supreme Court cases concerned a product-by-process claim to a new, indescribable product. Thus, it is difficult to consider these cases to have

118. *Id.* at 1291, 1292 (emphasis added) (citing *Smith v. Goodyear Dental Vulcanite Co.*, 93 U.S. 486 (1877); *Goodyear Dental Vulcanite Co. v. Davis*, 102 U.S. 222 (1880); *Merrill v. Yeomans*, 94 U.S. 568 (1877); *Cochrane v. Badische Anilin & Soda Fabrik*, 111 U.S. 293 (1884); *The Wood-Paper Patent*, 90 U.S. (23 Wall.) 566 (1874); *Plummer v. Sargent*, 120 U.S. 442 (1887); *Gen. Elec. Co. v. Wabash Appliance Corp.*, 304 U.S. 364 (1938)).

119. *See id.* at 1291–93.

120. *Abbott Labs.*, 566 F.3d at 1291 (citing *Atl. Thermoplastics Co. v. Faytex Corp.*, 970 F.2d 834, 839–42 (Fed. Cir. 1992), as “discussing each of these [cited Supreme Court] cases”).

121. *Atl. Thermoplastics*, 970 F.2d at 838 n.2.

122. *See Abbott Labs.*, 566 F.3d at 1311–15 (Newman, J., dissenting). Only Judge Newman criticized the majority for mistreating precedent in both *Bilski* and *Abbott Labs*. Judges Mayer and Lourie joined in Judge Newman's *Abbott Labs* dissent. *Id.* at 1299. Judge Lourie also filed a solo dissent. *Id.* at 1320. No one joined Judge Newman in her *Bilski* dissent. Judge Rader (who signed with the majority in *Abbott Labs*), however filed a dissenting opinion in *Bilski* criticizing the majority for, *inter alia*, relying on “dicta taken out of context from numerous Supreme Court opinions dealing with the technology of the past.” *In re Bilski*, 545 F.3d 943, 1011 (Fed. Cir. 2008) (Rader, J., dissenting). Judge Mayer, who joined in Judge Newman's *Abbott Labs* dissent, filed a solo dissent in *Bilski*, but he argued that the “technological arts” test, not the machine-or-transformation test, should govern eligible subject matter. *Id.* at 1009 (Mayer, J., dissenting). While his dissent did not criticize the *Bilski* majority's handling of Supreme Court precedent, it implicitly refuted the majority's contention that the Supreme Court's precedent mandated the machine-or-transformation test by advocating a different test. *Id.*

resolutely restricted the scope of all product-by-process claims in the blanket manner intimated by the Federal Circuit.

Three of the cases—*The Wood-Paper Patent*,<sup>123</sup> *Merrill v. Yeomans*,<sup>124</sup> and *General Electric Co. v. Wabash Appliance Corp.*<sup>125</sup>—did not even involve product-by-process claims.<sup>126</sup> The patent in *Wood-Paper Patent* contained one product and one process claim,<sup>127</sup> and the product was an old one.<sup>128</sup> The *Merrill* Court construed the relevant claim<sup>129</sup> as a *process* claim<sup>130</sup> and indicated the patentee could have described the product.<sup>131</sup> The patent in *GE* centered on *product* claims to an allegedly improved tungsten filament,<sup>132</sup> and the Court held the claims invalid as indefinite.<sup>133</sup>

The remaining four cases relied on by the *Abbott Labs* majority did not consider a special rule for new, indescribable products, and each involved

123. 90 U.S. (23 Wall.) 566 (1874).

124. 94 U.S. 568 (1877).

125. 304 U.S. 364 (1938).

126. Distinguishing among claims to products, processes, and products-by-process is not straightforward in these primarily nineteenth century cases because at the time (though no longer) the law permitted a patentee to draft claims that referred back to the written description for details of what was claimed (e.g., “I claim the machine X, substantially as described herein.”). *See id.* at 373.

127. *Wood-Paper*, 90 U.S. at 593 (“[T]he two reissued patents . . . are to be carefully distinguished one from the other. The first . . . is a patent for a product or a manufacture, and not for any process by which the product may be obtained. The second . . . is for a process and not for its product.”). Note that the *Wood Paper Patent* case involved several patents, none of which involved a product-by-process claim. *Id.* Only the portion to which the *Abbott Labs* majority cited is addressed here, which involved technology for pulping wood. *Id.* at 596.

128. *Id.* (stating that “the product was in no sense new”). Thus, even if one were to interpret the product claim as a product-by-process claim, at best it would be an old product made by a new process, which would not invoke the distinction of a new, indescribable product.

129. *Merrill*, 94 U.S. at 570 (“I claim the above-described new manufacture of the deodorized heavy hydrocarbon oils, suitable for lubricating and other purposes, free from the characteristic odors of hydrocarbon oils, and having a slight smell like fatty oil, from hydrocarbon oils, by treating them substantially as is hereinbefore described.”).

130. *Id.* at 572 (“It is very clear that what he here calls his invention is a thing which produces the deodorized oils, and not the oil itself. . . . Here the word ‘manufacture’ is used [in the claim] in the sense of the word ‘process,’—a word which could be substituted for it, without a shade of change in the meaning.”).

131. *See id.* at 573 (“If the patentee is also entitled to a patent for the product of this distillation, and has failed, as we think he has, to obtain it, the law affords him a remedy, by a surrender and reissue.”).

132. *Gen. Elec. Co. v. Wabash Appliance Corp.*, 304 U.S. 364, 365 (1938). A representative claim is claim 25: “A filament for electric incandescent lamps or other devices, composed substantially of tungsten and made up mainly of a number of comparatively large grains of such size and contour as to prevent substantial sagging and offsetting during a normal or commercially useful life for such a lamp or other device.” *Id.* at 368.

133. *Id.* at 369–70.

either old products or arguably new products that were capable of description. Specifically, *Smith v. Goodyear Dental Vulcanite Co.*<sup>134</sup> and *Goodyear Dental Vulcanite Co. v. Davis*<sup>135</sup> both concerned the same patent claim for false teeth made by a vulcanization process.<sup>136</sup> While the Court interpreted the patent as not directly claiming the product, the Court's description of the product strongly indicates it was describable.<sup>137</sup> The patent in *Cochrane v. Badische Anilin & Soda Fabrik* ("BASF")<sup>138</sup> claimed an artificially-made dye, alizarine, which was an old chemical known for many years as an extract of the madder plant.<sup>139</sup> Finally, *Plummer v. Sargent*<sup>140</sup> involved a claim to iron made to appear like bronze.<sup>141</sup> Like in the other cases, the *Plummer* patent did not involve a new, indescribable product, because bronzed iron was already known<sup>142</sup> and was seemingly describable.<sup>143</sup>

Thus, the Supreme Court cases to which *Abbott Labs* cited either did not involve product-by-process claims, or involved product-by-process claims to known and/or describable products. Not surprisingly then, these cases did not discuss the issue of new, indescribable products. Some of the cases, however, used broad language that arguably restricts the scope of product-by-process

134. 93 U.S. 486 (1877).

135. 102 U.S. 222 (1880).

136. U.S. Reissue Patent No. 1904 claimed "the plate of hard rubber, or vulcanite, or its equivalent, for holding artificial teeth, or teeth and gums, substantially as described." *Smith*, 93 U.S. at 493.

137. *Id.* at 494 ("A new product was the result . . . differing in kind and having new uses and properties."); *Id.* at 497 ("[The invention] produced a manufacture long sought but never before obtained,—a set of artificial teeth, light and elastic, easily adapted to the contour of the mouth, flexible, yet firm and strong, consisting of one piece, with no crevices between the teeth and the plate, impervious to the fluids of the mouth, unaffected by the chemical action to which artificial teeth and plates are subjected when in place, clean and healthy,—peculiarities which distinguish it from everything that had preceded it.").

138. 111 U.S. 293 (1884).

139. U.S. Reissue Patent No. 4321 claimed "[a]rtificial alizarine, produced from anthracine or its derivatives by either of the methods herein described, or by any other method which will produce a like result." *Id.* at 296. At the time of invention, the inventors believed that the product made according to the patent was pure alizarine, identical to the known product found in madder root. *Id.* at 309. The patent, therefore, did not attempt to define the product, and focused only on the process to make it. *Id.* at 310 ("If the words of the claim are to be construed to cover all artificial alizarine, . . . [produced by any method], we then have a patent for a product or composition of matter, which gives no information as to how it is to be identified.").

140. 120 U.S. 442 (1887).

141. *Id.* at 445 ("What I claim and desire to secure by letters-patent is the new manufacture hereinabove described, consisting of iron ornamented in imitation of bronze by the application of oil and heat, substantially as described.").

142. *Id.* at 446–49 (indicating that F.W. Brocksieper had earlier invented the product, bronzed iron).

143. *Id.* at 448 (describing (though not necessarily in sufficient detail for a patent) the product of the inventor's process).



claims.<sup>144</sup> Such passages, of course, are dicta as applied to new, indescribable products, and thus could not require the blanket test that *Abbott Labs* argued was required.<sup>145</sup> The concern is not that the *Abbott Labs* decision was inconsistent with the Supreme Court cases, but rather that it hyper-construed their directives. *Abbott Labs* failed to acknowledge the limitations of the Supreme Court authority, and instead, compiled “a collection of dicta lifted out of context.”<sup>146</sup>

### 3. Dicta and Context

Analysis of the purportedly-controlling Supreme Court cases would not be complete without analyzing the context of the language relied upon in *Abbott Labs*. The various quotes in isolation may seem to support the *Abbott Labs* majority’s view that process steps *always* limit infringement of product-by-process claims. Nevertheless, “Supreme Court precedent dealing with old products . . . utilizing broad language, does not foreclose” treating differently product-by-process claims directed to new, indescribable products.<sup>147</sup> Rather than writing as if the Supreme Court precedent inevitably leads to its holding, the majority would have done better by acknowledging the cases contain ambivalence and/or dicta, and proceeding to discuss the merits of its desired rule, the policy behind it, and the effects it would have. Instead, the opinion mentions little other than precedent, and is “without explanation of what policy is intended to be served by [the holding].”<sup>148</sup>

For example, the *Abbott Labs* majority emphasized *BASF*’s statement that “[e]very patent for a product or composition of matter must identify it so that it can be recognized aside from the description of the process for making it, or

144. See, e.g., *Smith v. Goodyear Dental Vulcanite Co.*, 93 U.S. 486, 493 (1877) (“The process detailed is thereby made as much a part of the invention as are the materials of which the product is composed.”).

145. *Abbott Labs. v. Sandoz, Inc.*, 566 F.3d 1282, 1292 (Fed. Cir. 2009) (“The Supreme Court has long emphasized the limiting *requirement* of process steps in product-by-process claims.”) (emphasis added); see also *id.* at 1291 (“This rule finds extensive support in Supreme Court opinions that have addressed the proper reading of product-by-process claims. . . . In these cases, the Supreme Court consistently noted that process terms that define the product in a product-by-process claim serve as enforceable limitations.”); *id.* at 1293 (“Thus, based on Supreme Court precedent and the treatment of product-by-process claims throughout the years by the PTO and other binding court decisions, this court now restates that ‘process terms in product-by-process claims serve as limitations in determining infringement.’” (quoting *Atl. Thermoplastics Co. v. Faytex Corp.*, 970 F.2d 834, 846–47 (Fed. Cir. 1992))); *Atl. Thermoplastics*, 970 F.2d at 838 n.2 (stating that the earlier *Scripps Clinic* panel opinion would not be followed as precedent because it failed to consider Supreme Court *controlling* precedent).

146. *Atl. Thermoplastics Co. v. Faytex Corp.*, 974 F.2d 1279, 1297 (Fed. Cir. 1992) (Newman, J., dissenting from denial of rehearing en banc).

147. *Abbott Labs.*, 566 F.3d at 1320 (Lourie, J., dissenting).

148. *Id.* at 1300 (Newman, J., dissenting).

else nothing can be held to infringe the patent which is not made by that process.”<sup>149</sup> Taken in isolation, this language seems to support the *Abbott Labs* court’s bright-line rule. Aside from the fact that *BASF* did not involve a new, indescribable product, however, this language was written in the context of one of three alternative views of the case and the Court worrying about the patentee attempting to cover multiple products with a single claim.<sup>150</sup>

The *BASF* Court offered three views of the scope of product-by-process claims without deciding among them. In the first view, the Court could construe the product-by-process claims to cover the exact product allegedly made by the process (i.e., 100% pure alizarine),<sup>151</sup> but in that case the defendant would not infringe because its product was not pure.<sup>152</sup> In the second view,<sup>153</sup> the Court could construe the claims to cover multiple products, but the *BASF* Court found this unacceptable because the patent failed to disclose all the products it purported to cover and did not disclose processes for making those products.<sup>154</sup> In the third view, the Court could construe the claims to cover any mixture containing alizarine, but that product was “old,” and thus the patent would be invalid for lack of novelty.<sup>155</sup> The *BASF* opinion

149. *Id.* at 1292–93 (emphasis removed) (quoting *Cochrane v. Badische Anilin & Soda Fabrik*, 111 U.S. 293, 310 (1884)).

150. *Badische Anilin & Soda Fabrik*, 111 U.S. at 309 (“The articles in market, called artificial alizarine . . . are substances all of which are made from anthracine, but they vary [in their components].”).

151. This interpretation would contravene the *Abbott Labs* rule.

152. *Badische Anilin & Soda Fabrik*, 111 U.S. at 309 (“If the words of the claim ‘by any other method which will produce a like result’ mean any other method which will produce the only product mentioned in the description, namely, alizarine, as then understood, having the formula  $C_{14}H_8O_4$ , the defendants’ article is not that product, for it contains other dyeing ingredients which the alizarine of the patent does not contain.”).

153. This “second” view inspired the broad dicta relied on by *Abbott Labs*.

154. *Badische Anilin & Soda Fabrik*, 111 U.S. at 310 (“If the words of the claim are to be construed to cover all artificial alizarine, whatever its ingredients, produced from anthracine or its derivatives . . . we then have a patent for a product or composition of matter, which gives no information as to how it is to be identified.”); *see also id.* at 312 (“Still further, the claim of No. 4,321 is not a claim merely for the product of the process described in it, but is a claim for anything which may be called artificial alizarine . . .”).

155. *Id.* at 311–12 (“There is another view of the case. . . . [T]he article produced by the process [claimed] was the alizarine of madder, having the chemical formula  $C_{14}H_8O_4$ . It was an old article. While a new process for producing it was patentable, the product itself could not be patented, even though it was a product made artificially for the first time . . . . [I]t was set forth as alizarine, a well-known substance. There was, therefore, no foundation for reissue No. 4,321, for the product, because, on the description given, no patent for the product could have been taken out originally.”) (citation omitted).

did not decide among the views,<sup>156</sup> leaving unresolved the scope of product-by-process claims for infringement purposes.

Perhaps the most interesting dicta appear in *General Electric v. Wabash*,<sup>157</sup> which concerned claims to a tungsten filament having advantageous crystalline characteristics.<sup>158</sup> Even though the claims at issue contained no process steps,<sup>159</sup> and thus the Court's statements about the scope of product-by-process claims are dicta, the case appears to broach the concept of an indescribable product. The appeals court below had noted that "in view of the difficulty, if not impossibility, of describing adequately a number of microscopic and heterogeneous shapes of crystals, it may be that [the inventor] made the best disclosure possible . . . ."<sup>160</sup> Notwithstanding this difficulty, the Supreme Court held the patent invalid for failing to distinctly claim the invention.<sup>161</sup> In this context, the Court stated,

[a]lthough in some instances a claim may validly describe a new product with some reference to the method of production, a patentee who does not distinguish his product from what is old except by reference, express or constructive, to the process by which he produced it, cannot secure a monopoly on the product by whatever means produced.<sup>162</sup>

The Court went on to support dicta with dicta, quoting *BASF*'s statement that "[e]very patent for a product or composition of matter must identify it so that it can be recognized aside from the description of the process for making it, or else nothing can be held to infringe the patent which is not made by that process."<sup>163</sup> The *GE* Court's words are open to several interpretations, at least one of which would support the *Abbott Labs* court's bright-line rule. Nevertheless, the words remain dicta.

Thus, none of the cases discussed the scope of a product-by-process claim to a new, indescribable product. Broad dicta appear in other decisions, but largely duplicate the above-discussed instances.<sup>164</sup> While the Supreme Court

156. *Id.* at 313 ("It results, from these considerations, that, if the claim of No. 4,321 is to be construed so broadly as to cover the defendants' article, it is [invalid]; and that, if it is to be construed so as to cover only the product which the process described in it will produce, [defendants do not infringe]. In either view, *The decree of the Circuit Court must be reversed . . .*").

157. *Gen. Elec. Co. v. Wabash Appliance Corp.*, 304 U.S. 364 (1938).

158. *Id.* at 368.

159. *See supra* note 132 and accompanying text.

160. *Gen. Elec. Co.*, 304 U.S. at 372 (quoting the appellate court but providing no citation).

161. *Id.* at 369–71.

162. *Id.* at 373 (footnotes omitted).

163. *Id.* at 373–74 (quoting *Cochrane v. Badische Anilin & Soda Fabrik*, 111 U.S. 293, 310 (1884)).

164. *See, e.g., Merrill v. Yeomans*, 94 U.S. 568, 571 (1877) ("[B]y the well-settled rules of construing all instruments, some importance must be attached to [the words of the claim

cases do not preclude the rule laid down in *Abbott Labs*, neither do they require it. It would therefore appear that something else helped dictate the outcome in *Abbott Labs*. That “something” seems to be the desire for bright-line rules. Yet as Judge Lourie stated in dissent, “[b]right lines have their uses, but judging should take account of differing circumstances.”<sup>165</sup>

C. *Decisional Instrumentalism in the Federal Circuit’s Enablement and Written Description Jurisprudence*

The final en banc decision in the trilogy analyzed by this Article occurred one year after *Abbott Labs*. In *Ariad Pharmaceuticals, Inc. v. Eli Lilly & Co.*,<sup>166</sup> the Federal Circuit considered what a patent applicant must disclose to obtain a patent.<sup>167</sup> As the quid pro quo for exclusive patent rights, the inventor must disclose the invention to the public via the patent document. In this manner, the inventor adds to the public’s storehouse of technological information, allowing others to learn from and improve upon that which the inventor invented.<sup>168</sup> The inventor’s requirement to disclose the invention is governed by 35 U.S.C. § 112, ¶ 1, which states in relevant part:

The specification shall contain a *written description* of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to *enable* any person skilled in the art to which it pertains . . . to make and use the same . . . .<sup>169</sup>

While it was always clear from the statute that an applicant had to provide a written description that “enabled” the invention, it was not always clear that the written description had to do anything else. A specific “written description” requirement separate from enablement had its humble, and some argue questionable,<sup>170</sup> beginning in *In re Ruschig*.<sup>171</sup> Since that time, the

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indicating a process]; and, if they are to be regarded at all, they must either refer to the process of making the oils [or to the product only when made by the specific process].”).

165. *Abbott Labs. v. Sandoz, Inc.*, 566 F.3d 1282, 1320 (Fed. Cir. 2009) (Lourie, J., dissenting).

166. 598 F.3d 1336 (Fed. Cir. 2010) (en banc).

167. *Id.* at 1340.

168. *E.g.*, Timothy R. Holbrook, *Possession in Patent Law*, 59 SMU L. REV. 123, 127–131 (2006).

169. 35 U.S.C. § 112, ¶ 1 (2006) (emphasis added).

170. See Mark D. Janis, *On Courts Herding Cats: Contending with the “Written Description” Requirement (and Other Unruly Patent Disclosure Doctrines)*, 2 WASH. U. J.L. & POL’Y 55, 62–69 (2000); Laurence H. Pretty, *The Recline and Fall of Mechanical Genus Claim Scope Under “Written Description” in the Sofa Case*, 80 J. PAT. & TRADEMARK OFF. SOC’Y 469, 471 (1998); Kevin S. Rhoades, *The Section 112 “Description Requirement”—A Misbegotten Provision Confirmed*, 74 J. PAT. & TRADEMARK OFF. SOC’Y 869, 902 (1992). But see Jeffrey A. Lefstin, *The Formal Structure of Patent Law and the Limits of Enablement*, 23 BERKELEY TECH. L.J. 1141, 1200–02 (2008) (arguing that William Robinson’s famous 1890 Patent Law treatise discussed a separate written description requirement).

separate written description requirement policed against applicants who, after filing for the patent, attempt to enlarge their claim scope by claiming new matter not found in the patent's specification.<sup>172</sup> In policing against new matter, the written description doctrine required a patent's disclosure to convey to one of ordinary skill in the art that the inventor "possessed" any subsequently-claimed subject matter as of the application's effective filing date.<sup>173</sup> Because the separate written description requirement was applied against an applicant adding broader claims, it traditionally did not apply to originally filed claims, because it would seem obvious that an inventor necessarily "possessed" whatever claims were filed with the original application.<sup>174</sup>

In *Regents of the University of California v. Eli Lilly & Co.*,<sup>175</sup> a Federal Circuit panel extended this traditional interpretation of the written description requirement and applied the requirement to police even originally-filed claims.<sup>176</sup> This doctrinal shift has been widely condemned, especially by commentators familiar with the biotech industry, who perceive the shift as directed specifically at that industry.<sup>177</sup>

The controversy surrounding the written description doctrine persisted, and when the Federal Circuit agreed to hear the *Ariad* case en banc, the public followed the *Ariad* case with interest, filing twenty-five separate amicus briefs. The *Ariad* decision confirmed both the separate role of the written description requirement and its applicability to originally-filed claims, regardless of whether the patent relates to biotechnology.<sup>178</sup> While this Article takes no position on the "correctness" of *Ariad*, given the criticism surrounding the

171. 379 F.2d 990, 995–96 (C.C.P.A. 1967) (drawing a distinction between describing a product and providing information sufficient to enable an interested party to make the product).

172. See Christopher M. Holman, *Is Lilly Written Description a Paper Tiger?: A Comprehensive Assessment of the Impact of Eli Lilly and Its Progeny in the Courts and PTO*, 17 ALB. L.J. SCI. & TECH. 1, 5–6 (2007) (citing 3 DONALD S. CHISUM, CHISUM ON PATENTS §7.04 (2005)).

173. See, e.g., *In re Curtis*, 354 F.3d 1347, 1351 (Fed. Cir. 2004); *Gentry Gallery, Inc. v. Berkline Corp.*, 134 F.3d 1473, 1479 (Fed. Cir. 1998) ("To fulfill the written description requirement, the patent specification 'must clearly allow persons of ordinary skill in the art to recognize that [the inventor] invented what is claimed.'").

174. See Holman, *supra* note 172, at 6; Holbrook, *supra* note 168, at 127–28.

175. 119 F.3d 1559 (Fed. Cir. 1997). In this case, scientists at the University of California ("UC") successfully cloned the rat insulin gene. The patent specification provided the chemical structure of the rat gene (but not the human gene) and a description of how one would go about isolating the gene from other mammals, including humans. *Id.* at 1562–63.

176. *Id.* at 1566–67.

177. See, e.g., Timothy R. Holbrook, *Patents, Presumptions, and Public Notice*, 86 IND. L. J. 779, 794–95 (2011); Janice M. Mueller, *The Evolving Application of the Written Description Requirement to Biotechnological Inventions*, 13 BERKELEY TECH. L.J. 615, 617 (1998).

178. *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1349–52 (Fed. Cir. 2010).

written description doctrine, the public interest in the *Ariad* case itself, and the Supreme Court's recent scrutiny of Federal Circuit decisions, an analysis of the Federal Circuit's written opinion justifying its decision is warranted. As will be seen, the Federal Circuit's methodology mirrors, though to a lesser extent, that of its *Bilski* and *Abbott Labs* decisions.

*Ariad* considered two questions. First, it asked whether 35 U.S.C. § 112, ¶ 1, contained a written description requirement separate from an enablement requirement.<sup>179</sup> Second, if there was a separate written description requirement, it asked what was the scope and purpose of that requirement.<sup>180</sup> Because the court did not rely on Supreme Court precedent in answering the second question,<sup>181</sup> the present analysis will focus on the court's justification of its answer to the first question. Answering the first question in the affirmative, the Federal Circuit asserted that Supreme Court precedent mandated the outcome in the case.<sup>182</sup>

As evidence of precedent supposedly mandating a separate written description doctrine, the *Ariad* court first<sup>183</sup> pointed to the 1938 Supreme Court decision in *Schriber-Schroth Co. v. Cleveland Trust Co.*<sup>184</sup> The *Ariad* court recognized that the *Schriber-Schroth* Court "did not expressly state that it was applying a description of the invention requirement separate from enablement," but nevertheless resolutely asserted that "that is exactly what the

179. *Id.* at 1342.

180. *Id.*

181. *See id.* at 1349–51. Most of the public interest in the case centered not on the first question, but on the second, and thus this Article's thesis would predict the Federal Circuit would hyper-interpret Supreme Court precedent to justify its contentious conclusion, which the court did not do. That *Ariad* did not hyper-construe Supreme Court precedent to justify its decision with respect to the second question (the scope of the separate written description requirement) may indicate that the Federal Circuit is beginning to move away from hyper-construction, which would be a welcome development. Another explanation for this is that there was no precedent to rigidly construe.

182. *Id.* at 1345–47.

183. The court, perhaps wisely, did not rely on *Evans v. Eaton*, 20 U.S. (7 Wheat.) 356, 433–34 (1822) (decided under § 3 of the 1793 Act). Previous CCPA decisions and Federal Circuit panel decisions invoked that authority to justify a separate written description requirement. *See Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1560–61 (Fed. Cir. 1991) (citing *Evans* as evidence of an "historical" explanation of the separate written description requirement); *In re Barker*, 559 F.2d 588, 593 n.6 (C.C.P.A. 1977) (citing, *inter alia*, *Evans* for the proposition that a separate written description requirement is "a statutory requirement duly recognized by the courts"). Using *Evans* as a basis to justify a separate written description requirement has been criticized because the Supreme Court decided *Evans* under the Patent Act of 1793, which did not require enumerated patent claims, and thus the specification (as opposed to present-day claims) needed to provide the public with notice as to what the patentee considered to be his invention. *See Janis, supra* note 170, at 63–64; Rhoades, *supra* note 170, at 889–90.

184. 305 U.S. 47, 60 (1938) (invalidating later-filed claims to pistons with "flexible" webs when the original specification only discussed "extremely rigid" webs).

Court did.”<sup>185</sup> The *Ariad* majority provided no further analysis of or justification for its characterization of *Schriber-Schroth*. The absence of explanation is surprising in that, since the *Schriber-Schroth* decision in 1938, no CCPA or Federal Circuit decision cited it to justify a separate written description requirement.<sup>186</sup> The most probable reason for the lack of citation is that *Schriber-Schroth* was concerned not with “written description,” but rather with an applicant adding “new matter”—an act that would forfeit any earlier priority date as to the newly added matter<sup>187</sup>—by amending his specification five years after the original filing date to try to cover a competitor’s product.<sup>188</sup> Specifically, the patent applicant amended the application to describe and claim a “flexible” component when the originally-filed application only discussed a “rigid” version of the component.<sup>189</sup> Thus, *Schriber-Schroth* did not involve the question of a separate written description requirement, and the Federal Circuit arguably read too much in to the decision.

The *Ariad* court also claimed that *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*<sup>190</sup> was confining precedent on the written description issue, citing *Festo*’s statement that “the patent application must describe, enable, and set forth the best mode of carrying out the invention.”<sup>191</sup> This language from *Festo*, however, does not clearly enunciate a separate written description requirement and is undeniably dictum because *Festo* concerned the doctrine of prosecution history estoppel<sup>192</sup>—a doctrine far removed from questions of

185. *Ariad*, 598 F.3d at 1346.

186. One Federal Circuit dissent cited the case, but not in the context attempting to justify a separate written description requirement. See *Enzo Biochem, Inc. v. Gen-Probe Inc.*, 285 F.3d 1013, 1027 (Fed. Cir. 2002) (Dyk, J., dissenting) (citing *Schriber-Schroth*, 305 U.S. at 57, to show that the primary purpose of the requirement is to provide public notice to competitors and the public), *vacated*, 323 F.3d 956 (Fed. Cir. 2002).

187. 35 U.S.C. § 132(a) (2006) (“No amendment shall introduce new matter into the disclosure of the invention.”); see also 37 C.F.R. § 1.53(b) (2010) (“No new matter may be introduced into an application after its filing date.”).

188. *Schriber-Schroth*, 305 U.S. at 55–57.

189. *Id.* at 56.

190. 535 U.S. 722 (2002).

191. *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1347 (Fed. Cir. 2010) (emphasis removed) (quoting *Festo Corp.*, 535 U.S. at 736).

192. *Festo Corp.*, 535 U.S. at 726 (“This case requires us to address once again the relation between two patent law concepts, the doctrine of equivalents and the rule of prosecution history estoppel.”). Normally, a patent holder can prevent an infringer from making insubstantial changes to its device to avoid the literal meaning of a patent claim limitation. If that claim limitation was amended during prosecution to make clear the claim did not cover the insubstantial change, however, the doctrine of prosecution history estoppel prevents a patent holder from arguing that an accused device with the insubstantial change infringes the claim limitation under the doctrine of equivalents.

enablement and written description.<sup>193</sup> Thus, the *Festo* dictum should not be viewed as requiring a separate written description requirement.

Despite the Supreme Court's lack of definitive statements with respect to a separate written description requirement, the *Ariad* majority asserted that "[a]s a subordinate federal court, we may not so easily dismiss such statements [by the Supreme Court in *Festo* and *Schriber-Schroth*] as dicta but are bound to follow them."<sup>194</sup> As in *Bilski* and *Abbott Labs*, the Supreme Court's earlier cases did not stand in opposition to the Federal Circuit's desired position, but once again the Federal Circuit was not satisfied with arguing that its position was not inconsistent with Supreme Court authority. Instead, the Federal Circuit insisted the precedent mandated a certain outcome. As in *Bilski* and *Abbott Labs*, the precedent is less confining than the Federal Circuit argued.

If Supreme Court precedent did not mandate the outcome, one must consider what policy prodded the court toward its decision. Unlike *Bilski* and *Abbott Labs*, which appeared plainly to desire formalistic, relatively rule-oriented results, *Ariad* appears at first glance to desire the option with more uncertainty: two separate requirements—written description and enablement—instead of one—a written description that enables. Indeed, some critics argue the separate written description requirement, particularly where it is applied to originally-filed claims, has created uncertainty.<sup>195</sup>

Thus, while this Article's identification and criticism of the Federal Circuit's forced formalism applies to *Ariad*, identifying the policy motive behind the court's decision requires further analysis. While it is true that a separate written description requirement does not bring certainty to the law's application the way a formalistic, bright-line rule might, it does tend to encourage formalism—and thus, presumably, certainty—in the manner in which the court applies the doctrine. Specifically, Professor Timothy Holbrook has argued that the Federal Circuit has used current written description and enablement doctrines to marginalize the technical aspects of the patent document and to elevate its legal aspects.<sup>196</sup> By limiting the technical aspect of the patent document, the court may be trying to generate certainty ex post by allowing courts to focus on the patent document and its prosecution history to the exclusion of expert testimony, thus reducing the costs of analyzing a patent.<sup>197</sup> The court may also be attempting to generate

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193. See *Ariad*, 598 F.3d at 1364 (Rader, J., dissenting) (arguing that the majority "clearly overstates the language of *Festo*").

194. *Id.* at 1347.

195. See, e.g., Holbrook, *supra* note 168, at 162; Janis, *supra* note 170, at 69–88; Duane M. Linstrom, *Spontaneous Mutation: A Sudden Change in the Evolution of the Written Description Requirement as It Applies to Genetic Patents*, 40 SAN DIEGO L. REV. 947, 970 (2003).

196. Holbrook, *supra* note 177, at 783.

197. *Id.* at 807.



certainty by creating an ex ante information forcing penalty-default: that is, the heightened written description requirement forces patent applicants to provide more disclosure in the patent itself for fear of a court invalidating the patent for failing to meet an ill-defined written description requirement.<sup>198</sup> Hence, the Federal Circuit's desire for certainty may well play a part in its insistence on a separate written description requirement.

In conclusion, *Bilski*, *Abbott Labs*, and *Ariad* each evidence, though in varying degrees, the Federal Circuit's jurisprudential penchant for writing its opinions in a decisional formalist style and construing Supreme Court precedent to require its holdings. Because the precedent does not constrain the Federal Circuit in the way that it asserts, other goals appear to be prompting the court to make and justify its decisions. The next Part analyzes why the court might be engaging in this methodology and the consequences thereof.

### III. REASONS FOR AND CONSEQUENCES OF FORCED FORMALISM

In each decision discussed in Part II, the Federal Circuit engaged in forced formalism to achieve a goal of relative certainty and clarity. Other writers have well explored the Federal Circuit's formalist tendencies and predilection for rules over standards.<sup>199</sup> The literature likewise has a rich discussion concerning the strength and weaknesses of rules and standards and of the Federal Circuit's rule-making formalism tendencies.<sup>200</sup>

What the literature has not thoroughly explored is the Federal Circuit's decisional methodology, i.e., how the Federal Circuit justifies its decisions when it adopts its certainty-engendering tests.<sup>201</sup> As shown in Part II, in each of *Bilski*, *Abbott Labs*, and *Ariad*, the Federal Circuit justified its result using a decisional formalist style, which resulted in the hyper-construction of flexible (and sometimes ancient) Supreme Court precedent.

198. *Id.* at 804–05.

199. See Holbrook, *supra* note 23; Lee, *supra* note 3; Craig Allen Nard, *Legal Forms and the Law of Patents*, 90 B.U. L. REV. 51 (2010); Thomas, *supra* note 3.

200. See sources cited *supra* notes 3 and 6; see generally Tun-Jen Chiang, *The Rules and Standards of Patentable Subject Matter*, 2010 WIS. L. REV. 1353 (2010) (discussing rules and standards as they relate to patentable subject matter); Kennedy, *supra* note 20 (discussing, among other things, the relationship between standards, rules, altruism, and individualism); Russell B. Korobkin, *Behavioral Analysis and Legal Form: Rules vs. Standards Revisited*, 79 OR. L. REV. 23 (2000) (examining standards and rules from a law and behavioral science perspective); Eric A. Posner, *Standards, Rules, and Social Norms*, 21 HARV. J.L. & PUB. POL'Y 101 (1997) (discussing the relationship between the economic literature on rules and standards, the economic approach to social norms, and the rule of law); Pierre Schlag, *Rules and Standards*, 33 UCLA L. REV. 379 (1985) (discussing some of the merits of the rules versus standards debate).

201. See, e.g., Rochelle Cooper Dreyfuss, *The Federal Circuit as an Institution: What Ought We to Expect?*, 43 LOY. L.A. L. REV. 827, 834 (2010) (noting that rather than discussing policy, “the [Federal Circuit] has adopted a rather formalistic approach to judging”).

The Supreme Court precedent discussed in *Bilski*, *Abbott Labs*, and *Ariad* did not prohibit or discourage the Federal Circuit's desired results. Thus, the Federal Circuit was not faced with the task of construing *around* blocking precedent, and the court could have correctly stated that its rule was not inconsistent with precedent. Moreover, the Federal Circuit could have stated that the precedent "seemed to favor" its position. But the Federal Circuit did not settle for the "not inconsistent with precedent" position. Instead, it tried to convince readers that the Supreme Court required the particular test. Further, an overt discussion of policy, if present at all, was minimal. The next two sections consider why the Federal Circuit wrote its opinions in this manner.

#### A. *Forced Formalism as a Response to Supreme Court Scrutiny*

The Supreme Court has entered a period of keen interest in patent law,<sup>202</sup> and this certainly factors into the Federal Circuit's style in opinion writing. While the Supreme Court rarely took patent cases in the Federal Circuit's early years—it only took five patent cases in the Federal Circuit's first twelve years—the honeymoon period has been over for some time.<sup>203</sup> In the next twelve years, it heard fifteen Federal Circuit patent cases, and at an increasing rate over time.<sup>204</sup> Further, the Federal Circuit's "success" rate at the Supreme Court has been dismal of late. Although from 1982 to 2000 the Supreme Court reversed or vacated the Federal Circuit about 50% of the time (about the same rate as the national average during that time),<sup>205</sup> from 2001–2007 (the years before the decisions discussed in this Article) the reversal rate for the Federal Circuit patent decisions was 87.5% compared to about 72% for all circuits.<sup>206</sup>

Not only does the Supreme Court reverse the Federal Circuit often, but also its rhetoric toward the Federal Circuit has been described as "severely critical" and "testy,"<sup>207</sup> "increasingly disdainful,"<sup>208</sup> and "harsh,"<sup>209</sup> particularly

202. See, e.g., Dreyfuss, *supra* note 8, at 791; Gajarsa & Cogswell, *supra* note 15, at 822–23; Golden, *supra* note 8, at 658; Hoffman & Kinder, *supra* note 15, at 227.

203. Gajarsa & Cogswell, *supra* note 15, at 822–23; see also John M. Golden, *The Federal Circuit and the D.C. Circuit: Comparative Trials of Two Semi-Specialized Courts*, 78 GEO. WASH. L. REV. 553, 557–58 (2010) (discussing Supreme Court review of Federal Circuit patent decisions).

204. See Gajarsa & Cogswell, *supra* note 15, at 828–41 (discussing many of the Supreme Court's recent patent cases). In addition to the cases discussed therein, in the next two years the court decided *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007), *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398 (2007), *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437 (2007), and *Quanta Computer, Inc. v. LG Elecs., Inc.*, 553 U.S. 617 (2008).

205. John F. Duffy, *The Festo Decision and the Return of the Supreme Court to the Bar of Patents*, 2002 SUP. CT. REV. 273, 282.

206. Hoffman & Kinder, *supra* note 15, at 241–42. Given that only eight patent cases factor into these statistics, the results may not be statistically significant.

207. Rochelle Cooper Dreyfuss, Lecture, *What the Federal Circuit Can Learn from the Supreme Court — And Vice Versa*, 59 AM. U. L. REV. 787, 800, 801 (2010) (noting that the

when it comes to the Federal Circuit's failure to follow Supreme Court precedent. Jabs at the Federal Circuit come not only in Supreme Court opinions, but also from individual judges during oral argument. Justice Scalia labeled one Federal Circuit test as "gobbledygook,"<sup>210</sup> and Chief Justice Roberts indicated that the Federal Circuit seemed to feel it was not bound to follow Supreme Court precedent.<sup>211</sup>

The negative appraisals are not unidirectional; the Federal Circuit has bristled a bit itself. In a 2009 lecture, then-Chief Judge Michel discussed the Federal Circuit's relationship with the Supreme Court, stating:

For example, in the *KSR* case, it was said that the Federal Circuit had a rigid rule and that it used the so-called teaching-motivation-suggestion test as the sole test, neither of which was true. . . . In fact, there is a certain respect in which the *KSR* decision is almost silly. . . . What about *Bilski*? The Supreme Court has heard the argument. . . . I'm not in the business of making predictions, but it's too hard to resist making a stab at it. I'm going to suggest that they will affirm the result; they will say that the application claims were not patentable—exactly what we said—but they'll say that our reasoning wasn't good enough. They will probably say, as they did in *KSR*, that we were too rigid. We'll get dinged for being rigid again.<sup>212</sup>

"Follow our precedent!" "Don't be so rigid!" How is a Court of Appeals to respond to such harsh directives from the Supreme Court? As this Article has demonstrated, the Supreme Court's increased attention has changed what the Federal Circuit *writes*, but not necessarily what it *does*. The directive to be less rigid has perhaps not been taken to heart, but the directive to follow precedent has led to abundant attention to even the most ancient Supreme Court cases.<sup>213</sup> In the same lecture quoted above, then-Chief Judge Michel

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Supreme Court "has severely criticized the Federal Circuit for departures on precedent" but that the Supreme Court's "testiness about the Federal Circuit's departures from its precedents is often inappropriate").

208. Golden, *supra* note 203, at 559 (quoting Gretchen S. Sween, *Who's Your Daddy? A Psychoanalytic Exegesis of the Supreme Court's Recent Patent Jurisprudence*, 7 NW. J. TECH. & INTELL. PROP. 204, 204–05 (2009)).

209. *Id.* (quoting Debra D. Peterson, *Can This Brokered Marriage Be Saved? The Changing Relationship Between the Supreme Court and Federal Circuit in Patent Law Jurisprudence*, 2 J. MARSHALL REV. INTELL. PROP. L. 201, 245 (2003)).

210. Transcript of Oral Argument at 41, *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398 (2007) (No. 04-1350).

211. Golden, *supra* note 203, at 560 (citing Transcript of Oral Argument at 18, *Carlsbad Tech., Inc. v. HIF Bio, Inc.*, 129 S. Ct. 1862 (2009) (No. 07-1437)).

212. Paul Michel, Lecture, *Innovation, Incentives, Competition, and Patent Law Reform: Should Congress Fix the Patent Office and Leave Litigation Management to the Courts?*, 20 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1135, 1158 (2010) (footnotes omitted).

213. *See, e.g.*, Dreyfuss, *supra* note 207, at 804 (stating that the Federal Circuit's *Bilski* decision "very deliberately and repeatedly referenced" Supreme Court precedent); Hoffman &

highlighted the Federal Circuit's assiduousness concern with precedent in the *Bilski* opinion, stating, "if you read our [*Bilski*] opinion closely . . . it was utterly plagiarized right out of Supreme Court cases themselves, not out of our own cases."<sup>214</sup>

Given the above-quoted comments, Judge Michel seemed to appreciate that the Federal Circuit's *Bilski* decision had changed its rhetoric to discuss more fully Supreme Court precedent but had not changed its ultimate result, which was a relatively "rigid" test. Of course, the Federal Circuit judges joining in the *Bilski* majority opinion would assert that the Supreme Court precedent required the rigid test, but this Article is not the first to question that assertion.<sup>215</sup> If, as this Article claims, the Federal Circuit is not changing its outcomes in light of Supreme Court scrutiny of which it is undoubtedly aware,<sup>216</sup> why has it bothered to change its rhetoric?

The Federal Circuit may have altered its rhetoric because it believed that a decisional formalistic invocation of a Supreme Court mandate best placed the opinion to avoid Supreme Court review altogether. To the extent that its rhetoric convinced the parties of the Supreme Court's view on the case, a petition for certiorari would be less likely. In addition, copious citation to Supreme Court authority might persuade the high Court to stay its hand. Judge Rader seemed to indicate this view, as it was reported that he "did not expect that the Supreme Court would favor" granting a writ of certiorari on *Bilski*, in part because "the Federal Circuit . . . [seemed] to be once again applying the Supreme Court's law to the letter."<sup>217</sup>

Relatedly, the Federal Circuit may have been attempting to obtain affirmance by the Supreme Court. In this era of increased interaction with the Supreme Court, the Federal Circuit has become savvier with respect to its overseer,<sup>218</sup> and perhaps is more willing to try to read between the lines of

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Kinder, *supra* note 15, at 254 ("In *Bilski*, the Federal Circuit's *en banc* decision bent over backwards to show how the adopted 'machine-or-transformation' test was not only consistent with, but closely followed, old Supreme Court precedent.").

214. Michel, *supra* note 212, at 1158–59.

215. See *supra* Part II.A; see also Nard, *supra* note 199, at 96 ("The extent Supreme Court precedent demanded that *Bilski* adopt the machine-transformation test is debatable."); Darin Snyder & Mark Davies, *The Federal Circuit and the Supreme Court (Circa 2009)*, 19 FED. CIR. B.J. 1, 10–11 (2009).

216. For discussion by Federal Circuit Judges of the Supreme Court's treatment of Federal Circuit decisions see Gajarsa & Cogswell, *supra* note 15; Michel, *supra* note 212.

217. Stefania Fusco, In re *Bilski*: A Conversation with Judge Randall Rader and a First Look at the BPAI's Cases, 20 ALB. L.J. SCI. & TECH. 123, 145 (2010) (alteration in original) (quoting an interview with Judge Rader).

218. See, e.g., Dreyfuss, *supra* note 8, at 810 ("Starting with its *en banc* decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, the judges on the Federal Circuit have become quite adept at writing dissents signaling the need for Supreme Court attention." (footnote omitted)); Helen Wilson Nies, *Dissents at the Federal Circuit and Supreme Court Review*, 45

Supreme Court precedent. Further, as Judge Posner has noted, an opinion written in a formalist style can give an air of “inevitability.”<sup>219</sup> By anchoring its opinions in exhaustive analysis of Supreme Court cases, the court may have believed that its position would be more salable.

That the Federal Circuit was following either of these two rationales finds some anecdotal support in comparing the Federal Circuit’s opinions in *Bilski*, *Abbott Labs*, and *Ariad*. Of the three, *Bilski* by far was the most likely to be successfully petitioned to the Supreme Court given the amount of attention surrounding the case<sup>220</sup> and the Supreme Court’s signals about its dissatisfaction with the eligible subject matter doctrine.<sup>221</sup> Correlating to the likelihood of review, in *Bilski* the Federal Circuit’s hyper-construction of Supreme Court precedent was more rigorous and pronounced than in *Ariad* or *Abbott Labs*.<sup>222</sup>

A somewhat opposite explanation for the Federal Circuit’s style of decisional formalism is that the Federal Circuit is trying to force the Supreme Court to interpret and take ownership of its aged precedents. Understanding the application of antebellum Supreme Court opinions can be challenging, but by taking a firm position on even ancient precedent, the Federal Circuit may want to force the Supreme Court to confirm or deny the interpretation. In addition, by portraying the Supreme Court’s cases to require a given test, the Federal Circuit may be attempting to force the Court to do more than simply reject a Federal Circuit-made rule and instead announce whether the Court requires a rule at all.

In the end, various combinations of the above reasons might have played a part in the decisional style reflected in the opinion, and different judges might have signed on to a majority decision for different reasons.

AM. U. L. REV. 1519, 1519 (1996) (describing the Federal Circuit’s inter-circuit conflicts as “a frequent trigger for Supreme Court review”).

219. Richard A. Posner, *Judges’ Writing Styles (And Do They Matter?)*, 62 U. CHI. L. REV. 1421, 1430 (1995) (describing the formalist style as containing among other things, “the long quotations from previous cases to demonstrate fidelity to precedent, the euphemisms, and the exaggerated confidence . . . [all of which can be] summarized as the ‘rhetoric of inevitability’”). This style is more likely to be directed at the court’s observers below, not the Supreme Court.

220. See *supra* notes 33–35 and accompanying text regarding amicus curiae briefs to the Federal Circuit in *Bilski* (thirty-nine), *Abbott Labs* (zero), and *Ariad* (twenty-five).

221. *Lab. Corp. of Am. Holdings v. Metabolite Labs., Inc.*, 548 U.S. 124, 125–26, 134 (2006) (writ of certiorari dismissed as improvidently granted; dissent by Justice Breyer indicating he would have reversed).

222. Compare Part II.A, with Parts II.B, and II.C. It should be noted that *Ariad* does not perfectly fit this model. While *Ariad* generated a good deal of public interest, most of the interest involved the second en banc question concerning the scope of a separate written description requirement. In the portion of the opinion analyzing this question, the Federal Circuit did not cite to any Supreme Court authority. One explanation for this is that there was no precedent to rigidly construe.

### B. *The Federal Circuit's Aversion to Instrumentalism*

Taking the focus off the Supreme Court and putting it on the courts, administrators, and lawyers under the Federal Circuit's authority, the Federal Circuit may have engaged in a bit of "do as I say and not as I do." Specifically, the Federal Circuit might believe that formalism should in general control the reasoning of trial courts, the PTO, and patent lawyers, and thus wanted its opinion to be of that flavor; all the while allowing itself quiet access to the policy levers. Yet it is unlikely that the Federal Circuit has followed such a short-sighted rationale—even if it discussed policy justifications in its holdings, the substantive rule would bind lower courts.

Instead, it seems the Federal Circuit purposefully shies away from policy discussion, and at least some on the court seem genuinely to dislike the idea of supporting holdings with policy rationales,<sup>223</sup> perhaps fearing such discussion would approach judicial activism. By writing in a decisional formalist manner, the Federal Circuit avoids discussing policy because (it might say) there is no reason to discuss policy when the precedent is clear and mandatory. Policy and precedent, however, are not necessarily inconsistent; policy and precedent may align with or complement each other. Nevertheless, when Supreme Court precedent does not fully mandate the Federal Circuit's desired outcome, the Federal Circuit lately has tended to hyper-construe the precedent rather than discuss policy.

So strong is the Federal Circuit's preference against policy analysis that it at times eschews policy discussion even when the favored policy is consistent with Supreme Court precedent.<sup>224</sup> As Professor Dreyfuss has explained, while policy reticence may have been wise in the early years of an experimental court, the Federal Circuit is now established.<sup>225</sup> To help achieve quality decisions, Professor Dreyfuss argues, the court should discuss and explain policy.<sup>226</sup>

223. See Burk & Lemley, *supra* note 24, at 1671; Dreyfuss, *supra* note 8, at 809 (stating that Federal Circuit "opinions rarely provide insight into the goals the court sees the law as achieving"); Alan D. Lourie, *A View from the Court*, 75 Pat. Trademark & Copyright J. (BNA) 22 (Nov. 2, 2007) ("[For 17 years], not once have we had a discussion as to what direction the law should take . . . . That is because we are not a policy-making body. We have just applied precedent as best we could determine it to the cases that have come before us."); Michel, *supra* note 3, at 758; Rai, *supra* note 24, at 1040–41.

224. See *Abbott Labs. v. Sandoz, Inc.*, 566 F.3d 1282, 1300 (Fed. Cir. 2009) (Newman, J., dissenting) (lamenting that the majority decision is "without explanation of what policy is intended to be served by [the holding]"). But see *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1353–54 (Fed. Cir. 2010) (briefly discussing the implications of its decision to the universities and other researchers of basic science).

225. Dreyfuss, *supra* note 8, at 814–27.

226. *Id.* at 803–04.

The extent to which courts should discuss policy in their opinions is open for debate, but where a court allows policy to influence its decisions, the argument for discussing policy is stronger. Thus, I agree with those who call for the Federal Circuit to discuss policy in its opinions, because, as this Article has contended, the Federal Circuit is motivated by a policy; it has an agenda. That agenda—as widely regarded by the court’s observers and as described by then-Chief Judge Michel—is a goal of “predictability.”<sup>227</sup> Judge Michel resisted attaching the label to anything the court does as an “agenda,”<sup>228</sup> but it is difficult to describe a goal for predictability as anything other than a policy. A policy, among other things, is that which helps a court choose between or among possible alternative tests (e.g., whether a test should be more rule-based or standard-based). Hence, a goal of predictability is a policy; a policy that will generally militate in favor of a rule over a standard. Although *stare decisis* no doubt plays a strong and important<sup>229</sup> role, predictability as an instrumentalist goal has led to the rule-making formalism and decisional formalistic style favored by the Federal Circuit. Thus, whether one thinks the Federal Circuit should engage in policy analysis when making its decisions, because the court appears to be doing so already, it should discuss those policies in its opinions.

An additional contributing explanation for the Federal Circuit’s lack of policy discussion may relate to its status as the sole appellate court for patent appeals, a fact that has received criticism of late.<sup>230</sup> As the court is not “competing” with other circuits for influence, it may feel less of a need to explicate policy rationales. Essentially, the only court the Federal Circuit must persuade (if it feels the desire to try to persuade) is the Supreme Court, and entering into a policy debate with a superior court can be fraught with awkwardness. Moreover, Supreme Court review is relatively rare, and may not be a strong motivator.

As yet another explanation, it may be that what concerns the Federal Circuit most is not abdicating all policy analysis, but rather avoiding capital “I” Instrumentalism (i.e., judicial activism) in favor of judicial minimalism,<sup>231</sup> and

227. Michel, *supra* note 3, at 762 (noting that starting in the late 1980s, the Federal Circuit’s “focus shifted toward . . . the need for greater clarity, coherence, and predictability”).

228. *Id.* at 765 (“We really do not have an agenda; actually, it would be very difficult and undesirable to have an agenda.”).

229. See *Burnet v. Coronado Oil & Gas Co.*, 285 U.S. 393, 406 (1932) (Brandeis, J., dissenting) (“*Stare decisis* is usually the wise policy, because in most matters it is more important that the applicable rule of law be settled than that it be settled right.”).

230. See Craig Allen Nard & John F. Duffy, *Rethinking Patent Law’s Uniformity Principle*, 101 NW. U. L. REV. 1619 (2007) (offering criticism of and proposing solutions to the Federal Circuit’s centralization).

231. For general discussions of the benefits and drawbacks of both judicial activism and judicial minimism see, e.g., Keenan D. Kmiec, Comment, *The Origin and Current Meanings of*

possibly trying to appear ideologically neutral.<sup>232</sup> While judicial activism has recognized pitfalls,<sup>233</sup> there are several reasons to push back against the Federal Circuit's aversion to policy discussions.

First, there are many definitions of "activism," and assuming the court has a policy objective for predictability, such a goal would fall under a broad definition of judicial activism (e.g., result-oriented judging).<sup>234</sup> Second, policy discussion is not the equivalent of judicial activism, especially in a system like patent law where Congress enacted a patent statute that intends for judicial discretion to fill the gaps.<sup>235</sup> The provision of relatively unspecific statutes necessarily invites judicial policy engagement, and such engagement does not usurp the role of Congress, it instead submits to congressional intent.<sup>236</sup>

Third, assuming the Federal Circuit wants rules instead of standards, allowing other policy considerations into Federal Circuit decision-making would not necessarily lead to standards over rules and would not necessarily sacrifice predictability. For example, Professors Burk and Lemley urge the Federal Circuit to allow policy considerations to adapt to industry-specific needs, and note that "[w]here commonalities within an industry can be identified, tailoring may sometimes be best accomplished via judicial application of a bright-line rule."<sup>237</sup> An example of industry-specific adaptation using formalistic rules may be found (perhaps unintentionally) in the combination of *Bilski* (before it was overturned), *Abbott Labs*, and

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"Judicial Activism", 92 CAL. L. REV. 1441 (2004); Abner J. Mikva, *Why Judges Should Not Be Advice Givers*, 50 STAN. L. REV. 1825 (1998); Chad M. Oldfather, *Defining Judicial Inactivism: Models of Adjudication and the Duty To Decide*, 94 GEO. L.J. 121 (2005); Christopher J. Peters, *Assessing the New Judicial Minimalism*, 100 COLUM. L. REV. 1454 (2000); Richard A. Posner, *Against Constitutional Theory*, 73 N.Y.U. L. REV. 1 (1998); Cass R. Sunstein, *The Supreme Court, 1995 Term—Foreword: Leaving Things Undecided*, 110 HARV. L. REV. 6 (1996).

232. See Dreyfuss, *supra* note 8, at 818–19 (citing Matthew Sag et al., *The Effect of Judicial Ideology in Intellectual Property Cases* (July 2, 2007) (unpublished manuscript), available at <http://ssrn.com/abstract=997963>).

233. For a discussion of several of these pitfalls see, e.g., Mikva, *supra* note 231.

234. Kmiec, *supra* note 231, at 1444 (providing primary definitions of judicial activism as: "(1) invalidation of the arguably constitutional actions of other branches, (2) failure to adhere to precedent, (3) judicial 'legislation,' (4) departures from accepted interpretive methodology, and (5) result-oriented judging").

235. See, e.g., Burk & Lemley, *supra* note 24, at 1638 ("While the [Patent] statute sets the basic parameters for patentability and infringement, it does not specify in detail how those basic principles are to be applied."); Rai, *supra* note 24, at 1116 ("[T]he legislative history and language of certain patent law provisions . . . strongly indicate that Congress wanted courts to engage in relatively wide-ranging interpretation of these provisions.").

236. See Burk & Lemley, *supra* note 24, at 1674 (explaining that when judicial discretion is built into a statute, judges do not avoid or subvert the statute when they engage in policy discussion); Rai, *supra* note 24, at 1116–20 (explaining that, through the legislative history and current structure of the patent statute, Congress has authorized judicial policy development).

237. Burk & Lemley, *supra* note 24, at 1639.



*Ariad*,<sup>238</sup> which together may make patenting in the basic sciences more difficult. Based on these cases, inventors desiring broad protection will be forced to delay filing patent applications until they have further explored the basic research. *Bilski* shifts patenting further downstream than the already-prophylactic “abstract ideas” test by preventing patenting until finished products have been developed.<sup>239</sup> In addition, *Abbott Labs* provides less protection for new, indescribable inventions, and *Ariad*’s application of a separate written description requirement to originally filed claims prevents an applicant from filing for a patent until the technology is better understood.

Thus, the Federal Circuit’s apparent instrumentalist/policy preference for predictability and its consequent penchant for rule-making and formalism are affecting various technologies in specific ways. A discussion of these effects, limited by the bounds of discretion provided by the patent statute and the Supreme Court, would seem to constitute a congressionally endorsed exercise of expertise rather than an undesirable policy agenda.

### C. *Consequences of Forced Formalism*

Regardless of the judges’ intentions, one must consider the potential consequences of a shift toward forced decisional formalism. Unfortunately, when a court writes its opinions in a decisional formalist manner that hyper-construes or ignores precedent, the undiscussed decisional instrumentalism may yield the negatives of both formalism and instrumentalism: lawyers and trial judges are left with the impression of rigid formalism, eviscerating much of the flexibility that is the oft-cited benefit of a policy-driven analysis. Lawyers would spend time comparing and dissecting unintentional, minute differences in wording from Federal Circuit decisions<sup>240</sup> and neglecting thoughtful and persuasive argument concerning important policy considerations.<sup>241</sup> Concurrently, the efficiencies and other cited benefits of

238. See *supra* Part II, discussing each case.

239. See *Burk & Lemley, supra* note 24, at 1643–44 (noting that prior to *Bilski* the “abstract idea” doctrine “forces patents downstream” and “may have particular importance in biotechnology, where patenting of upstream research ideas and tools threatens to stifle downstream innovation”).

240. See *Dreyfuss, supra* note 8, at 803–04 (“Obscuring policy also makes it difficult for practitioners to know when the court is changing direction and when it is not. As a result, the court winds up frustrated by appeals built around minor changes in the wording of particular holdings.” (citing Glenn L. Archer, Jr., *Conflicts and the Federal Circuit*, 29 J. MARSHALL L. REV. 835, 837 (1996) (“Both parties may think there is a conflict when the judges do not.”); Haldane Robert Mayer, *Reflections on the Twentieth Anniversary of the Court of Appeals for the Federal Circuit*, 52 AM. U. L. REV. 761, 767 (2003) (“Too many opinions in well-trod areas of the law contribute to uncertainty and instability.”))).

241. See *Dreyfuss, supra* note 8, at 816–17.

formalism are retarded by potentially confusing and/or inconsistent treatments of precedent.

Whether one favors formalism or instrumentalism, most would agree that a court ought to be forthright about its judicial philosophy. Almost a century ago, the Legal Realist movement blossomed as a result in part of recognizing aspects of forced formalism similar to those identified in this Article.<sup>242</sup> In turn, the desire for judicial candor and accountability was a prime motivation behind the Legal Process school's call for rationally articulated justifications for judicial decisions.<sup>243</sup> The Legal Process school's call for honest and well-reasoned opinions is one of the most enduring aspects of the movement, as can be seen by contemporary judges declaring that the "explanatory function of the opinion is paramount"<sup>244</sup> and "[o]pinions must exhibit the qualities of good moral character: Candor, respect, honesty, and professionalism."<sup>245</sup>

Fully-articulated opinions have several advantages. Anyone who has taken a math course (be it long division, algebra, or calculus) will recall that writing out the solution's steps decreases the chance of error and allows observers to follow and critique the solution's logic (in turn allowing for every student's best friend when the end result is wrong: partial credit). In the same manner, a court that shows all its reasons for an opinion may reduce error and allow for robust discussion and analysis.<sup>246</sup> Every step in the decision-making process holds the potential for error that may lead to a sub-optimal decision. No federal court has the time or resources to micro-analyze every step in its decision-making process, but by providing the public with a roadmap, the entire logical chain could be carefully analyzed.

By eschewing policy discussion, however, the Federal Circuit maximizes the opportunity for at least two errors. First, the court may erroneously adopt a

242. For a more in depth discussion of Legal Realism, see Karl N. Llewellyn, *A Realistic Jurisprudence—The Next Step*, 30 COLUM. L. REV. 431 (1930); J. FRANK, *LAW AND THE MODERN MIND* 46–52 (Anchor Books 1963).

243. For a more in depth discussion of the Legal Process school, see Alexander M. Bickel & Harry H. Wellington, *Legislative Purpose and the Judicial Process: The Lincoln Mills Case*, 71 HARV. L. REV. 1 (1957); HENRY M. HART, JR. & ALBERT M. SACKS, *THE LEGAL PROCESS*, 161–62 (tent. ed. 1958).

244. Ruggero J. Aldisert et al., *Opinion Writing and Opinion Readers*, 31 CARDOZO L. REV. 1, 5 (2009).

245. Gerald Lebovits et al., *Ethical Judicial Opinion Writing*, 21 GEO. J. LEGAL ETHICS 237, 238 (2008); see also GUIDO CALABRESI, *A COMMON LAW FOR THE AGE OF STATUTES* 178–81 (1982) (advocating judicial candor); Scott C. Idleman, *A Prudential Theory of Judicial Candor*, 73 TEX. L. REV. 1307 (1995) (critically examining the conventional wisdom that judges should aspire towards candor); Robert A. Leflar, *Honest Judicial Opinions*, 74 NW. U. L. REV. 721 (1979) (advocating honesty and candor in judicial opinion writing).

246. See Nard & Duffy, *supra* note 230, at 1655 (noting that "explication imposes constraints on the judiciary by allowing outsiders to debate the merits and persuasiveness of these unelected officials' work product").

more rule-like position than is optimal. While judges and scholars may have a natural affinity toward rules or standards, general consensus recognizes that both rules and standards have their place, depending on the substantive area concerned. Thus, few would say that rules (or standards) are always superior to the other, and most recognize the best result may sometimes be somewhere in the middle of the spectrum between a pure rule and a pure standard. Without open discussion (and an invitation for advocates to discuss) the policies behind—and consequences of—a given rule, the court increases the risk of choosing a sub-optimal place on the spectrum.

Second, even assuming the court should adopt a rule-oriented test in a given substantive area, not all rules are created equally. While the Federal Circuit's policy geared toward relatively bright-line rules will generally achieve precision (defined as "reproducible," such that those beneath the court can apply it with greater ease), it will not necessarily achieve accuracy (defined as "correct," such that the law is responsive to national goals and the needs of patent users).<sup>247</sup> While a perfect bright-line rule could achieve both precision and accuracy, limitations on knowledge and foresight make this a practical impossibility. Given these limitations, the goals of precision and accuracy can work in opposition to each other.<sup>248</sup> By adopting a decisional formalist rhetoric, and thereby minimizing policy discussion, the Federal Circuit increases the chances that the bright-line rules it adopts will be inaccurate.

Besides running afoul of accepted jurisprudential standards<sup>249</sup> and increasing the risk of selecting sub-optimal rules, a court that consistently achieves bright-line, formalist rules by engaging in the questionable interpretation of precedent may also hamper its efforts toward certainty and predictability. Though counterintuitive, this collateral uncertainty has at least two causes. First, the court loses an opportunity to accumulate proper interpretations of the precedent, or where the precedent is unclear, to highlight that fact. Second, to the extent that a court stretches the meaning of precedent, the court obfuscates and renders less useful the mis-analyzed precedent, instead of illuminating it through sound analysis. As the prominent Legal Realist Karl Llewellyn<sup>250</sup> observed decades ago in the context of courts' disingenuous contract interpretations, "since [the courts' methodologies] purport to construe, and do not really construe, nor are intended to, but are instead tools of intentional and creative misconstruction, they seriously

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247. Dreyfuss, *supra* note 8, at 796.

248. *Id.* at 796–97.

249. See Aldisert et al., *supra* note 244, at 18 ("The opinion must also be consistent with valid and binding legal precepts of the legal system.") (citing NEIL MACCORMICK, *LEGAL REASONING AND LEGAL THEORY* 100–28 (1978)).

250. For a discussion of the life and works of Karl Llewellyn, see WILLIAM TWINING, *KARL LLEWELLYN AND THE REALIST MOVEMENT* (Univ. of Okla. Press, 1985).

embarrass later efforts at true construction . . . . The net effect is unnecessary confusion and unpredictability . . . .”<sup>251</sup> While the Federal Circuit’s treatment of precedent does not rise to the level of misconstruction engaged in by the courts to which Professor Llewellyn directed his critique, the overall principle applies.

Consider the Federal Circuit’s interpretation of *Benson* in its *Bilski* opinion.<sup>252</sup> In reinterpreting *Benson*, the *Bilski* court largely ignored its previous thirty-six years worth of decisions interpreting *Benson*<sup>253</sup> and unsuccessfully glossed over *Benson*’s declaration that it “[did] not hold”<sup>254</sup> what the *Bilski* court argued it held. Such brute force analysis engenders confusion and offers little guidance to the next judge or lawyer who encounters *Benson*. Thus, by over-interpreting precedent to implement a more “certain” rule, the Federal Circuit risks unwittingly bringing collateral uncertainty in the back door.

In addition, while this Article does not advocate for either instrumentalism or formalism, others have noted that policy discussions may generate certainty.<sup>255</sup> For example, where the precedent is unclear or leaves discretion, discussing policy considerations avoids hyper-interpretations of precedent and provides lawyers and trial courts with guidance. Courts willing to consider policy may even (though not necessarily) adhere less strongly to stare decisis, but frank discussions of policy will signal to observers the direction of the court and will promote reasoned discourse about the policy.

If the court trends further toward forced formalism, in addition to generating unnecessary uncertainty, problematic treatment of precedent will be a disservice to the court’s observers.<sup>256</sup> Students (reading casebooks) and lawyers (following opinions) who view the Federal Circuit as an authoritative example of legal analysis and reasoning will be engulfed in confusion and self-doubt as they struggle to understand questionable treatment of precedent. As the court increasingly contorts precedent, such admirers may feel that they lack proper analytical skills since they cannot understand how the court interpreted case XYZ in the manner it did. Going the other (and perhaps worse) direction, those students and lawyers who recognize the questionable treatment of precedent are likely to grow cynical and distrustful of the court and its

251. K. N. Llewellyn, Book Review, 52 HARV. L. REV. 700, 703 (1939).

252. See *supra* Part II.A.1.

253. While the en banc court is not bound to follow any previous panel decisions, recognition of and explanation for the disparate interpretation would have been preferable.

254. See *supra* Part II.A.1.b.

255. Dreyfuss, *supra* note 8, at 803 (“Obscuring policy also makes it difficult for practitioners to know when the court is changing direction and when it is not.”).

256. Appellate judges write for a variety of audiences, including the litigants, the court as an institution, other courts, lawyers, and law students. See Aldisert et al., *supra* note 244, at 17–20; Lebovits et al., *supra* note 245, at 246.

decision-making process. “If lawyers ever lose their capacity for believing that precedents enable them to predict what the courts will do in the future, they would advise their sons to study dentistry or plumbing or some other respectable and highly remunerative profession.”<sup>257</sup>

The Federal Circuit is an excellent and able court, yet if these recent en banc decisions are a portent of a drift away from judicial candor, eventually the court will suffer harm to its legitimacy. The drift by the Federal Circuit does not yet, in this author’s opinion, reveal an institutional lack of integrity or legitimacy. Yet there is a chance that the court may drift too far. If so it will amount to a lack of candor, and “lack of candor, when discovered, reveals a lack of integrity.”<sup>258</sup> The remedy to avoid this pitfall is clear: “a judge must ensure accuracy and honesty in research, facts, and analysis.”<sup>259</sup> In our common law tradition, a “court’s ability to develop case law finds legitimacy only because the decision is accompanied by a publicly recorded statement of reasoning available to all future readers.”<sup>260</sup> Future opinions will reveal the extent of the drift toward forced formalism.

#### CONCLUSION

A critical review of recent important Federal Circuit decisions reveals that the court is writing in a decisional formalistic manner, while behind the writing is a decisional instrumentalist methodology. The style results in a minimal discussion of policy and a hyper-construction of precedent. If this trend continues, it will lead to increasingly problematic results. In the short term, it increases uncertainty as precedent is obscured and policy is under-analyzed. If carried further, it would lead court observers to confusion and/or cynicism. Carried to the extreme, it would culminate in a lack of judicial candor and harm the Federal Circuit’s legitimacy. Of course, the worst of these results are not inevitable. Continued scrutiny of the Federal Circuit’s opinions will allow commentators to gauge the court’s trajectory and to evaluate the effects of that trajectory.

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257. Lebovits et al., *supra* note 245, at 242 (quoting Mortimer Levitan, *Professional Trade-Secrets: What Illusions Should Lawyers Cultivate?*, 43 A.B.A. J. 628, 666 (1957)).

258. *Id.* at 293 (citing David L. Shapiro, *In Defense of Judicial Candor*, 100 HARV. L. REV. 731, 741 (1987)); *see also* Nard & Duffy, *supra* note 230, at 1654–55.

259. Lebovits et al., *supra* note 245, at 238.

260. Aldisert et al., *supra* note 244, at 5.

