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Markman v. Westview Instruments, Inc.: The Supreme Court Narrows the Jury's Role in Patent Litigation

The number of patent cases tried to a jury has burgeoned in recent years.[1] From 1968 to 1970, more than ninety-six percent of all patent trials were bench trials;[2] in the fiscal year 1994, seventy percent of patent trials were tried to a jury.[3] Because patent infringement actions begin with interpretation of the often highly technical and complex patent claim, the role of juries in patent litigation suits has become controversial.[4] The general right to a jury trial in an infringement action has never been seriously questioned.[5] However, this general right to a jury trial does not address the allocation between the judge and the jury of specific issues that arise within a patent infringement action.[6] In *Markman v. Westview Instruments, Inc.*,[7] the United States Supreme Court addressed whether the interpretation of patent claims is a matter exclusively for the judge or is subject to the Seventh Amendment right to trial by jury.[8]

I. FACTUAL BACKGROUND

Herbert Markman invented and patented an inventory control system for dry cleaning businesses. The system monitors the progress of customers' clothes through the dry cleaning process.[9] Markman's system, described in his patent claim as "capable of monitoring and

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1. *See In re* Lockwood, 50 F.3d 966, 980-81 (Fed. Cir.), *vacated*, 115 S. Ct. 29 (1995).
2. 50 F.3d at 980.
3. *Id.* at 981 n.1.
4. Paul N. Higbee, Jr., *The Jury's Role in Patent Cases:* Markman v. Westview Instruments, Inc., 3 J. INTELL. PROP. L. 407, 407 (1996).
5. *See In re* Lockwood, 50 F.3d at 981; Markman v. Westview Instruments, Inc. 116 S. Ct. 1384, 1389 (1996).
6. 50 F.3d at 981.
7. 116 S. Ct. 1384.
8. *Id.* at 1387.
9. *Id.* at 1388.

reporting upon the status, location and throughput of inventory in an establishment," keeps a record of all clothing brought in, and generates a customer receipt, a management copy of that receipt, and multiple bar code tags to be attached to the individual articles of clothing.[10] These bar code tags can be read using an optical detector, thus enabling management to reconcile inventory at any point in the dry cleaning process.[11]

Markman brought a patent infringement claim against Westview, the manufacturer of a device that prints a bar-coded ticket with information about the customer, the articles of clothing to be cleaned, and the amount due; however, the device permanently records only the invoice number, date, and amount.[12] The Westview system cannot track individual articles of clothing.[13] The specific interpretation issue was whether the term "inventory" as used in Markman's patent claim refers to both the physical inventory (the clothing) and the cash inventory (the invoices) or only to the cash inventory.[14] The jury found infringement of the claim, thus implicitly adopting the interpretation of inventory as only the cash inventory.[15]

The district court judge, however, in granting Westview's previously deferred motion for judgment as a matter of law, adopted the broader interpretation of inventory as both the physical and cash inventories and accordingly found no infringement.[16] Markman appealed, and the Court of Appeals for the Federal Circuit affirmed en banc that "in a case tried to a jury, the court has the power and obligation to construe as a matter of law the meaning of language used in the patent claim."[17] The United States Supreme Court granted certiorari and unanimously affirmed the court of appeals, holding that patent claim interpretation is exclusively for the court and, thus, removing patent claim interpretation from the jury.[18]

10. Markman v. Westview Instruments, Inc., 52 F.3d 967, 971 (Fed. Cir. 1995), *aff'd*, 116 S. Ct. 1384 (1996).

11. 52 F.3d at 972.

12. *Id.*

13. *Id.* at 973.

14. *Id.*

15. *Markman*, 116 S. Ct. at 1388. To literally infringe, an accused process or device must contain every element of the patent holder's claim. *Id.*

16. *Id.*

17. *Markman*, 52 F.3d at 979.

18. 116 S. Ct. at 1387, 1389.

II. LEGAL BACKGROUND

An inquiry into the jury's role in patent claim interpretation necessarily entails examination of two areas of the law: first, the Seventh Amendment right to trial by jury; second, the jury's role in patent litigation in general and in patent claim interpretation in particular.

The right to a trial by jury has always been considered a basic and fundamental part of American jurisprudence.[19] Justice Story wrote in 1830 that the right to trial by jury must be jealously guarded by the courts.[20] However, the scope of the right conferred by the Seventh Amendment[21] is difficult to discern. The language of the amendment is general, and almost no direct evidence of the intentions of the Framers exists.[22]

The early federal courts construed the Seventh Amendment to guarantee a right to jury trial in suits in which legal rights are ascertained and determined. In *Parsons v. Bedford*,[23] Justice Story explained that the Seventh Amendment phrase "suits at common law" is used in contradistinction to suits in equity or admiralty.[24] In *Baltimore & Carolina Line v. Redman*,[25] the Court stated that the right preserved by the Seventh Amendment has the same characteristics as the right that existed under English common law in 1791, the year the Amendment was adopted.[26]

19. *E.g.*, Jacob v. New York City, 315 U.S. 752, 752-53 (1942).

20. Parsons v. Bedford, 28 U.S. 433, 446 (1830).

21. The Seventh Amendment states in part that "[i]n suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved." U.S. CONST. amend. VII.

22. Colgrove v. Battin, 413 U.S. 149, 152 (1973); Edith Guild Henderson, *The Background of the Seventh Amendment*, 80 HARV. L. REV. 289, 289-91 (1966). The Senate proceedings on the Bill of Rights were not made public, and the brief debate in the House of Representatives focused not on the content of the amendments but whether the Constitution ought to be amended at all so soon after its initial ratification. During the constitutional convention of 1787, there was a brief discussion of the lack of a civil right to a trial by jury. The Anti-Federalist delegates pointed out that no provision had been made for civil jury trials, and a formal motion was made to add to Article III this guarantee; however, this motion was defeated because there was such diversity of civil practice among the states that no single formula could satisfy everyone. The same difficulty existed in drafting the Seventh Amendment and accounts for the general language of the amendment. Henderson, *supra*, at 291-95.

23. 28 U.S. 433 (1830).

24. *Id.* at 446-47.

25. 295 U.S. 654 (1935).

26. *Id.* at 657.

More recent decisions, however, recognize that the scope of the Seventh Amendment guarantee extends well beyond the common-law causes of action recognized by English law in 1791. In *Curtis v. Loether*,[27] the Court held that the Seventh Amendment guarantee applies to actions enforcing a post-1791 statutory claim founded on legal rights and authorizing legal remedies, even if no such cause of action existed in England in 1791.[28] In *Tull v. United States*,[29] the Court interpreted the Seventh Amendment to require a jury trial in actions that are analogous to suits at common law.[30] In *Ross v. Bernhard*,[31] the Court stated that an issue is classified as legal, and therefore subject to the Seventh Amendment guarantee, by considering three factors: (1) the custom of handling such issues in England prior to the merger of the courts of law and equity; (2) the nature of the remedy sought; and (3) the "practical abilities and limitations of juries."[32] However, in *Tull*, the Court held that this third factor has never been considered as an independent basis for extending the Seventh Amendment guarantee.[33] In *Granfinanciera S.A. v. Nordberg*,[34] the Court declared the nature of the remedy sought the more important consideration.[35] In 1990, in *Chauffeurs, Teamsters & Helpers, Local No. 391 v. Terry*,[36] the Court affirmed that the nature of the issues tried and the remedy sought, not the action as a whole, determine the right to a jury trial.[37]

An examination of the jury's role in patent claim interpretation requires a basic understanding of the American patent system. Among

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27. 415 U.S. 189 (1974).
28. *Id.* at 194.
29. 481 U.S. 412 (1987).
30. *Id.* at 417.
31. 396 U.S. 531 (1970).
32. *Id.* at 538 n.10.
33. 481 U.S. at 418 n.4. Two years later, in Granfinanciera, S.A. v. Nordberg, 492 U.S. 33, 42 n.4 (1989), the Court noted that this consideration of jury ability and functional compatibility was relevant only in determining whether a jury trial was compatible with a legislative scheme in which Congress has empowered an administrative agency or specialized court of equity to resolve disputes. The Court has held that the functional capabilities of a jury are inconsistent with administrative proceedings. *See, e.g.*, Pernell v. Southall Realty, 416 U.S. 363 (1974); NLRB v. Jones & Laughlin Steel Corp., 301 U.S. 1 (1937).
34. 492 U.S. 33 (1989).
35. *Id.* at 42.
36. 494 U.S. 558 (1990).
37. *Id.* at 570-73. In his concurrence, Justice Brennan expressed the view that the nature of the remedy sought should be the only test used when analyzing for the Seventh Amendment guarantee because the historical test is too difficult to apply, and the nature of the remedy prong alone will yield an accurate and more manageable analysis. *Id.* at 574-79 (Brennan, J., concurring).

the Article I, section 8 enumerated powers granted to Congress is the power to "promote the Progress of Science . . . by securing for limited Times to . . . Inventors . . . the exclusive Right to their . . . Discoveries."[38] Congress enacted the first Patent Act in 1790; the resulting "first-to-invent system" gives the first true inventor a limited monopoly designed to promote scientific progress by providing incentives to invent.[39]

Under modern American patent law, in exchange for granting the inventor an exclusive right to control the use, manufacture, and sale of the patented item, the federal government requires the inventor to disclose with great specificity the patented invention.[40] Disclosure is accomplished through the patent application, which must contain a specification and at least one claim.[41] One or more claims must point out and claim with particularity the subject matter that the patent applicant regards as the invention.[42]

Patent infringement actions center on two questions. First, the scope and coverage of the patent must be determined through interpretation of the patent claim; second, the device or process in question must be compared to the patent to discover if the defendant has made, used, or sold a device or process in violation of the patent.[43] Juries have played a role in addressing the second part of the inquiry since the Patent Act of 1790, which authorized juries to award damages.[44] The role of juries in answering the first question is more muddled.

A fundamental principle in American jurisprudence, dating back to the earliest days of the Supreme Court, is that construction of written evidence is exclusively for the court.[45] Indeed, early patent cases in the United States classify patent interpretation as a question of law.[46]

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38. U.S. CONST. art I, § 8, cl. 8.
39. 1 Stat. § 109 (1790).
40. 35 U.S.C. § 112 (1994).
41. *Id.* § 111. The specification must fully and clearly describe the complete invention so as to allow a person skilled in the art to make and use the device or process. *Id.* § 112.
42. *Id.* § 112.
43. Winans v. Denmead, 56 U.S. 330, 338 (1853).
44. 1 Stat. § 109, 111.
45. Levy v. Gadsby, 7 U.S. 180, 186 (1805).
46. Parker v. Hulme, 18 F. Cas. 1138, 1140 (C.C.E.D. Pa. 1849) (patent specification interpretation is exclusively for the court because the trained judge is more likely to give a proper interpretation to such instruments than a jury); Winans v. Denmead, 56 U.S. 330 (1853) (construing patent is question of law); Seymour v. McCormick, 60 U.S. 96 (1856) (same); Winans v. New York & Erie R.R., 62 U.S. 88 (1858) (construction of the patent is for the court); Brown v. Huger, 62 U.S. 305 (1858) (construction and resulting legal deductions within the exclusive province of the court); Bates v. Coe, 98 U.S. 31 (1878) (construing patents is province of the court).

However, within the Federal Circuit,[47] two distinct lines of patent claim interpretation cases have developed. In one line of cases the Federal Circuit has consistently held that patent claim construction is exclusively a matter of law.[48] In the other line of cases, beginning with *McGill, Inc. v. John Zink Co.*,[49] the Federal Circuit has held that if extrinsic evidence is needed to explain patent claim terms, interpretation is a question of fact for the jury.[50] Reconciling these approaches was the Supreme Court's objective in *Markman*.

III. COURT'S RATIONALE

The Court began by setting forth a two-part framework for analyzing whether the jury should play a role in patent claim interpretation.[51] The Court first asked whether patent infringement actions were tried at law when the Seventh Amendment was adopted, or are at least analogous to an action that was tried at law.[52] The Court quickly concluded that patent infringement cases, or cases similar to infringement cases, were tried in the courts of law in eighteenth century England.[53]

The second part of the inquiry proved more problematic: whether patent claim construction must, of necessity, be decided by a jury in

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47. Since its inception in 1982, the Federal Circuit Court of Appeals has had exclusive jurisdiction of an appeal from decisions of United States District Courts brought under section 1338 of Title 28, which creates federal district court subject matter jurisdiction in patent cases.

48. This line of cases begins with the first Federal Circuit case that addressed the issue of patent claim interpretation, SSIH Equip. S.A. v. United States Int'l Trade Comm'n, 718 F.2d 365 (Fed. Cir. 1983), and continues with the following Federal Circuit cases: Fromson v. Advance Offset Plate, Inc., 720 F.2d 1565 (Fed. Cir. 1983); Envirotech Corp. v. Al George, Inc., 730 F.2d 753 (Fed. Cir. 1984); SRI Int'l v. Matsushita Elec. Corp., 775 F.2d 1107 (Fed. Cir. 1985); Specialty Composites v. Cabot Corp., 845 F.2d 981 (Fed. Cir. 1988); Senmed, Inc. v. Richard-Allan Medical Indus., 888 F.2d 815 (Fed. Cir. 1989); Unique Concepts, Inc. v. Brown, 939 F.2d 1558 (Fed. Cir. 1991); Intellicall, Inc. v. Phonometrics, Inc., 952 F.2d 1384 (Fed. Cir. 1992); and Read Corp. v. Portec, Inc., 970 F.2d 816 (Fed. Cir. 1992).

49. 736 F.2d 666 (Fed. Cir.), *cert. denied*, 469 U.S. 1037 (1984).

50. 736 F.2d at 672. The progeny of *McGill* include Federal Circuit cases such as Bio-Rad Lab., Inc. v. Nicolet Instrument Corp., 739 F.2d 604 (Fed. Cir. 1984); Palumbo v. Don-Joy Co., 762 F.2d 969 (Fed. Cir. 1985); Moeller v. Ionetics, Inc., 794 F.2d 653 (Fed. Cir. 1986); Perini Am., Inc. v. Paper Converting Mach. Co., 832 F.2d 581 (Fed. Cir. 1987); H.H. Robertson Co. v. United Steel Deck, Inc., 820 F.2d 384 (Fed. Cir. 1987); and Tol-O-Matic, Inc. v. Proma Produkt-Und Marketing Gesellschaft, 945 F.2d 1546 (Fed. Cir. 1991).

51. *Markman*, 116 S. Ct. at 1389.

52. *Id.*

53. *Id.*

order to preserve the substance of the Seventh Amendment guarantee.[54] The Court found no easy solution in history. Because patent claims were not statutorily required until 1870,[55] no direct antecedent to patent claim interpretation exists.[56] The Court then looked at patent specifications as analogous to patent claims, but it found the few reported cases silent as to the proper method of interpretation or the allocation of issues between judge and jury.[57] The Court dismissed Markman's argument that juries must have interpreted disputed terms in order to render verdicts, finding no more ground for that inference than in other cases involving writings.[58] Indeed, during the eighteenth century, it was common practice for judges, not juries, to construe written documents.[59] Alternatively, Markman argued that even if judges were charged with construing most terms within the patent, juries construed terms of art.[60] The Court conceded that in *Neilson v. Harford*,[61] a discussion indicated that the jury played a role in construing terms of art, but it dismissed Markman's argument for two reasons: first, it is a nineteenth century case, occurring more than seventy years after adoption of the Seventh Amendment; second, no support in any scholarly authority established that this was a common practice.[62] Concluding that the eighteenth century cases were of little help in determining the common-law practice concerning the allocation of patent interpretation between judge and jury, the Court examined existing precedent, citing *Winans v. Denmead*[63] for the proposition that construction of the patent was for the court.[64]

However, because neither history nor precedent provided a dispositive answer in determining the proper allocation of patent claim interpretation, the Court turned to functional considerations.[65] First, the Court concluded that judges, not juries, are more likely to give a proper interpretation because patent construction requires "'special training

54. *Id.*
55. 16 Stat. 201 (1870).
56. *Markman*, 116 S. Ct. at 1390.
57. *Id.* at 1390-91.
58. *Id.* at 1391-92.
59. *Id.*
60. *Id.* at 1392.
61. Webs. Pat. Cas. 328 (Exch. 1841).
62. *Markman*, 116 S. Ct. at 1392.
63. 56 U.S. 330, 338 (1853).
64. 116 S. Ct. at 1393. The Court discredited Markman's reliance on Bischoff v. Wethered, 76 U.S. 812 (1869), and Tucker v. Spalding, 80 U.S. 453 (1871), by noting that, in both cases, the Court distinguished between product identification and document identification and found that only the former presented a question of fact. *Id.*
65. 116 S. Ct. at 1395.

and practice.'"[66] Markman had asserted that juries properly made credibility determinations of expert witnesses who often are called on to testify concerning the technical terms in a patent claim, and the Court conceded that, in theory at least, an infringement action could occur in which a credibility determination of such experts could be dispositive.[67] However, the Court said that "our own experience with document construction leaves us doubtful that trial courts will run into many cases like that."[68] The Federal Circuit's view—that ambiguity and vagueness are matters that go to claim validity, not interpretation—may have contributed to that doubt.[69]

Finally, the Court reasoned that a need for uniformity and predictability favored allocating patent claim interpretation to the judge.[70] Observing that a desire for uniformity encouraged the creation of the Federal Circuit and the conferring of exclusive patent appellate jurisdiction on that circuit, the Court concluded that uniformity would be ill served by having juries decide issues of patent document construction.[71]

IV. IMPLICATIONS

The decision in *Markman* created the issue of when the trial judge should make the claim interpretation.[72] At least two district court judges have conducted pretrial "*Markman* hearings" to determine the meaning of claim language.[73] One judge explained that the decision in *Markman* gives the district court judge three options for resolving disputes about claim language: (1) the court can try to resolve the dispute from the paper record; (2) the court can hold a hearing; or (3) the court can wait until trial and resolve claim disputes the evening before the jury is instructed.[74]

The decision in *Markman* will, in all probability, increase the number of cases disposed of through summary judgment.[75] In infringement

66. *Id.* (quoting Parker v. Hulme, 18 F. Cas. 1138, 1140 (C.C.E.D. Pa. 1849)).
67. *Id.*
68. *Id.*
69. *Markman*, 52 F.3d at 986.
70. *Markman*, 116 S. Ct. at 1396.
71. *Id.*
72. *See, e.g.*, Elf Atochem N. Am., Inc. v. Libbey-Owens-Ford Co., 894 F. Supp. 844, 850 (D. Del. 1995).
73. *Id.* at 846; Loral Fairchild Corp. v. Victor Co. of Japan, Ltd., 906 F. Supp. 798, 800 (E.D.N.Y. 1995).
74. *Elf Atochem*, 894 F. Supp. at 850.
75. *Id.* at 857.

cases, like other types of cases, a trial court can enter summary judgment if no underlying issues of fact exist.[76] After *Markman*, patent claim interpretation will no longer present a factual issue and, thus, will not be a barrier to summary judgment.[77]

Perhaps the most significant impact on litigation is that the Federal Circuit will now be able to review patent claim interpretation de novo.[78] Few litigants who win at the trial court can feel confident in the verdict.[79] Patent claim interpretation is made by considering the patent claim, the specification, the prosecution record, and any expert testimony that is now admitted solely at the discretion of the trial court.[80] Under de novo review, the Federal Circuit is empowered to reexamine all these materials anew; the litigant will have to survive what amounts to two trials.[81] The Federal Circuit has already shown a propensity not to remand, but instead, as a matter of law, to decide whether infringement has occurred.[82]

A major criticism of the decision in *Markman* is that the effect is to jettison the jury from patent infringement litigation altogether, because the ultimate question of infringement is often answered by the interpretation of the patent claim.[83] This seems to directly conflict with traditional Seventh Amendment jurisprudence, which holds that the right to a jury trial should not be rationed,[84] and more recent Seventh Amendment cases that have taken a more expansive approach to finding a right to a jury trial.[85] The Court's reliance on the functional abilities of the judge and jury arguably crafts a complexity exception to the Seventh Amendment, a development the Federal Circuit eleven years ago specifically denounced: "Elbowing to one side the Seventh Amend-

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76. *E.g.*, Brenner v. United States, 773 F.2d 306, 307 (Fed. Cir. 1985).

77. *See Elf Atochem*, 894 F. Supp. at 857.

78. The Federal Circuit emphasized as part of its holding in *Markman* that it would review district court interpretations of patent claims de novo. 52 F.3d at 984 n.13.

79. *Markman*, 52 F.3d at 991-92 (Mayer, J., concurring).

80. 52 F.3d at 1002-05 (Newman, J., dissenting).

81. 52 F.3d at 992 (Mayer, J., concurring).

82. In *Markman*, the Federal Circuit declined to remand. 116 S. Ct. at 1396. In Exxon Chemical Patents v. Lubrizol Corp., 64 F.3d 1553, 1558 (Fed. Cir. 1995), *cert. denied*, 116 S. Ct. 2554 (1996), the Federal Circuit held that the lower court erred in interpreting the patent claim and concluded there was no infringement based on its own interpretation. Judge Neis, in her dissent, called the majority's conclusion extraordinary in that the majority was requiring Exxon to litigate not only its opponent's position, but also the unknowable position of the appellate court. 64 F.3d at 1568-69 (Neis, J., dissenting).

83. *Markman*, 52 F.3d at 989, 993 (Mayer, J., concurring).

84. Connell v. Sears, Roebuck & Co., 722 F.2d 1542, 1547 (Fed. Cir. 1983).

85. *See, e.g.*, Chauffeurs, Teamsters & Helpers, Local No. 391 v. Terry, 494 U.S. 558, 573 (1990).

ment, and the compelling social and democratic (much less constitutional) bases for its existence, would be at best an unseemly judicial exercise."[86] And yet, that is apparently exactly what the Supreme Court has done.

ELIZABETH J. NORMAN

86. SRI Int'l v. Matsushita Elec. Corp., 775 F.2d 1107, 1130 (Fed. Cir. 1985).