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An Open Letter to President Obama Regarding Your Next Appointment to the Federal Circuit Court

DEAR PRESIDENT OBAMA:

You recently nominated a justice to the U.S. Supreme Court. Like all Supreme Court nominations, that nomination received attention commensurate with its import. I write about a future nomination whose received attention will likely not be commensurate with its import—although it should be: your next nomination for the U.S. Court of Appeals for the Federal Circuit. As Federal Circuit Chief Judge Michel has reminded us, there are likely to be a number of vacancies on that circuit soon.

Despite the importance of its work (and I refer here to its essentially exclusive jurisdiction over patent litigation appeals), the Federal Circuit tends not to receive a lot of attention in the public consciousness. Indeed, there is a book—*The Secret Circuit: The Little-Known Court Where the Rules of the Information Age Unfold* (2007)—whose central contentions are that the Federal Circuit's work is simultaneously exceptionally important yet comparatively obscure.

That first contention is not reasonably open to debate. Patents affect many aspects of modern American life, from food (corn—one of the indirect staples of the modern American diet—is the subject of numerous patents) to computers (earlier this year, for example, Microsoft was awarded its 10,000th patent), to biotechnology (patents, many have observed, are the lifeblood of the biotech industry). Patents affect most of the products and services that Americans use every day. With roots stretching back to the Constitution (Article I, § 8), patent law and litigation continue to play an important role in the American economy—and, because of the power to exclude from American commerce, an important role in the international economy.

With a minor exception, the Federal Circuit has exclusive jurisdiction over appeals in patent cases in this country. Hence, a good case can be made that Federal Circuit judges are first among equals, as it were, in terms of the federal appellate courts. Mr. President, your nominations to the Federal Circuit Court are important.

Whether the Federal Circuit's work is comparatively obscure may be open to debate. Certainly, lawyers, legislators, and technology companies are well aware of the Federal Circuit. But even if that contention has a measure of truth for the general public, that asserted obscurity has not prevented the appointment of excellent judges to that circuit. The Federal Circuit was created to bring more stability and predictability to patent law, and it has succeeded. As Federal Circuit Chief Judge Michel reported in his recent address on the state of the court, the Federal Circuit remains one of the fastest-moving circuits in the nation and the one that hears arguments in the highest percentage of cases. The circuit is productive, and its membership is experienced and stable. By any measure, it is a fruitful court.

But even the most fruitful of gardens need careful tending, and it is with an eye toward your future Federal Circuit appointments that I offer three suggestions.

1. Appoint a patent-experienced district judge.

District court experience is traditionally regarded as useful for a judge in an appellate court, and most federal appellate courts have judges who possess rich district court experience as part of the circuit's collective prior experience. For example, of the 21 current Second Circuit judges, more than half were district judges before being appointed to that appellate court. The Federal Circuit, however, is something of an anomaly among the prominent federal appellate courts: before being appointed, not one of its current judges was a federal district judge. That should change with your next appointment.

District court experience confers a variety of benefits. Some are substantive. For example, the Federal Circuit has had to address, in a number of areas, what level of deference to the district courts is appropriate. In the *Cybor* case, one of the most prominent opinions of this type, the circuit court had to decide what level of deference to the district court was appropriate for claim construction. The circuit held that claim construction was a pure question of law: no deference. The calls for reversal since that decision have been compelling and frequent, and one has to wonder whether the circuit would have reached the same decision if it had had, within its ranks, an experienced district judge to convey just how fact-intensive—and close—some claim construction disputes can be. This is also true when it comes to decisions regarding wit-

ness credibility (for example, post-trial motions on jury verdicts), in which there is no true substitute for in-the-trenches experience with the importance of and difficulties in assessing the credibility of a witness.

Some benefits are less substantive, but still significant. At patent conferences across the country, many district judges have recounted a degree of frustration at the continuing high reversal rate of claim construction decisions. The presence of a patent-experienced district judge within the Federal Circuit's ranks would likely take several large steps toward ameliorating that expressed frustration.

Indeed, Federal Circuit Chief Judge Michel appears to have recognized the utility of district court experience implicitly: he has instituted a program by which district judges regularly sit by designation on the circuit. That program is uniformly and widely described as successful. The same reasons that make it successful are the reasons why it would be useful at this juncture to appoint a patent-experienced district judge to the Federal Circuit.

2. Look for direct, recent experience in the technology sector.

Technology companies (whether high-technology or biopharmaceutical) are some of the most important drivers of our country's modern economy. One needs to look no further than the Dow Jones "Industrial" Average to confirm that. To one degree or another, all these companies use patents to help achieve their business goals, and for many (such as AT&T, Cisco, DuPont, Intel, Merck, Microsoft, and Pfizer, to name a few) the outcomes and rationales of Federal Circuit opinions—on subjects ranging from patent prosecution practices to remedies in patent litigation—go to the core of their business. The insight that direct, recent, and on-the-ground technology sector experience yields would be useful to the circuit.

As just one of many possible examples, implementation of the *Genentech/MedImmune* declaratory judgment principles will fall mainly to the Federal Circuit. It may benefit the circuit to have one of its judges have recent, real-world, practical experience with the many nuances that, in light of those new standards, attend both the process of trying to negotiate a license and the substance of particular license provisions. (Two years after *MedImmune*, in the Silicon Valley there are still entire legal education programs devoted to these seemingly narrow topics.)

3. Open a new door: Use the Federal Circuit as a proving ground for potential Supreme Court justices.

The U.S. Supreme Court has been blessed throughout its history with justices who distinguished themselves and became seasoned through service on federal appellate courts. Particular circuits have functioned as informal proving grounds for potential Supreme Court justices. One thinks immediately of the Court of Appeals for the District of Columbia, on which Justice Scalia, among many others, served. The Second Circuit, home to our nation's commercial capital, yielded Justice Thurgood Marshall, one of the most influential justices in the constitutional law area and long known as one of the lions of the left, as well as the current Chief Justice: John Roberts. The Seventh Circuit, home of the Midwest's commercial center, bestowed Justice John Paul Stevens.

However, as one reads through the biographies of the justices of the Supreme Court from its formation until today, one is struck by the startling absence of any justice—not even a single one—who has any appreciable patent law experience. U.S. patent law is important to the nation's commercial life and indeed to the international economy. On that basis alone, the historical and current deficiency ought to be remedied.

The Supreme Court's renewed interest in patent law issues makes the case for elevation of a Federal Circuit judge all the stronger. Just since 2002, the Court has rendered many important patent opinions: *Quanta* (patent exhaustion), *Microsoft* (extraterritorial reach of the patent laws), *KSR* (obviousness), *MedImmune* (declaratory judgment jurisdiction), *eBay* (injunctions), *Unitherm* (enforcement of fraudulently procured patents), *Merck* (FDA infringement safe harbor), and *Holmes Group* (exclusivity of Federal Circuit jurisdiction). That trend has continued, and the Court's recent certiorari grant in *In re Bilski* demonstrates the Court's continued interest in patent jurisprudence. Service on the Federal Circuit affords a wonderful—indeed, given its exclusive jurisdiction, one would say unique—vehicle to address both the country's need for a patent-experienced justice and the Court's need for such a justice.

Some would object on the grounds that the Federal Circuit is a specialized court whose subject matter jurisdiction does not include, for example, criminal cases, whereas the Supreme Court is a court of general jurisdiction. That objection fails for at least two reasons.

First, many of the Supreme Court's most storied justices were specialized in that their pre-Court experience was narrow. In terms of past justices, four examples come quickly to mind: Chief Justice Earl Warren (government) and Justices Thurgood Marshall (civil rights), Byron White (government), and Felix Frankfurter (government). Their so-called narrow prior experience did not prevent them from becoming influential members of the Court and making lasting contributions to our nation's fabric.

Second, the scope of the Federal Circuit's jurisdiction is not as narrow as its patent jurisprudence's prominence and importance might indicate. The court's appellate jurisdiction extends to myriad other subjects besides patent law: appeals of decisions made by the Court of Appeals for Veterans Claims, the International Trade Commission, the Boards of Contract Appeals, the Merit Systems Protection Board, and the Court of Federal Claims—all of the many areas of subject-matter jurisdiction specified by 28 U.S.C. § 1295. At the Supreme Court, justices no doubt benefit from

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services. Factors that assist in making this determination include whether the unregistrable material is physically connected to the mark by lines or other design features; how close that material is located to the mark and whether it is found side by side on the same line; and what the words mean and how the meaning of each word relates to the others and to the goods.

The scenario presented in the beginning fell down on this point. On review, the Federal Circuit sent the matter back to the PTO to determine whether the disclaimed portion of the mark (the words "European Formula") dominated the mark, making registration improper.[3] The court concluded that the applicant did not seek registration of a unitary trademark: "The observable characteristics of [the applicant's] mark show that its elements are not 'so merged together that they cannot be regarded as separable elements.'" The court found that no particular meaning connected the words "European Formula" and the circular design (unlike "Speedy" on a race car). The word and circle elements were shown in close proximity, but this was not enough to link them together into a single commercial impression.

So What's the Big Deal?

Attorneys advising clients who are starting businesses, choosing names for new product lines, or purchasing another entity's intellectual property should understand the limits of trademark protection when it comes to marks that include descriptive elements. A descriptive term may seem ideal for advertising a new product or service, but it won't have the trademark protection that is often vital in today's crowded marketplace unless the descriptive term is part of a unitary trademark that is dominated by other, nondescriptive, elements.

Even if a trademark can be registered with a disclaimer, it's important to remember that a trademark holder cannot rely on the disclaimed portions of a mark to bring a claim against another party for infringing a registered trademark under the Lanham Act.[4] Even though a competitor must avoid creating the same commercial impression as the registered mark does on the whole, the registration will not prevent the competitor from using the disclaimed, descriptive elements of the mark. **TFL**

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Endnotes

[1]15 U.S.C. § 1052(e).

[2]15 U.S.C. § 1056(a).

[3]*Dena Corp. v. Belvedere Intern. Inc.*, 950 F.2d 1555, 1561 (Fed. Cir. 1991) (statutory changes have overturned *Dena* where it addressed marks that are primarily geographically misdescriptive, which can no longer be registered at all).

[4]15 U.S.C. § 1114.

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the experience of being able to assess and apply legal doctrines across a body of different substantive laws—to see the law's general currents and flows. The Federal Circuit's caseload provides that experience.

Service on a federal appeals court has traditionally and correctly been deemed appropriate preparation for service as a Supreme Court justice. But, until now, the Federal Circuit has inexplicably been excluded. It is time to allow Federal Circuit service to open the door to a seat on the U.S. Supreme Court.

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Thank you, Mr. President, for considering these views. I hasten to add that I disclaim any unique expertise in how to select Federal Circuit judges. But I do have some relevant experience. A patent litigator in my 22nd year as a lawyer, I am a voraciously interested user of the Federal Circuit's work product: the opinions it releases. And the views expressed in this column were informed and shaped by service on the California's Commission on Judicial Nominees Evaluation, which evaluates the California governor's potential nominations to the California judiciary (the world's largest judicial system) and confidentially reports back to the governor's office. That said, you have many talented people advising you on judicial appointments. You trust them, and no doubt you listen to them. This column is written with the modest goal of providing a perspective that you may not have considered previously.

The Federal Circuit is a particularly important court. May wisdom guide your nominations to it. **TFL**

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