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SHOULD WE HAVE FEDERAL CIRCUIT LAW FOR REVIEWING JMOL MOTIONS ARISING FROM PATENT LAW CASES?

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ABSTRACT

A motion for judgment as a matter of law is a procedural tool which is used by a movant to see whether a trial judge thinks sufficient evidence exists to support a jury's verdict. When a district court's JMOL decision is appealed, an appellate court will apply its own review standard to the appeal. The problem comes when the Federal Circuit has exclusive jurisdiction over an appeal from a district court. This is because the Federal Circuit has to decide whether to apply its own case law or regional circuit case law. In this article, the observation of how the Federal Circuit reviews JMOL appeals where the substantive legal issue is a patent law issue will be presented. The inconsistency of the Federal Circuit's current choice-of-law practice regarding JMOL is found and proved. And, a suggestion of developing the Federal Circuit case law regarding JMOL is provided and followed by several factual observations and policy reasons.

Keywords: JMOL, Federal Circuit, patent

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I. Introduction

The patent law is part of the fundamental structures of the U.S. economy because it creates incentives for economic people to develop technology or products that would drive the economy.[1] To secure the strength of the patent law, it is important to keep the efficiency of the judicial enforcement of the patentee's rights secured by the patent law.[2] And, the consistency of the judicial application of the patent law is also crucial. So, Congress created the United States Court of Appeals for the Federal Circuit ("CAFC") in 1982 for improving the uniformity of the patent law practice among the federal district courts.[3]

When a federal district court hears a patent infringement case, the issues are usually divided into questions of law, such as claim construction, and questions of fact, such as anticipation.[4] A trial judge will decide a question of law and leave a question of fact to the jury.[5] But, the parties may ask the trial judge to sit as the jury by filing a motion for judgment as a matter of law ("JMOL") under the Federal Rules of Civil Procedure ("FRCP").[6]

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[1] *See* Lawrence M. Sung, *Echoes of Scientific Truth in the Halls of Justice: The Standards of Review Applied by the United States Court of Appeals for the Federal Circuit in Patent-Related Matters*, 48 AM. U.L. REV. 1233, 1235-36 (1999) (discussing the impacts of the U.S. patent system).

[2] *See id.* at 1236-37.

[3] *See id.*; *see also* Joan E. Schaffner, *Federal Circuit "Choice Of Law": Erie through the Looking Glass*, 81 IOWA L. REV. 1173, 1177 (1996) (explaining how the CAFC asserts jurisdiction over appealed cases arising from patent infringement complaints).

[4] Markman v. Westview Instruments, 517 U.S. 370, 372 (1996); *see also* Christopher A. Harkins, *Fending Off Paper Patents and Patent Trolls: A Novel "Cold Fusion" Defense Because Changing Times Demand It*, 17 ALB. L.J. SCI. & TECH. 407, 431 n.101 (2007) (giving several examples of questions of either law or fact). Here, "claim construction" and "anticipation" are briefly explained.

"Claim construction" means a methodology of interpreting claims of a patent. *See* DONALD S. CHISUM ET AL., PRINCIPLES OF PATENT LAW: CASES AND MATERIALS 865 (Foundation Press 3d ed. 2004) (1998). Generally, a patent contains five sections, "background of the invention," "summary of the invention," "detailed description of the invention," "drawings," and "claims." *See id.* at 83-90. Claims are the center of a patent because they define the scope of the patent protection. *See id.* at 90. "Anticipation" comes from 35 U.S.C. § 102, which only allows a new or novel invention to be patented. *See id.* at 324. Generally, if each and every element of a claim is disclosed in one single prior art, such claim is anticipated. *See id.*

[5] S*ee* David B. Pieper, Note, *The Appropriate Judicial Actor for Patent Interpretation: A Commentary on the Supreme Court's Decision in* Markman v. Westview Instruments, Inc., 51 ARK. L. REV. 159, 174 (1998).

[6] *See* Corey M. Dennis, Case Comment, *Civil Procedure-Sufficiency of Evidence Not Reviewable in Absence of Post-Verdict Judgment as a Matter of Law or New Trial Motion*-Unitherm Food Systems, Inc. v. Swift-Eckrich, Inc., *546 U.S. 394 (2006)*, 41 SUFFOLK U. L. REV. 279, 279 (2007). "JMOL" was a term adopted in a 1991 amendment of

According to Rule 50(a) of the FRCP, a party can file a JMOL motion after all evidence has been heard and before the case is submitted to the jury.[7] And, under Rule 50(b), if a party wants to file a JMOL motion after a jury returns the verdict, he must file a JMOL motion before the case is submitted to the jury.[8] Otherwise, the post-verdict JMOL motion will not be granted.[9]

In patent litigation,[10] if an unsatisfied party appeals the district court's decision about his or her JMOL motion, the CAFC will apply the *de novo* standard to review the denial or grant of such JMOL motion,[11] and, however, apply the "substantial evidence" standard to review the jury verdict.[12] But, the CAFC will not review the "weight or credibility of the evidence."[13] Instead, the CAFC will review whether "there is no legally sufficient evidentiary basis for a reasonable jury to find for []the non-movant[,]"[14] by using regional circuit law that governs such district court.[15]

It seems to be settled that the CAFC will apply regional circuit law to review an appeal regarding a JMOL motion.[16] That is, the CAFC will cite the cases of a particular regional circuit to develop the review standard.[17]

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the FRCP. *See* GEOFFREY C. HAZARD, JR. ET AL., PLEADING AND PROCEDURE: STATE AND FEDERAL 1097 (Foundation Press 9th ed. 2005) (1962). The term merged two past terms, "direct verdict" and "judgment notwithstanding the verdict." *See id.*

[7] Union Carbide Chems. & Plastics Tech. Corp. v. Shell Oil Co., 308 F.3d 1167, 1175 (Fed. Cir. 2002).

[8] *Id.* at 1177; *see also* Dennis, *supra* note 6, at 279.

[9] *Union Carbide Chems. & Plastics Tech. Corp.*, 308 F.3d at 1177.

[10] The CAFC has jurisdiction over the appealed patent cases from the federal district courts. 28 U.S.C. §§ 1295(a)(1), 1338(a) (West 2008).

[11] Liquid Dynamics Corp. v. Vaughan Co., 449 F.3d 1209, 1218 (Fed. Cir. 2006). The CAFC will review the district court's decision regarding the denial or grant of a JMOL motion "without deference [by] applying the same standard employed by the district court." DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc., 469 F.3d 1005, 1013 (Fed. Cir. 2006) (citing Honeywell, Int'l Inc. v. Hamilton Sundstrand Corp., 370 F.3d 1131, 1139 (Fed. Cir. 2004) (en banc)).

[12] *Liquid Dynamics Corp.*, 449 F.3d at 1218. The CAFC will look to the record produced in the district court as an overall source to judge whether such record "would support the verdict in the mind of a reasonable person." *Id*.

[13] *Id*. (citing Comark Commc'ns, Inc. v. Harris Corp., 156 F.3d 1182, 1192 (Fed.Cir.1998)).

[14] *DePuy Spine, Inc.*, 469 F.3d at 1013.

[15] Agrizap, Inc. v. Woodstream Corp., 520 F.3d 1337, 1341 (Fed. Cir. 2008) (citing Summit Tech., Inc. v. Nidek Co., 363 F.3d 1219, 1223 (Fed. Cir. 2004)).

[16] *See* Sean M. McEldowney, Comments, *The "Essential Relationship" Spectrum: A Framework for Addressing Choice of Procedural Law in the Federal Circuit*, 153 U. PA. L. REV. 1639, 1664-67 (2005). But, this article will prove it is not that case.

[17] *See* NANCY L. SCHULTZ & LOUIS J. SIRICO, JR., LEGAL WRITING AND OTHER LAWYERING SKILLS 13-14 (LexisNexis 4th ed. 2004). Other issues that the CAFC will apply

However, in several occasions the CAFC also cited its own cases to present the propositions of how to review a JMOL motion.[18] There seems to be a conflict to some extent as to whether the CAFC should use regional circuit law or its own case law to review lower courts' decisions regarding JMOL motions.[19]

This article discusses why there should be Federal Circuit law for reviewing a JMOL motion in patent litigation cases. Part II discusses two landmark cases about how the CAFC developed the choice-of-law doctrine regarding the FRCP.[20] Part III discusses how the CAFC applied regional circuit law. In the cases discussed, the JMOL issue will be focused, and the

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regional circuit law to include (1) claim preclusion, Pactiv Corp. v. Dow Chem. Co., 449 F.3d 1227, 1230 (Fed. Cir. 2006), (2) a motion to amend the findings of a bench trial under FRCP 52(b), Golden Blount, Inc. v. Robert H. Peterson Co., 438 F.3d 1354, 1358 (Fed. Cir. 2006), (3) a motion to disqualify a judge, *In re* Beyond Innovation Tech. Co., 166 F. App'x 490, 491-92 (Fed. Cir. 2006) (non-published opinion), (4) a dismissal of a complaint with or without prejudice, Sicom Sys., Ltd. v. Agilent Techs., Inc., 427 F.3d 971, 975 (Fed. Cir. 2005), (5) questions of discovery, Group One, Ltd. v. Hallmark Cards, Inc., 407 F.3d 1297, 1307 (Fed. Cir. 2005); Network Commerce, Inc. v. Microsoft Corp., 422 F.3d 1353, 1363 (Fed. Cir. 2005) (stating that the regional circuit law governs the discovery practice under Rule 56(f) of the Federal Rules of Civil Procedure), (6) a motion to intervene, Ericsson Inc. v. InterDigital Commc'ns Corp., 418 F.3d 1217, 1221 (Fed. Cir. 2005), (7) relief under FRCP 60(b)(2) and (3), Schreiber Foods, Inc. v. Beatrice Cheese, Inc., 402 F.3d 1198, 1204-05 (Fed. Cir. 2005) (citing Engel Indus., Inc. v. Lockformer Co., 166 F.3d 1379, 1384 (Fed. Cir. 1999)), (8) a waiver of a defense, Ultra-Precision Mfg., Ltd. v. Ford Motor Co., 411 F.3d 1369, 1376 (Fed. Cir. 2005) (citing Riverwood Int'l Corp. v. R.A. Jones & Co., 324 F.3d 1346, 1352 (Fed. Cir. 2003)), (9) a sanction under FRCP 11, Power Mosfet Techs., L.L.C. v. Siemens AG, 378 F.3d 1396, 1406-07 (Fed. Cir. 2004) (citing Phonometrics, Inc. v. Econ. Inns of Am., 349 F.3d 1356, 1361 (Fed. Cir. 2003)), (10) a motion for leave to amend to add a party, Hockerson-Halberstadt, Inc. v. JSP Footwear, Inc., 104 F. App'x 721, 725 (Fed. Cir. 2004) (non-published opinion)(citing McGinley v. Franklin Sports, Inc., 262 F.3d 1339, 1357 (Fed. Cir. 2001)), and (11) judicial estoppel. Minn. Mining & Mfg. Co. v. Chemque, Inc., 303 F.3d 1294, 1302 (Fed. Cir. 2002) (citing Wang Labs., Inc. v. Applied Computer Scis., Inc., 958 F.2d 355, 358 (Fed. Cir. 1992)).

[18] *See, e.g.*, DSU Med. Corp. v. JMS Co., 471 F.3d 1293 (Fed. Cir. 2006); Applied Med. Res. Corp. v. U.S. Surgical Corp., 147 F.3d 1374 (Fed. Cir. 1998); Dana Corp. v. IPC Ltd., 860 F.2d 415 (Fed. Cir. 1988).

[19] *See, e.g.*, Ted L. Field, *Improving the Federal Circuit's Approach to Choice of Law for Procedural Matters in Patent Cases*, 16 GEO. MASON L. REV. 643, 658-661 (2009) (explaining the choice-of-law issue regarding the post-trial motions for judgment as a matter of law).

[20] The selection of the landmark cases is based on some previous cases and articles. *See, e.g.*, Midwest Indus., Inc. v. Karavan Trailers, Inc., 175 F.3d 1356, 1359 (Fed. Cir. 1999); Eolas Techs., Inc. v. Microsoft Corp., 457 F.3d 1279, 1282 (Fed. Cir. 2006); Adam E. Miller, Note, *The Choice of Law Rules and the Use of Precedent in the Federal Circuit: A Unique and Evolving System*, 31 OKLA. CITY U.L. REV. 301, 313-19 (2006); Schaffner, *supra* note 3, at 1181-82.

logic of these cases will be analyzed. The methodology for observation is to show how the CAFC presented the propositions and the analogous cases. Part III also discusses the cases where the CAFC cited its own case law to explain the legal standard.[21] Part IV provides some aspects for why it is necessary to create Federal Circuit law to review JMOL decisions of federal district courts.[22] Specifically, one Supreme Court case, *Reeves v. Sanderson Plumbing Prods., Inc.*,[23] will be introduced to resolve the inconsistency issue.

II. Development of the Choice-of-Law Doctrine regarding the FRCP

A. The "Pertain to the Patent Issues" Standard—Panduit Corp. v. All States Plastic Manufacturing Co.

Panduit Corp. v. All States Plastic Mfg. Co.[24] is a case about attorney disqualification.[25] One issue the CAFC dealt with was whether the regional circuit law or Federal Circuit law should be applied to the attorney disqualification issue.[26] The theme of the CAFC's rationale has two parts. The first part states why it has jurisdiction over procedural matters arising from the patent law disputes, and the second part states why it chooses the regional circuit laws to decide the procedural matters.[27]

Regarding the first part, the CAFC relied on 28 U.S.C. §§ 1295(a) and 1338 to support its jurisdiction assertion.[28] 28 U.S.C. § 1295(a) provides the

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[21] Thus, the whole purpose of Part III is to show consistency or inconsistency of the choice-of-law doctrine regarding the review standard of JMOL.

[22] However, this article will not provide a solution for a motion for a new trial, which is an affiliated product of a JMOL motion, *see* Dennis, *supra* note 6, at 279, because the new trial motion is more about the court management of a judge and the rules of the court management may be better decided by regional circuits. *See* Cone v. W. Va. Pulp & Paper Co., 330 U.S. 212, 216, (1947) ("And [a trial judge] can exercise this discretion with a fresh personal knowledge of the issues involved, the kind of evidence given, and the impression made by witnesses. His appraisal of the bona fides of the claims asserted by the litigants is of great value in reaching a conclusion as to whether a new trial should be granted. Determination of whether a new trial should be granted or a judgment entered under Rule 50(b) calls for the judgment in the first instance of the judge who saw and heard the witnesses and has the feel of the case which no appellate printed transcript can impart.").

[23] 530 U.S. 133 (2000).

[24] 744 F.2d 1564 (Fed. Cir. 1984).

[25] *Id.* at 1567-68. All States Plastic Manufacturing Co., Inc. ("All States") had hired the Laff Firm as a legal counsel since late 1976. *Id.* at 1567. During the litigation, Panduit Corp. ("Panduit") filed to disqualify the Laff Firm. *Id.* at 1568-69. In light of the Seventh Circuit law, the district judge ruled in favor of All States. *Id.* at 1570-71. Then, Panduit appealed. *Id.* at 1571.

[26] *Id.*

[27] *Id.* at 1572-73.

[28] *Id.* at 1573, 1573 n.9.

CAFC with jurisdiction over the appeals from 28 U.S.C. § 1338, where section 1338 gives a district court original jurisdiction over a patent litigation.[29] And, if a complaint includes a *bona fide* patent claim, the CAFC has the exclusive jurisdiction over the matters surrounding the complaint.[30]

Additionally, the CAFC gave several policy reasons for its choice to assert the jurisdiction, and those reasons also relate to the CAFC's discussion about the choice-of-law issues. First, the CAFC recognized that Congress granted to it a specific, nationwide subject matter jurisdiction over patent law cases, so that when a district court exercises the 28 U.S.C. § 1338 jurisdiction it will be bound by the substantive patent law of the CAFC.[31] Second, the CAFC stated that practitioners and district judges should follow its law in "patent" cases and the regional circuit laws in non-patent cases to fulfill the congressional purposes of the creation of the CAFC.[32] Third, the CAFC explored the legislative history to prove its reasoning.[33] By quoting the legislative record,[34] it claimed the jurisdiction regarding the dispute of attorney disqualification for the purposes of patent law uniformity.[35]

The second part of the rationale discussed the issues of the choice of law. The CAFC again reflected Congress' consent that the CAFC was created for the uniformity of the patent law.[36] Then, it divided the appealable issues into

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[29] *Id.* at 1573 n.11. 28 U.S.C. § 1338 (1982) provides:

> (a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety protection and copyright cases.
>
> (b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent, plant variety protection or trade-mark laws.

[30] *Panduit Corp.*,744 F.2d at 1573 ("Since our jurisdiction to review a district court's decision is predicated on the presence of a *bona fide* patent claim in that action, we, naturally, have the exclusive jurisdiction to review any other matters which were tried below.").

[31] *Id.*

[32] *Id.* (dividing the laws, which district courts could apply, into the substantive patent law and the "general" laws).

[33] *Id.* ("Since our enabling statute fails to enunciate any guidance for this question, an analysis of the legislative history must be made.").

[34] *Id.* at 1573-74.

[35] *Id.* at 1574 ("It is, therefore, clear that one of the primary objectives of our enabling legislation is to bring about uniformity in the area of patent law.").

[36] *Id.* ("In addition to the guidance provided by the legislative history, we must resolve this choice of law question by considering the general policy of minimizing confusion and conflicts in the federal judicial system.").

a procedural question and a non-procedural question,[37] and decided to apply regional circuit laws to procedural matters which are not unique to patent issues.[38] The reason is that the CAFC did not want patent law litigants to face different procedural rules within one regional circuit.[39]

Additionally, when the procedural matters relate to patent issues, such as the proof of non-experimental or experimental use, the CAFC said that it would apply its own case law.[40] However, the CAFC did not give a well-defined instruction for how to decide which procedural matters should pertain to patent issues. Instead, the CAFC was waiting for the cases to resolve the question of the choice of law.[41] Although the CAFC was aware of possible inconsistency of the procedural rulings among the regional circuit courts,[42] it did not think that there could be a problem.[43]

Moreover, the CAFC talked about its rules about how to decide procedural matters not pertaining to patent issues. First, it would sit as a regional circuit court to review the appeals.[44] Second, if the regional circuit court has rulings on appealing issues, it would apply the regional circuit law.[45] Third, if the regional circuit court has said nothing about the issues, it

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[37] *Id.* Maybe, since the dispute in *Panduit Corp.* was about attorney disqualification, which is a pure procedural question, the CAFC decided to view appealable issues as two types of question.

[38] *Id.* at 1574-75.

[39] *Id.* ("Where . . . a procedural question . . . that is independent of the patent issues is in dispute, practitioners within the jurisdiction of a particular regional circuit court should not be required to practice law and to counsel clients in light of two different sets of law for an identical issue due to the different routes of appeal.").

[40] *Id.* at 1575, 1575 n.14 (citing Barmag Barmer Maschinenfabrik v. Murata Mach. Ltd., 731 F.2d 831 (Fed. Cir. 1984)) ("[P]rocedural matters that do pertain to patent issues, such as whether proof of non-experimental use is necessary to establish a *prima facie* defense of an on-sale bar, must conform to Federal Circuit law.").

[41] *Id.* at 1575 ("The exact parameters of this ruling will not be clear until such procedural matters are presented to this court for resolution.").

[42] *Id.* ("Although the adoption of this policy could on occasion require this court to reach disparate results in procedural matters in light of disparate viewpoints from the regional circuit courts, it is nonetheless preferable for the twelve judges of this court to handle such conflicts rather than for countless practitioners and hundreds of district judges to do so.").

[43] The CAFC thought that the situation was like those where the CAFC decides state law. *Id.* ("The task of deciding issues in light of different laws is no worse than the existing duty of federal judges to decide diversity cases or pendent state matters in view of state law."). Additionally, the CAFC stated that, even with the present policy of the choice of law, it still had a right to develop its own laws regarding procedural matters appealed from some particular lower courts under its jurisdiction, such as the Court of International Trade. *Id.*

[44] *Id.*

[45] *Id.*

would try to predict what the regional circuit law would be.[46]

The CAFC finally decided to assert the jurisdiction over the attorney disqualification issue arising from the patent disputes, and decided to apply the Seventh Circuit law.[47]

B. The "Essential Relationship" Standard—Biodex Corp. v. Loredan Biomedical, Inc.

In *Biodex Corp. v. Loredan Biomedical, Inc.*,[48] the CAFC considered whether to review the sufficiency of the evidence supporting a jury verdict if such jury verdict was not challenged by a post-verdict JMOL motion.[49] But, before resolving such issue, the CAFC first analyzed whether it "should or must defer to the law of the regional circuit."[50] It decided to develop its own case law to deal with such issue.[51]

The CAFC presented a two-part analysis.[52] In the first part, it explored

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[46] *Id.*

[47] *Id.* at 1576.

[48] 946 F.2d 850 (Fed. Cir. 1991). The patentee, Biodex Corp. ("Biodex"), appealed from the district court's decision of invalidity of U.S. Patent No. 4,691,694 and non-infringement of U.S. Patent No. 4,628,910. *Id.* 851-52. The CAFC affirmed the district court's decision. *Id.* at 852.

[49] *Id.* at 854. In the district court proceeding, Biodex failed to file a post-verdict JMOL motion, *Id.* at 853 (using the term, "judgment non obstante veredicto," which is abbreviated as "JNOV" and also known as "judgment notwithstanding the verdict").

[50] *Id.* at 854-55.

[51] *Id.* at 859.

[52] The CAFC provided two reasons for why it should decide the choice-of-law issue. First, the regional circuit law governing the district court did not have a clue of whether a post-verdict JMOL motion should be "a prerequisite to appellate review of the sufficiency of the evidence supporting the jury verdict." *Id.* at 855 (discussing one Ninth Circuit's case, Kopczynski v. The Jacqueline, 742 F.2d 555, 560 (9th Cir. 1984), where the Ninth Circuit, without seeing a post-verdict JMOL motion filed below, refused to review the jury verdict of a substantive law issue but decided to interfere with the jury verdict of punitive damages).

Second, all regional circuit laws were not uniform or clear so that the CAFC could not decide whether to defer to the Ninth Circuit law. *Id.* Here, the CAFC also mentioned its previous decision and said, "[T]he law on the reviewability of a jury verdict for sufficiency of the evidence absent a post-verdict motion is unsetteled." *Id.* at 855 n.7 (citing R.R. Dynamics, Inc. v. A. Stucki Co., 727 F.2d 1506, 1511 (Fed. Cir. 1984)). The mentioned case is R.R. Dynamics, Inc. v. A. Stucki Co., 727 F.2d 1506 (Fed. Cir. 1984), where the CAFC also reviewed a decision about a post-verdict JMOL motion, but did not discuss the choice-of-law issue. In *R.R. Dynamics, Inc.*, however, the CAFC did state that "where there has been no motion for [a post-verdict JMOL motion], and nothing of record that may be treated as such a motion, an appellate court cannot reverse or order judgment for appellant." *Id.* at 1511. Thus, it is hard to understand why the CAFC in *Biodex Corp.* presented such proposition.

However, the *R.R. Dynamics, Inc.* decision was made on January 25, 1984 before

four standards for deciding choice-of-law issues.[53] The first standard asks "whether procedural or substantive, is one '. . . over which this court does not have exclusive appellate jurisdiction.'"[54] The second standard asks whether a subject "is not unique to patent law."[55] The third standard asks whether a subject is "not specific to [CAFC's] statutory jurisdiction."[56] The fourth standard is close to what the CAFC developed, and it asks "whether the procedural issue may be 'related' to 'substantive matters unique to the [CAFC] and thus committed to [CAFC's] law."[57]

Besides these four standards, one additional factor is "whether 'most cases [involving the issue] will come on appeal to [the CAFC],' thereby putting [it] in a 'good position to create a uniform body of federal law' on the issue."[58] Moreover, if a subject of the appeal has no relationship of the issue to CAFC's exclusive jurisdiction, the deference to regional circuit law is adopted "when there is existing and expressed uniformity among the circuits."[59]

The second part gave the reasoning of choosing its own law. The whole theme of the second part was to reframe *Panduit Corp.*, which provided a

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Panduit Corp. made on September 25, 1984. *R.R. Dynamics, Inc.*, 727 F.2d at 1506; *Panduit Corp.*, 744 F.2d at 1564. But, in *Panduit Corp.*, the CAFC just ignored the issue of whether the *Panduit* standard of choice of law would fit to the law placed in *R.R. Dynamics, Inc.*

[53] *Biodex Corp.*, 946 F.2d at 855-56.

[54] *Id.* (citing Cicena, Ltd. v. Columbia Telecomms. Group, 900 F.2d 1546, 1548 (Fed. Cir. 1990) (dealing with the unfair competition law)).

[55] *Id.* at 856(citing Kalman v. Berlyn Corp., 914 F.2d 1473, 1098 (Fed. Cir. 1990) (dealing with a motion to amend the pleadings)).

[56] *Id.* (citing Registration Control Sys., Inc. v. Compusystems, Inc., 922 F.2d 805, 807 (Fed. Cir. 1990) (dealing with a motion for a new trial)).

[57] *Id.* (citing Chrysler Motors Corp. v. Auto Body Panels, Inc., 908 F.2d 951, 953 (Fed. Cir. 1990) (dealing with a motion for a preliminary injunction)). In Chrysler Motors Corp. v. Auto Body Panels, Inc., 908 F.2d 951 (Fed. Cir. 1990), the CAFC actually did not expressedly decide whether a preliminary injunction should be subject to its own law or regional circuit law. *Id.* at 952-53. Instead, the CAFC directly applied its own law. *Id.* at 953 (citing Hybritech, Inc. v. Abbott Labs., 849 F.2d 1446, 1451 (Fed. Cir. 1988)). After tracing Hybritech, Inc. v. Abbott Labs., 849 F.2d 1446 (Fed. Cir. 1988), cited by *Chrysler Motors Corp.*, I found that in footnote 12 of *Hybritech, Inc.* the CAFC stated, "Because the issuance of an injunction pursuant to [35 U.S.C. section 283] enjoins 'the violation of any right secured by a patent, on such terms as the court deems reasonable,' a preliminary injunction of this type, although a procedural matter, involves substantive matters unique to patent law and, therefore, is governed by the law of this court." *Id.* at 1451 n.12. Therefore, the CAFC seems not to care much about the origin of its proposition. And, regarding the issue of a preliminary injunction, the CAFC seems to owe us some reasons of the choice-of-law issue.

[58] *Biodex Corp.*, 946 F.2d at 856. (citing Forman v. United States, 767 F.2d 875, 880 (Fed. Cir. 1985) (dealing with a dispute of a lease contract between a private party and a governmental agency)).

[59] *Id.*

significant factor that the policy behind the deference to regional circuit law is to "achiev[e] uniformity in district court management of trials."[60] By reading *Panduit Corp.*, the CAFC recognized that it should apply regional circuit law to procedural matters that is not unique to patent issues.[61] And, the test is not fixed because whether a procedural matter is unique to the patent law is decided case by case when the CAFC faces such procedural matter.[62] And, it further stated that "the resolution of the [choice of law] in particular cases would depend on whether the procedural matter should 'pertain to' or should be 'related to patent issues.'"[63]

Relying on *Panduit Corp.*, the CAFC confirmed that although the meanings of "unique to," "related to," and "pertain[ing] to" were not defined, the guideline was to keep a path where it would not create "unnecessary conflicts and confusion in procedural matters."[64] So, when the issues relate to the interpretation of the FRCP or local rules of a district court or involve substantive legal issues outside CAFC's exclusive jurisdiction, the CAFC will apply regional circuit law.[65] However, the CAFC stated, "[W]e have not deferred in the resolution of all procedural issues merely because that issue might separately arise in a case having nothing to do with the patent laws."[66] Rather, it will apply its own law to a procedural issue when such procedural issue has "an essential relationship [with its] exclusive statutory mandate or [its] functions as an appellate court."[67]

Finally, after providing a derivative of *Panduit Corp.*, the CAFC gave three reasons for why its own law governs the issue. First, it reframed the issue as "the reviewability on appeal of fact findings made by a jury in a patent trial absent any post-verdict motions"[68] to acquire a statutory power to determine "the prerequisites of appellate review of legal issues."[69] Therefore, the issue has an essential relationship with its "exclusive control by statute, the appellate review of patent trials."[70]

Second, the CAFC pointed out the advantage of "uniformity in the

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[60] *Id.*

[61] *Id.* at 856-57 (citation omitted).

[62] *Id.* at 857 (citation omitted).

[63] *Id.* (citation omitted). The CAFC also affirmed that its own law triumphed if "either procedural or substantive matters ... were essential to the exercise of our exclusive statutory jurisdiction." *Id.*

[64] *Id.*

[65] *Id.* at 857-58.

[66] *Id.* at 858.

[67] *Id.*

[68] *Id.*

[69] *Id.* (citing 28 U.S.C. §§ 1295(a)(1), 1338 (1988)).

[70] *Id.* at 858-59.

review of patent trials."[71] If the reviewability is based on its own law, for the same patent disputed in district courts of different regional circuits, whether the same dispositive factual findings can be reviewed will not depend on regional circuit laws.[72] Additionally, the trial management will not be affected because "the availability of appellate review is irrelevant to the conduct of the trial or to any decision on substantive legal issues that may arise during trail."[73] So, a district court judge will not serve two circuit courts.[74] Third, the CAFC stated that "predictability . . . is improved by the adoption of a single nationwide standard for preserving the reviewability of sufficiency of the evidence in a case arising under the patent laws."[75]

Ultimately, the CAFC considered the various standards of deciding the choice-of-law issue. With the advantages in mind, such as reviewability, uniformity, and predictability, the CAFC ended up with the "essential relationship" standard as a ground of why to choose its own law to deal with the issue.[76]

C. Inferences from Two Landmark Cases

The "pertain to the patent issues" standard from *Panduit Corp.* would be a general approach adopted by the CAFC for the choice-of-law issue. The application would be easy when substantive issues could not generate CAFC's exclusive jurisdiction vested in 28 U.S.C. §§ 1295(a) and 1338, for instance. However, when procedural rules are handled, the choice-of-law issue would be complex because the CAFC could have to give detailed and sound reasons in order to assert jurisdiction under a case-by-case approach.[77]

The "essential relationship" standard from *Biodex Corp.* would be a good

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[71] *Id.* at 859.

[72] *Id.*

[73] *Id.*

[74] *Id.*

[75] *Id.*

[76] *Id.* The CAFC decided that a post-verdict JMOL motion is a prerequisite of its appellate review of the sufficiency of the evidence supporting a jury verdict. *Id.* at 862.

[77] Giving an example, I started with Schreiber Foods, Inc. v. Beatrice Cheese, Inc., 402 F.3d 1198 (Fed. Cir. 2005), to find out why the CAFC adopted the regional circuit case law when considering the district court's decision to grant or deny relief under Rules 60(b)(2) and (3). I did not find any cases where the CAFC gave its comprehensive reasons about why to adopt the regional circuit law. *Schreiber Foods, Inc.* directed me to Engel Indus., Inc. v. Lockformer Co., 166 F.3d 1379 (Fed.Cir.1999). *Schreiber Foods, Inc.*, 402 F.3d at 1204.

Engel Indus., Inc. did not provide the knowledgeable discussion about the choice-of-law issue, but it led me to another case, Amstar Corp. v. Envirotech Corp., 823 F.2d 1538 (Fed. Cir. 1987). *Engel Indus., Inc.*, 166 F.3d at 1834. In *Amstar Corp.*, the CAFC cited *Panduit Corp.*, but again simply states, "Because denial of a Rule 60(b) motion is a procedural issue not unique to patent law, we apply the rule of the regional circuit where appeals from the district court would normally lie." *Amstar Corp.*, 823 F.2d at 1550.

model for furthering the case-by-case approach. But, so far in several procedural decisions, the CAFC has never given any explanation for why it applies regional circuit law to the choice-of-law issue about JMOL. In those JMOL cases, the CAFC merely stated the propositions of the JMOL review standard. In the following discussions about the inconsistency of the applications of the JMOL review standards, the observation will show the necessity that the CAFC should provide the uniformity of the review standard.

III. How the CAFC Applies Current Regional Circuit Law: Consistency v. Inconsistency

A. Three Modes of How the CAFC Uses Authority to State the Governing Law for JMOL

There are three modes of how CAFC applied current regional circuit laws. In the first mode, the CAFC cited the cases of a regional circuit to state the propositions of governing law regarding JMOL.[78] However, even when the same regional circuit law was applied, the CAFC used different formulations of language for the same governing law. For example, when referring to the Third Circuit law, the CAFC once stated:

> [A] grant of JMOL is appropriate only where a party has been fully heard on an issue during a jury trial and the court finds that a reasonable jury would not have a legally sufficient evidentiary basis to find for the party on that issue. As the reviewing court, we are mindful that we []may not weigh the evidence, determine the credibility of witnesses, or substitute [our] version of the facts for the jury's version.[79]

However, in one case, the CAFC stated:

> [T]o prevail, [the moving party] must show that the jury lacked

[78] *See, e.g.*, Agrizap, Inc. v. Woodstream Corp., 520 F.3d 1337, 1341-42 (Fed. Cir. 2008) (obviousness); Z4 Techs., Inc. v. Microsoft Corp., 507 F.3d 1340, 1346-47 (Fed. Cir. 2007) (infringement and anticipation); Wechsler v. Macke Int'l Trade, Inc., 486 F.3d 1286, 1290-91 (Fed. Cir. 2007) (infringement and damages); nCube Corp. v. SeaChange Int'l, Inc., 436 F.3d 1317, 1319 (Fed. Cir. 2006) (infringement); Callicrate v. Wadsworth Mfg., Inc., 427 F.3d 1361, 1366 (Fed. Cir. 2005) (infringement); Harris Corp. v. Ericsson Inc., 417 F.3d 1241, 1248 (Fed. Cir. 2005) (infringement); CollegeNet, Inc. v. ApplyYourself, Inc., 418 F.3d 1225, 1230 (Fed. Cir. 2005) (infringement); Seachange Int'l, Inc. v. C-COR Inc., 413 F.3d 1361, 1367-68 (Fed. Cir. 2005) (anticipation); Riverwood Int'l Corp. v. R. A. Jones & Co., 324 F.3d 1346, 1352 (Fed. Cir. 2003) (obviousness); Bowers v. Baystate Techs., Inc., 302 F.3d 1334, 1340-41 (Fed. Cir. 2002) (infringement).

[79] *Agrizap, Inc.*, 520 F.3d at 1342 (citation omitted).

> substantial evidence for its verdict, viewing the evidence most favorably to the non-movant.[80]

Or, in another case, the CAFC stated:

> [W]e must []determine whether viewing the evidence in the light most favorable to the nonmovant and giving [the nonmovant] the advantage of every fair and reasonable inference, there is insufficient evidence from which a jury reasonably could reach the conclusions that it did.[81]

In the second mode, the CAFC cited the regional circuit's cases and its own cases for legal propositions.[82] For example, in *Yamanouchi Pharm. Co. v. Danbury Pharmacal, Inc.*,[83] the CAFC cited its case and one Tenth Circuit's case to state, "[T]his court reviews the district court's JMOL findings as if entered at the conclusion of all the evidence."[84] In *Summit Tech., Inc. v. Nidek Co.*,[85] the CAFC cited the First Circuit's cases to state the propositions for the burden of proof, while it cited its own cases to state the propositions for reviewing the jury verdict.[86] In *Princeton Biochemicals, Inc. v. Beckman Coulter, Inc.*,[87] the CAFC cited one Third Circuit's case to state, "Under the law of the Third Circuit, review of a district court's ruling on JMOL is plenary,"[88] but cited its own cases for other JMOL propositions.[89] Last, in *Voda v. Cordis Corp.*,[90] the CAFC cited one Tenth

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[80] *nCube Corp.*, 436 F.3d at 1319.

[81] *Seachange Int'l, Inc.*, 413 F.3d at 1368.

[82] *See, e.g.*, Voda v. Cordis Corp., 536 F.3d 1311, 1318-19 (Fed. Cir. 2008) (obviousness and infringement); Princeton Biochemicals, Inc. v. Beckman Coulter, Inc., 411 F.3d 1332, 1336 (Fed. Cir. 2005) (obviousness); Summit Tech., Inc. v. Nidek Co., 363 F.3d 1219, 1223 (Fed. Cir. 2004) (infringement); Yamanouchi Pharm. Co. v. Danbury Pharmacal, Inc., 231 F.3d 1339, 1343 (Fed. Cir. 2000) (obviousness).

[83] 231 F.3d 1339 (Fed. Cir. 2000).

[84] *Id.* at 1343 (citing Lemelson v. United States, 752 F.2d 1538, 1547, (Fed. Cir. 1985) and Woods v. N. Am. Rockwell Corp., 480 F.2d 644, 645-46 (10th Cir. 1973)). Lemelson v. United States, 752 F.2d 1538 (Fed. Cir. 1985), was a case appealed from the United States Claims Court.

[85] 363 F.3d 1219 (Fed. Cir. 2004).

[86] *Id.* at 1223 (citing Brooktree Corp. v. Advanced Micro Devices, Inc., 977 F.2d 1555, 1569 (Fed. Cir. 1992)). Brooktree Corp. v. Advanced Micro Devices, Inc., 977 F.2d 1555 (Fed. Cir. 1992), was a case appealed from the United States District Court for the Southern District of California, which is not within the First Circuit.

[87] 411 F.3d at 1332 (Fed. Cir. 2005).

[88] *Id.* at 1336 (citing Shellenberger v. Summit Bancorp, Inc., 318 F.3d 183, 186 (3rd Cir. 2003)).

[89] *Id.* (citing Summit Tech., Inc. v. Nidek Co., 363 F.3d 1219, 1223 (Fed. Cir. 2004); Tex.

Circuit's case to state a JMOL proposition, but it also cited its own case for the same proposition.[91]

In the third mode, the CAFC only cited its own cases for legal theories.[92] The examples of the third mode could be divided into two groups. In the first group, the choice-of-law doctrine disappeared. The examples are *Honeywell Int'l, Inc. v. Hamilton Sundstrand Corp.*,[93] *Pordy v. Land O'Lakes, Inc.*,[94] and *Forest Labs., Inc. v. Abbott Labs.*[95] The CAFC's cases cited in those three cases are also a case where the CAFC ignored the choice-of-law doctrine.[96]

Instruments Inc. v. Cypress Semiconductor Corp., 90 F.3d 1558, 1563 (Fed. Cir. 1996); Richardson-Vicks Inc. v. Upjohn Co., 122 F.3d 1476, 1479 (Fed. Cir. 1997)). Summit Tech., Inc. v. Nidek Co., 363 F.3d 1219 (Fed. Cir. 2004), was a case appealed from the United States District Court for the District of Massachusetts. Tex. Instruments Inc. v. Cypress Semiconductor Corp., 90 F.3d 1558 (Fed. Cir. 1996), was a case appealed from the United States District Court for the Northern District of Texas. Richardson-Vicks Inc. v. Upjohn Co., 122 F.3d 1476 (Fed. Cir. 1997), was a case appealed from the United States District Court for the District of Delaware. Among these three cases, only the last case was from a federal district court covered by the Third Circuit.

[90] 536 F.3d 1311 (Fed. Cir. 2008).

[91] *Id.* at 1318-19 ("The Tenth Circuit has explained that '[w]hen a jury verdict is challenged on appeal, our review is limited to determining whether the record-viewed in the light most favorable to the prevailing party-contains substantial evidence to support the jury's decision.' United Int'l Holdings, Inc. v. Wharf (Holdings) Ltd., 210 F.3d 1207, 1227 (10th Cir. 2000) (quotation omitted); *see also* Dawn Equip. Co. v. Ky. Farms, Inc., 140 F.3d 1009, 1014 (Fed. Cir. 1998).").

Dawn Equip. Co. v. Ky. Farms Inc., 140 F.3d 1009 (Fed. Cir. 1998), was a case appealed from the United States District Court for the Northern District of Illinois, which is not within the Tenth Circuit's jurisdiction. *Id.* at 1009.

[92] *See, e.g.*, Honeywell Int'l, Inc. v. Hamilton Sundstrand Corp., 523 F.3d 1304, 1311-12 (Fed. Cir. 2008)(not dealing with the sufficiency of evidence); Poly-America, L.P. v. GSE Lining Tech., Inc., 383 F.3d 1303, 1307 (Fed. Cir. 2004)(on-sale bar, anticipation, and obviousness); Cardiac Pacemakers, Inc. v. St. Jude Med., Inc., 381 F.3d 1371, 1375-76 (Fed. Cir. 2004)(obviousness and best mode); Pordy v. Land O'Lakes, Inc., 97 F. App'x 921, 926-27 (Fed. Cir. 2004)(anticipation); Forest Labs., Inc. v. Abbott Labs., 239 F.3d 1305, 1309 (Fed. Cir. 2001)(infringement); Embrex, Inc. v. Serv. Eng'g Corp., 216 F.3d 1343, 1347 (Fed. Cir. 2000)(infringement).

[93] 523 F.3d 1304 (Fed. Cir. 2008).

[94] 97 F. App'x 921 (Fed. Cir. 2004).

[95] 239 F.3d 1305 (Fed. Cir. 2001).

[96] In *Honeywell Int'l, Inc. v. Hamilton Sundstrand Corp.*, 523 F.3d 1304, the CAFC was supposed to cite the Third Circuit's cases. *Id.* at 1304 (dealing with an appeal from the United States District Court for the District of Delaware). Instead, the CAFC cited one its own case and FRCP 50(a)(1). *Id.* at 1312 ("This court reviews a district court's denial of a motion for JMOL *de novo*, applying the JMOL standard used by the district court. *Interactive Pictures Corp. v. Infinite Pictures, Inc.*, 274 F.3d 1371, 1375 (Fed. Cir. 2001). JMOL is appropriate when 'there is no legally sufficient evidentiary basis for a reasonable

However, in the second group, the CAFC was still aware of the choice-of-law doctrine applied in the procedural matters other than JMOL. In

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jury to find for that party on that issue.' Fed. R. Civ. P. 50(a)(1).").

The cited CAFC's case, *Interactive Pictures Corp. v. Infinite Pictures, Inc.*, 274 F.3d 1371 (Fed. Cir. 2001), is also a case where the CAFC cited its own cases to suppose the propositions related to JMOL. *Id.* at 1375-76 ("JMOL is appropriate when 'there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue.' Fed. R. Civ. P. 50(a)(1). On appeal, this court must consider the record evidence in the light most favorable to the non-movant, 'drawing all reasonable inferences in its favor, without disturbing the jury's credibility determinations or substituting our resolutions of conflicting evidence for those of the jury.' Applied *Med. Res. Corp. v. U.S. Surgical Corp.*, 147 F.3d 1374, 1377, 47 U.S.P.Q.2d (BNA) 1289, 1290 (Fed. Cir. 1998). To prevail, 'an appellant must show that the jury's findings, presumed or express, are not supported by substantial evidence or, if they were, that the legal conclusion(s) implied from the jury's verdict cannot in law be supported by those findings.' *Celeritas Techs., Ltd. v. Rockwell Int'l Corp.*, 150 F.3d 1354, 1358, 47 U.S.P.Q.2d (BNA) 1516, 1519 (Fed. Cir. 1998).").

In *Pordy v. Land O'Lakes, Inc.*, 97 F. App'x 921, the CAFC reviewed a decision made by the United States District Court for the Southern District of New York, *id.* at 921, but cited no Second Circuit's cases. *Id.* at 926-27. There were six CAFC's cases cited for the JMOL propositions.

The first one is Ericsson, Inc. v. Harris Corp., 352 F.3d 1369 (Fed. Cir. 2003), where the CAFC handled an appeal from the United States District Court for the Eastern District of Texas. *Id.* at 1369. The CAFC cited no Fifth Circuit's cases but its own cases to suppose the propositions regarding JMOL. *Id.* at 1373.

The second one is Markman v. Westview Instruments, Inc., 52 F.3d 967 (Fed. Cir. 1995), where the CAFC had a lengthy discussion about JMOL. *Id.* at 975-76. In *Markman*, the CAFC cited only federal circuits' cases. *Id.*

The third one is Pannu v. Iolab Corp., 155 F.3d 1344 (Fed. Cir. 1998), where the CAFC cited its own cases to suppose the propositions regarding JMOL. *Id.* at 1348. The appeal was from the United States District Court for the Southern District of Florida, *id.* at 1344, and the CAFC should have cited Fourth Circuit's cases.

The fourth one is Eaton Corp. v. Rockwell Int'l Corp., 323 F.3d 1332 (Fed. Cir. 2003), where the CAFC cited its own case when stating the propositions related to JMOL. *Id.* at 1345. In *Eaton Corp.*, the CAFC was supposed to apply Third circuit law. *Id.* at 1332.

The fifth one is Akamai Techs., Inc. v. Cable & Wireless Internet Servs., Inc., 344 F.3d 1186 Fed. Cir. 2003), where the CAFC cited its own cases to lay out the review standard for a JMOL decision. *Id.* at 1192. Here, the CAFC should have applied Second Circuit's cases. *Id.* at 1186.

The last one is SIBIA Neurosciences, Inc. v. Cadus Pharm. Corp., 225 F.3d 1349 (Fed. Cir. 2000), where the CAFC cited its own cases to state a standard for examining a JMOL decision. *Id.* at 1354-55. In *SIBIA Neurosciences, Inc.*, the CAFC should have cited Ninth Circuit's cases. *Id.* at 1349.

In Forest Labs., Inc. v. Abbott Labs., 239 F.3d 1305, the CAFC reviewed an appeal from the United States District Court for the Western District of New York. *Id.* at 1305. It cited no Second Circuit's cases. *Id.* at 1309. And, there were two cited cases. One is a CAFC's case, *Markman*, which is discussed above, and the other one is a Supreme Court's case, Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 255 (1986). *Forest Labs., Inc.*, 239 F.3d at 1309.

Poly-America, L.P. v. GSE Lining Tech., Inc.,[97] the CAFC cited its own cases for JMOL while citing Fifth Circuit's cases for a motion for a new trial.[98] In *Cardiac Pacemakers, Inc. v. St. Jude Med., Inc.*,[99] the CAFC was supposed to cite Seventh Circuit's cases,[100] but it cited its own case in the governing law section.[101] However, when going into the application section, it cited one Seventh Circuit's case to suppose its conclusion that "the district court's grant of JMOL cannot stand."[102] Moreover, when dealing with other procedural matters, the CAFC then went back to the Seventh Circuit law.[103]

Embrex, Inc. v. Serv. Eng'g Corp.[104] is an "unbelievable" case of the third mode, where the CAFC cited its own cases for JMOL,[105] while citing the Fourth Circuit's cases for reviewing whether Appellate preserved a right

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[97] 383 F.3d 1303 (Fed. Cir. 2004) (an appeal from the United States District Court for the Northern District of Texas).

[98] *Id.* at 1307. There are two cited CAFC cases. *Id.* One is Sextant Avionique, S.A. v. Analog Devices, Inc., 172 F.3d 817 (Fed. Cir. 1999), where the CAFC reviewed a decision from the United States District Court for the Northern District of California. *Id.* at 817. The CAFC in *Sextant Avionique, S.A.* did not cite any Ninth Circuit's cases for the propositions related to JMOL but, instead, cite its own cases. *Id.* at 824. The other one is *Ericsson, Inc.*, where the CAFC also cited *Sextant Avionique, S.A.*, 172 F.3d at 824. *Ericsson, Inc.*, 352 F.3d at 1373.

[99] 381 F.3d 1371 (Fed. Cir. 2004).

[100] *Id.* at 1371 (dealing with an appeal from the United States District Court for the Southern District of Indiana).

[101] *Id.* at 1375-76. Three CAFC cases were cited. *Id.* The first one is Hewlett-Packard Co. v. Mustek Sys., Inc., 340 F.3d 1314 (Fed. Cir. 2003), where the CAFC should have cited Ninth Circuit's cases for JMOL. *Id.* at 1314. The second one is LNP Eng'g Plastics, Inc. v. Miller Waste Mills, Inc., 275 F.3d 1347 (Fed. Cir. 2001), where the CAFC cited the Third Circuit's cases and its own cases for the JMOL propositions. *Id.* at 1353. The third one is Medtronic, Inc. v. Advanced Cardiovascular Sys., Inc., 248 F.3d 1303 (Fed.Cir.2001), where the CAFC did not cite Eighth Circuit's cases, *id.* at 1309, to review a JMOL decision issued by the United States District Court for the District of Minnesota. *Id.* at 1303.

[102] 381 F.3d at 1378 (citing Cont'l Air Lines, Inc. v. Wagner-Morehouse, Inc., 401 F.2d 23, 30 (7th Cir. 1968)).

[103] 381 F.3d at 1379-81 (citing Seventh Circuit's cases to discuss the issues of a motion for a conditional new trial and the "futility" exception related to Rule 51 of the FRCP).

[104] 216 F.3d 1343 (Fed. Cir. 2000) (dealing with an appeal from the United States District Court for the Eastern District of North Carolina).

[105] *Id.* at 1347. There were two CAFC's cases cited. *Id.* The first one is Applied Med. Res. Corp. v. U.S. Surgical Corp., 147 F.3d 1374 (Fed. Cir. 1998), where the CAFC cited only its own cases for the JMOL propositions. *Id.* at 1376. The CAFC in *Applied Med. Res. Corp.* was supposed to cite Fourth Circuit's cases. *Id.* at 1374 (dealing with an appeal from the United States District Court for the Eastern District of Virginia). The second one is Perkin-Elmer Corp. v. Computervision Corp., 732 F.2d 888 (Fed. Cir. 1984), where the CAFC also cited its own cases for reviewing JMOL. *Id.* at 893.

to appeal.[106] When the CAFC discussed the issue of "preservation of appeal rights", it stated, "[It] is a procedural issue, for which this court looks to the laws of the regional circuit."[107] Clearly, the CAFC recognized that the choice-of-law doctrine was an embedded issue. That makes the author wonder why the CAFC was blind to the choice-of-law doctrine when it reviewed JMOL.

B. Various Sources of Authority for the *De Novo* Review Standard.

The presentations of governing law regarding the review standard are diverse among those cases. There are two parts of the governing law statements. The first part is how the CAFC stated that it reviewed JMOL *de novo*. The cited authority could be from its own cases. In *Z4 Techs., Inc. v. Microsoft Corp.*, the CAFC stated:

> We review the denial of a motion for JMOL *de novo*, *Harris Corp. v. Ericsson Inc.*, 417 F.3d 1241, 1248 (Fed. Cir. 2005), and thus affirm the jury's verdict unless "a reasonable jury would not have a legally sufficient evidentiary basis to find for the [winning] party," Fed. R. Civ. P. 50(a)(1). "The denial of a motion for judgment as a matter of law ... is a procedural issue not unique to patent law, which we review under the law of the regional circuit where the appeal from the district court normally would lie." *Riverwood Int'l Corp. v. R.A. Jones & Co.*, 324 F.3d 1346, 1352 (Fed. Cir. 2003).[108]

The cited authority could be from regional circuits' cases. In *Wechsler v. Macke Int'l Trade, Inc.*, the CAFC stated:

> The regional circuit in this case is the Ninth Circuit, which reviews *de novo* an order granting or denying JMOL. *See Acosta v. City & County of S.F.*, 83 F.3d 1143, 1145 (9th Cir.1996) (grant); *Rivero v. City & County of S.F.*, 316 F.3d 857, 863 (9th Cir. 2002) (denial).[109]

Or there has been a case where no authority of cases was cited. In *Harris Corp. v. Ericsson Inc.*, the CAFC stated:

> We review the court's denial of a motion for JMOL *de novo*. A court may grant JMOL on an issue when "there is no legally sufficient evidentiary basis for a reasonable jury to find for [the nonmoving] party on that issue ...." Fed. R. Civ. P. 50(a)(1). The denial of JMOL

[106] *Embrex, Inc.*, 216 F.3d at 1350-51.
[107] *Id.* at 1350.
[108] *See Z4 Techs., Inc.*, 507 F.3d at 1346.
[109] *See Wechsler*, 486 F.3d at 1291.

> is not a patent-law-specific issue, so regional circuit law applies.[110]

Additionally, in *Agrizap, Inc. v. Woodstream Corp.*,[111] the CAFC did not mention the *de novo* standard.[112] The CAFC stated:

> Because the denial or grant of a motion for JMOL is a procedural matter not unique to patent law, we abide by the standard of review of regional circuit law. *Summit Tech., Inc. v. Nidek Co.*, 363 F.3d 1219, 1223 (Fed. Cir. 2004). Under Third Circuit law, we exercise plenary review over a district court's rulings on motions for JMOL, applying the same standard as the district court. *Gagliardo v. Connaught Labs., Inc.*, 311 F.3d 565, 568 (3d Cir. 2002).[113]

Obviously, the CAFC is not cautious about the sources of authority which it uses. From time to time, the CAFC acts inconsistently when applying the governing law regarding the review standard of JMOL. Though, the CAFC might argue that it did nothing but cited persuasive authority. But, if mandatory authority existed, why did the CAFC, instead, decide to use persuasive one? Therefore, the CAFC might have to think of creating its own precedents for reviewing district courts' JMOL decisions to end this confusion.

IV. Reasons for Creating Federal Circuit law for Reviewing JMOL Decisions

A. Characteristics of JMOL in a Patent Litigation

JMOL can let a judge take a case away from a jury to enter a judgment that he or she prefers.[114] In view of the movant, JMOL can test whether the non-movant's evidence is sufficient to meet its burden.[115] To decide whether to grant a motion for JMOL, the issue is whether a reasonable jury could stand with the non-moving party.[116] In addition, the judge will consider all of the evidence in the record without weighing the evidence, and draw all reasonable inferences that support the non-moving party.[117] But, the judge will ignore all evidence that is in favor of the moving party.[118] No matter whether the judge grants or denies a motion for JMOL, the motion itself

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110 *See Harris Corp.*, 417 F.3d at 1248.
111 520 F.3d 1337 (Fed. Cir. 2008).
112 *See id.* at 1341-42.
113 *Id.*
114 *See* HAZARD, *supra* note 6, at 1097.
115 *See id.* at 1105.
116 *See id.*
117 *See id.*
118 *See id.*

provides a gateway for the moving party to ask an appellate court to review the jury's factual findings if the trial court's decision is appealed.[119]

The substantive issues in a patent litigation may be categorized as patentability, enforceability, infringement, remedies, and affirmative defenses.[120] Those issues may be a question of law, a question of fact or a mixture of questions of law and fact, where the last two types may be decided by a jury. The questions of fact include (1) utility,[121] (2) anticipation,[122] (3) best mode,[123] (4) written description,[124] (5) willful infringement,[125] and (6) damages.[126] The mixtures of questions of law and fact include (1) public use,[127] (2) on-sale,[128] (3) inventorship,[129] (4) derivation,[130] (5) enablement,[131] (6) obviousness,[132] (7) literal infringement or infringement under the Doctrine of Equivalents,[133] (8) patent marking,[134] (9) inequitable conduct,[135] and (9) patent misuse.[136] Therefore, the jury significantly affects the outcome of patent litigation.

If the CAFC has to apply different review standards to the sufficiency of the evidence supporting the jury's verdict, then obviously, given the same claim construction and same facts, the variation of the review standards among those regional circuits will cause the CAFC to give different outcomes. The uniformity of the patent law system may suffer. As a result, the CAFC should develop its own law for reviewing JMOL so as to get away from the risks of conflicts among different regional circuits.

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[119] *See id.*

[120] *See* Sung, *supra* note 1, at 1241-42.

[121] *See id.* at 1290-91.

[122] *See id.* at 1291.

[123] *See id.* at 1299.

[124] *See id.* at 1297-98.

[125] *See id.* at 1286-87.

[126] *See id.* at 1284-85. A jury may decide a reasonable royalty. *See id.* at 1285.

[127] *See id.* at 1292-93.

[128] *See id.*

[129] *See id.* at 1294.

[130] *See id.* at 1294-95.

[131] *See id.* at 1298-99.

[132] *See id.* at 1295-97.

[133] *See id.* at 1278-80. The literal infringement analysis has two steps. *See id.* at 1278. First, the disputed claims are interpreted by a judge, and second, a jury decides whether an accused product or process is covered by those claims. *See id.* at 1278-79. And, the jury also decides the infringement under the Doctrine of Equivalents. *See id.* at 1279-80. However, the judge may limit the applications of the Doctrine of Equivalents by prosecution history estoppel. *See id.* at 1281.

[134] *See id.* at 1284.

[135] *See id.* at 1301-02.

[136] *See id.* at 1303.

B. No Analogous Cases in the Regional Circuits

The basic structure of a court opinion contains three parts: governing law, analogy of cases, and applications. If the CAFC consistently applies regional circuit law, it should cite the cases of such regional circuit to support the propositions in those parts.

However, it is hardly possible to cite the cases of regional circuits for all propositions. First, after the CAFC was created, regional circuit courts hardly took patent issues.[137] Although the CAFC has appellate jurisdiction over patent cases, it may not hear a case where a plaintiff does not well plead patent claims but a defendant counterclaim patent infringement.[138] Additionally, there may a situation where a district court consolidates two cases, one from a patent claim and the other from other federal claims, but the regional circuit court is reluctant to assert appellate jurisdiction.[139]

Second, even though a regional circuit court hears a patent case, it will still apply Federal Circuit law.[140] For instance, in County Materials Corp. v. Allan Block Corp., the Seventh Circuit dealt with a contract dispute which involved patent licensing clauses.[141] Appellant/Plaintiff claimed that some licensing clauses constituted patent misuse.[142] There, the Seventh Circuit cited CAFC's cases to resolve the issue, while it also cited two pre-CAFC regional circuit cases as part of the authority.[143]

Third, the CAFC will not consider the pre-CAFC patent cases of regional circuits unless it does not have its own cases dealing with similar issues; otherwise, it will invalidate the goal of its creation. Therefore, since the CAFC basically has to rely on its own cases to adjudicate substantive issues, why not also follow the same cases to address the review standard for JMOL?

C. No Significant Variation of JMOL Review Standards among the

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[137] *See* Maxwell v. Stanley Works, Inc., 82 U.S.P.Q.2d 1960, 1960(6th Cir. 2007) (transferring the case to the CAFC because part of the plaintiff's claims were based on the plaintiff's patent).

[138] *See* Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc., 535 U.S. 826, 830-34 (2002).

[139] *See e.g.*, CytoLogix Corp. v. Ventana Med. Sys., Inc., 513 F.3d 271, 272 (1st Cir. 2008); Natec, Inc. v. Deter Co., 28 F.3d 28, 28-29 (5th Cir. 1994).

[140] *See* County Materials Corp. v. Allan Block Corp., 502 F.3d 730, 734-37 (7th Cir. 2007).

[141] *Id.* at 732.

[142] *Id.*

[143] *Id.* at 736 (citing Nat'l Lockwasher Co. v. George K. Garrett Co., 137 F.2d 255, 256 (3d Cir. 1943) and Columbus Auto. Corp. v. Oldberg Mfg. Co., 387 F.2d 643, 644 (10th Cir. 1968)).

Regional Circuits

There is no significant variation of the phrases or sentences about JMOL among those regional circuits. First, they all review JMOL *de novo*.[144] Second, most of them do not weigh the credibility of the evidence.[145] And,

[144] *See e.g.*, Parker v. Gerrish, 547 F.3d 1, 8 (1st Cir. 2008); Sanders v. N.Y. City Human Res. Admin., 361 F.3d 749, 755 (2d Cir. 2004); Eddy v. V.I. Water & Power Auth., 369 F.3d 227, 230 (3rd Cir. 2004); Sales v. Grant, 158 F.3d 768, 775 (4th Cir. 1998); Nova Consulting Group, Inc. v. Eng'g Consulting Servs., 290 Fed. App'x 727, 733 (5th Cir. 2008); Carlton v. Henderson, 64 Fed. App'x 512, 514 (6th Cir. 2003); Scaggs v. Consol. Rail Corp., 6 F.3d 1290, 1293 (7th Cir. 1993); Smith v. Des Moines Pub. Schs., 259 F.3d 942, 946 (8th Cir. 2001); Torres v. City of L.A., 548 F.3d 1197, 1205 (9th Cir. 2008); Kaiser v. Bowlen, 455 F.3d 1197, 1206 (10th Cir. 2006); Tucker v. Hous. Auth., 229 Fed. App'x 820, 822 (11th Cir. 2007); Ekedahl v. Corestaff, Inc., 183 F.3d 855, 858 (D.C. Cir. 1999).

[145] *See e.g.*, *Parker*, 547 F.3d at 8 (1st Cir.) ("We cannot evaluate []the credibility of witnesses, resolve conflicts in testimony, or evaluate the weight of evidence."); *Eddy*, 369 F.3d at 230 n.4 (3rd Cir.) ("In determining whether the evidence is sufficient to sustain liability, the court may not weigh the evidence, determine the credibility of witnesses, or substitute its version of the facts for the jury's version."); *Sales*, 158 F.3d at 775 (4th Cir.) ("This requires that we give Miller and Sales, as non-movants, the benefit of every reasonable inference that could be drawn from the evidence, neither weighing the evidence nor assessing its credibility."); *Carlton*, 64 Fed. App'x at 515 (6th Cir.) ("we do not weigh the evidence, evaluate the credibility of the witnesses, or substitute our judgment for that of the jury."); Timmerman v. Modern Indus., Inc., 960 F.2d 692, 698 (7th Cir. 1992) ("[E]ven if the district judge were to have expressed disagreement with the way in which the jury chose to weigh the evidence, which he did not do here, it would be inappropriate for that district judge to reverse the verdict of the jury on that basis."); Wallace v. City of San Diego, 479 F.3d 616, 624 (9th Cir. 2007) ("In making this determination, the court must not weigh the evidence, but should simply ask whether the plaintiff has presented sufficient evidence to support the jury's conclusion."); Smith v. Washington Sheraton Corp., 135 F.3d 779, 782 (D.C. Cir. 1998) ("We do not assess the weight of the evidence, only its sufficiency.").

Some regional circuit courts have different formulations about weighing the evidence. In Nova Consulting Group, Inc. v. Eng'g Consulting Servs., 290 Fed. App'x 727 (5th Cir. 2008), the Fifth Circuit stated, "We consider all of the evidence, drawing all reasonable inferences and resolving all credibility determinations in the light most favorable to the non-moving party." *Id.* at 733. Seemingly, the Fifth Circuit weighs the credibility of evidence. But, it went on to stated, "This is because [c]redibility determinations, the weighing of the evidence, and the drawing of legitimate inferences from the facts are jury functions, not those of a judge." *Id.* Thus, the Fifth Circuit still takes a position of ignoring the credibility of evidence. In *Smith*, the Eighth Circuit stated, "In considering this issue, we must: ... (3) assume that all facts which Smith's evidence tended to prove are true." *Id.*, 259 F.3d at 947. Since all facts are presumptively true, the credibility of evidence is not considered.

But, the Second Circuit may deviate from this main stream. In Fairbrother v. Morrison, 412 F.3d 39 (2d Cir. 2005), the Second Circuit stated, "The motion should be granted []only if [the court] can conclude that, with credibility assessments made against the moving party and all inferences drawn against the moving party, a reasonable juror would have been compelled to accept the view of the moving party." *Id.* at 48. The Second Circuit seems to

they all draw inferences in favor of a non-moving party.[146] Although the formulations are slightly different, the concepts are similar or substantially the same. Therefore, since CAFC's precedents have absorbed those invariant sentences, the creation of CAFC's own JMOL rules would not cause any problems of the conflicts against other federal circuit courts.

D. The Resolution from the Supreme Court of the United State—Reeves v. Sanderson Plumbing Prods. Inc.

The Supreme Court in fact has given a well-developed standard of reviewing JMOL in *Reeves v. Sanderson Plumbing Prods., Inc.* [147] According to *Reeves*, "[i]n entertaining a motion for judgment as a matter of

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weigh the credibility of evidence against the movant.

Moreover, it may be noted that the Tenth and Eleventh Circuits rarely talk about the weighing of the credibility of evidence.

[146] *See e.g.*, *Parker*, 547 F.3d at 8 (1st Cir.) ("[W]e must affirm unless []the evidence, viewed from the perspective most favorable to the nonmovant, is so one-sided that the movant is plainly entitled to judgment, for reasonable minds could not differ as to the outcome."); *Sanders*, 361 F.3d at 755 (2d Cir.) ("We [] view[] the evidence, ..., in the light most favorable to the nonmoving party."); *Eddy*, 369 F.3d at 230 (3rd Cir.) ("viewing the evidence in the light most favorable to the non-movant and giving it the advantage of every fair and reasonable inference"); *Sales*, 158 F.3d at 775 (4th Cir.) ("We review the district court's Rule 50(a) ruling *de novo* to determine whether the evidence, viewed in the light most favorable to Miller and Sales, would have permitted a jury reasonably to return a verdict in their favor."); *Nova Consulting Group, Inc.*, 290 Fed. App'x at 733 (5th Cir.) ("We consider all of the evidence, drawing all reasonable inferences and resolving all credibility determinations in the light most favorable to the non-moving party."); *Carlton*, 64 Fed. App'x at 515 (6th Cir.) ("[W]e must view the evidence in the light most favorable to the party against whom the motion is made, and give that party the benefit of all reasonable inferences."); *Scaggs*, 6 F.3d at 1293 (7th Cir.) ("We [] consider[] the evidence in the light most favorable to the prevailing party and drawing all reasonable inferences in favor of the prevailing party."); *Smith*, 259 F.3d at 947 (8th Cir.) ("In considering this issue, we must: (1) examine the evidence in the light most favorable to Smith as the non-moving party, (2) resolve all conflicts in favor of Smith, (3) assume that all facts which Smith's evidence tended to prove are true, (4) give Smith the benefit of all inferences that may reasonably be drawn in his favor, and (5) affirm the denial of the District's motion unless it is unreasonable to sustain Smith's position."); *Torres*, 548 F.3d at 1205-06 (9th Cir.)("The evidence must be viewed in the light most favorable to the nonmoving party, and all reasonable inferences must be drawn in favor of that party."); *Edwards*, 268 Fed. App'x at 761 (10th Cir.) ("We [] consider[] the entire record in the light most favorable to the non-moving party."); *Tucker*, 229 Fed. App'x at 822 (11th Cir.) ("We review []the entire record, examining all evidence, by whomever presented, in the light most favorable to the nonmoving party, and drawing all reasonable inferences in the nonmovant's favor."); *Smith*, 135 F.3d at 782 (D.C. Cir.) ("We consider all evidence in the light most favorable to the nonmoving party.").

[147] 530 U.S. 133 (2000).

law, the court should review all of the evidence in the record."[148] "[T]he court must draw all reasonable inferences in favor of the nonmoving party, and it may not make credibility determinations or weigh the evidence."[149] And, "it must disregard all evidence favorable to the moving party that the jury is not required to believe."[150] "That is, the court should give credence to the evidence favoring the nonmovant as well as that 'evidence supporting the moving party that is uncontradicted and unimpeached, at least to the extent that that evidence comes from disinterested witnesses.'"[151]

Therefore, the governing law for reviewing a JMOL motion can be definitely drawn from those propositions. It is hard to image why these Courts of Appeals forgot to cite *Reeves*. Maybe, at some point, the Supreme Court should take a JMOL case again to point out the unnecessary, diverse practice.

E. Reduction of Patent Litigation Cost

[148] *Id.* at 150. Here, the Supreme Court was aware that the regional circuit courts had stated different propositions for considering a JMOL motion. *Id.* at 149. Two types were recognized. One is to only review "evidence favorable to the non-moving party." *Id.* (citing Aparicio v. Norfolk & W. R. Co., 84 F.3d 803, 807 (6th Cir. 1996), Simpson v. Skelly Oil Co., 371 F.2d 563, 566 (8th Cir. 1967)). The other is to review "the entire record [and to draw] all reasonable inferences in favor of the nonmoment." *Id.* at 149-50 (citing Tate v. Gov't Employees Ins., 997 F.2d 1433, 1436 (11th Cir. 1993), Boeing Co. v. Shipman, 411 F.2d 365, 374 (5th Cir. 1969) (en banc)). But, the Supreme Court clarified that the conflict was "more semantic than real." *Id.* at 150.

The regional circuit courts' cases the Supreme Court cited followed Wilkerson v. McCarthy, 336 U.S. 53 (1949). In *Wilkerson*, the Supreme Court stated that "in passing upon whether there is sufficient evidence to submit an issue to the jury we need look only to the evidence and reasonable inferences which tend to support the case of [the nonmoving party]." *Id.* at 57; *Reeves*, 530 U.S. at 150. But, in *Reeves*, the Supreme Court thought that "subsequent decisions have clarified that this passage was referring to the evidence to which the trial court should *give credence*, not the evidence that the court should *review*." *Id.* (where this statement was actually based on cited cases).

[149] *Id.* (citing Lytle v. Household Mfg., Inc., 494 U.S. 545, 554-555 (1990), Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 254 (1986), Continental Ore Co. v. Union Carbide & Carbon Corp., 370 U.S. 690, 696 n.6 (1962)).

In Lytle v. Household Mfg., Inc., 494 U.S. 545 (1990), the Supreme Court stated that "in considering a motion for a directed verdict, the court does not weigh the evidence, but draws all factual inferences in favor of the nonmoving party." *Id.* at 554. The statement was based on Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 255 (1986), where the Supreme Court quoted, "Credibility determinations, the weighing of the evidence, and the drawing of legitimate inferences from the facts are jury functions, not those of a judge. ... The evidence of the nonmovant is to be believed, and all justifiable inferences are to be drawn in his favor." *Lytle*, 494 U.S. at 554-55.

[150] *Id.* at 151.

[151] *Id.*

Because of the current practice of JMOL, when a party is facing a patent dispute, he or she may have to assign two groups of attorneys, one for studying the procedural rules governed by the CAFC and the other for researching the procedural rules governed by regional circuit courts. Even though he does not hire two groups instead of one group or one attorney, he still needs to pay for the case searches of both CAFC and one regional circuit court. So, if the CAFC could take back the power over JMOL, parties in a patent dispute will reduce the cost. Moreover, the patent law practice could get rid of the potential non-uniformity of the JMOL review standards among different regional circuit courts. And, the goal of creating the CAFC could be well achieved and secured.

V. Conclusion

Inconsistency is the significant feature of how the CAFC reviews JMOL. On many occasions, the CAFC defined regional circuit laws as the governing law over JMOL. But, in some cases, the CAFC only used its cases as authority. In either situation, however, when dealing with the fundamental issues behind a JMOL decision, such as those questions of law or fact, the CAFC still applied its own case law. Thus, the choice-of-law doctrine is applied superficially.

The observation is very predictable because a JMOL decision in a patent case is so related to the patent law issues. The CAFC can hardly find any regional circuit courts' cases to apply the law. Even if the CAFC could find one; the application may break the purpose of the creation of the CAFC. So, we should have the Federal Circuit law to review JMOL. Especially under a circumstance where the JMOL review standard has already been provided by the Supreme Court, the CAFC may have to provide a guideline.

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