

January 2021

Statutory and Constitutional Problems with Judicially-Imposed Patent-Claim Limitations

Sloane Kyrakis
University of Georgia School of Law

Follow this and additional works at: <https://digitalcommons.law.uga.edu/jipl>



Part of the [Intellectual Property Law Commons](#)

Recommended Citation

Sloane Kyrakis, *Statutory and Constitutional Problems with Judicially-Imposed Patent-Claim Limitations*, 28 J. INTELL. PROP. L. 187 (2021).

Available at: <https://digitalcommons.law.uga.edu/jipl/vol28/iss1/8>

This Notes is brought to you for free and open access by Digital Commons @ Georgia Law. It has been accepted for inclusion in Journal of Intellectual Property Law by an authorized editor of Digital Commons @ Georgia Law. [Please share how you have benefited from this access](#) For more information, please contact tstriepe@uga.edu.

Statutory and Constitutional Problems with Judicially-Imposed Patent-Claim Limitations

Cover Page Footnote

J.D. Candidate, 2021, University of Georgia School of Law. Special thanks to Professor Kent Barnett for his guidance in writing this note.

**STATUTORY AND CONSTITUTIONAL PROBLEMS
WITH JUDICIALLY-IMPOSED PATENT-CLAIM
LIMITATIONS**

*Sloane Kyrazis**

* J.D. Candidate, 2021, University of Georgia School of Law. Special thanks to Professor Kent Barnett for his guidance in writing this note.

TABLE OF CONTENTS

I. INTRODUCTION.....	189
II. BACKGROUND.....	190
A. <i>IN RE KATZ</i>	190
B. <i>IN RE KATZ</i> IN DISTRICT COURTS.....	191
C. DUE PROCESS.....	192
D. PATENTS AS PROPERTY UNDER THE CONSTITUTION.....	193
E. THE PATENT CLAUSE AND THE U.S. PATENT ACT.....	194
F. MODERN PATENT LITIGATION.....	196
1. Patent Claims.....	196
2. Explosion of Patent Litigation.....	196
3. Judicial Solutions to the Patent Explosion.....	198
4. Claim Preclusion.....	198
III. ANALYSIS.....	199
A. INSTITUTIONAL AND STATUTORY TENSIONS.....	199
1. Institutional Power to Grant Patent Rights.....	199
2. Tensions with Specific Provisions of the U.S. Patent Act.....	201
a. Contradiction of Plain Language of the Statute.....	202
b. Contradiction of Courts' Ongoing Interpretation of the Statute.....	203
i. The Burden of Proof and Interpretation of 'Presumption'.....	203
ii. Claim Construction.....	204
iii. Doctrine of Equivalents.....	205
B. DOES THE SAFETY VALVE STANDARD VIOLATE DUE PROCESS?.....	206
IV. CONCLUSION.....	210

I. INTRODUCTION

In 2011, the U.S. Court of Appeals for the Federal Circuit handed down a decision, *In re Katz Interactive Call Processing Patent Litigation*, upholding the practice of judicial claim limitation as non-violative of the due process rights of a patentee.¹ There, the plaintiff, or patentee, asserted 1,975 claims for 31 patents.² The district judge presiding over the case arbitrarily limited the patentee to 64 claims, with the provision that additional claims could be brought if they raised issues of infringement or validity not duplicative of the claims already brought.³ The provision allowing additional claims was a constitutional safety valve, designed to mitigate the potential of the claim limitation practices to trample on a patentee's due process rights. On appeal, the patentee in *In re Katz* made this exact argument—that claim limitation is a government-sanctioned deprivation of property rights that are irrationally protected under the Constitution without the requisite process.⁴

The *In re Katz* decision has been questioned in its conformity with a patentee's due process rights, especially as the standard is applied in district courts throughout the country. In addition, after a judgment on the merits of an infringement claim, federal courts refuse to allow patentees to assert any nonrepresentative claims that were limited at the outset of the original litigation as precluded by the doctrine of res judicata.

This Note will first establish the principles of due process upon which the patentees' arguments about due process violations are founded. Additionally, the Note explains the rise of complex patent litigation and the dilemma that district court judges face in presiding over such voluminous and complex cases.

This Note will argue that due process is not necessarily the most effective framework under which to criticize the *In re Katz* safety valve standard. The more convincing argument is the safety valve's contention with the provisions of the U.S. Patent Act. Even if due process is not the best vehicle for criticizing the safety valve standard, this Note will nonetheless perform a full procedural due process analysis. Additionally, this Note will acknowledge that the real due process violation likely occurs at the stage of refusal, based on principles of res judicata, to allow a patentee to bring claims that were classified in preceding litigation as nonrepresentative, thus not individually litigated.

Finally, this Note provides potential solutions that balance the interests of a district judge in conducting their matters in a just and speedy manner and the property interest that a patentee has in his or her patent claims. The solution will include a call for Congress to act in directives to limit the power of the United

¹ 639 F.3d 1303 (Fed. Cir. 2011).

² *Id.* at 1308.

³ *Id.* at 1309.

⁴ *Id.* at 1310.

States Patent and Trademark Office (USPTO) to issue patents that become problematic in litigation, amend the U.S. Patent Act, or revise the current treatment of patent rights as on parity with real or personal property.

II. BACKGROUND

A. *IN RE KATZ*

The final decision of *In re Katz* by the Federal Circuit was the conclusion of a highly complex patent case on appeal from the United States District Court for the Central District of California.⁵ The plaintiff, Ronald A. Katz Technology Licensing LP (“Katz”), owned several patents on interactive call-processing systems and call-conferencing systems.⁶ “Between 2005 and 2006, Katz filed 25 separate actions in the federal district courts in the Eastern District of Texas and the District of Delaware.”⁷ All those cases were transferred to the Central District of California for pretrial proceeding before Judge R. Gary Klausner, who presided over a previous case involving Katz and the asserted patents.⁸ In total, Katz asserted 1,975 claims from thirty-one patents.⁹

At the outset of the proceedings, several defendants asked the court to limit the number of claims asserted in the action.¹⁰ Katz responded with a proposed assertion of fifty claims per defendant group, which could then be narrowed to twenty after discovery.¹¹ The court mandated that only a total of sixty-four claims could be brought.¹² This mandate opened a safety valve by allowing additional claims if a patentee raised issues of infringement or validity that were not duplicative of the claims already brought.¹³

In response to the court’s mandate, Katz moved to sever and stay the non-selected claims.¹⁴ The motion was denied by the court.¹⁵ The appeal at the Federal Circuit was largely a result of the district court’s refusal to sever and stay Katz’s non-selected claims.¹⁶ Katz claimed that, by entering final judgment without severing and staying Katz’s non-selected claim, the district court

⁵ *Id.* at 1308.

⁶ *Id.*

⁷ *Id.* at 1309.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.* at 1309–10.

¹⁵ *Id.*

¹⁶ *Id.* at 1309–1310.

destroyed Katz's right to its unselected claims without due process.¹⁷ The Federal Circuit rejected Katz's due process arguments, holding that the trial court properly imposed a burden on Katz to show that any of the unselected claims raised issues of infringement or validity that were not duplicative of the selected claims.¹⁸ The Federal Circuit found that since Katz was in the best position to narrow the dispute, "allocating the production burden to the claimant will benefit the decision-making process and therefore will not offend due process . . ."¹⁹ Furthermore, the Federal Circuit announced that the district court's due process analysis was valid "[b]ased on its initial determination that the asserted patents contained many duplicative claims."²⁰

The Federal Circuit left open the possibility that a trial court's claim selection decisions in such a case are reviewable.²¹ However, such a review is appropriate only if the moving party could demonstrate that some of its "unselected claims presented unique issues as to liability or damages" related to the accused infringement claims or defenses to invalidity.²² The Federal Circuit reaffirmed its rule in *Stamps.com Inc. v. Endicia, Inc.*, upholding the lower court's refusal to allow additional claims beyond those litigated, because the patentee "did not file a motion to add claims with the requisite showing of need."²³ In *Stamps.com*, the plaintiff "conceded the court's authority to impose a limit on the number of claims," but they still asserted due process violations for refusal to bring those claims that were not litigated.²⁴ The Federal Circuit focused heavily on the plaintiff's lack of attempt to "make a good cause showing" in its application of the *In re Katz* standard.²⁵

B. *IN RE KATZ* IN DISTRICT COURTS

Since the Federal Circuit handed down its decision in *In re Katz* in 2011, several district courts have applied its articulated standard.²⁶ Notably, in *Masimo Corp. v. Philips Electronics North America Corp.*, the court applied the *In re Katz* standard to litigation between two entities where the plaintiff asserted seventeen

¹⁷ *Id.* at 1310.

¹⁸ *Id.* at 1311.

¹⁹ *Id.*

²⁰ *Id.* at 1312.

²¹ *Id.* at 1312-13.

²² *Id.* at 1312.

²³ 437 Fed. App'x 897, 902 (Fed. Cir. 2011).

²⁴ *Id.* at 902.

²⁵ *Id.* at 902-03.

²⁶ Elizabeth Rader, *Preserving Due Process in Approaches to Narrowing Claims in Multi-Patent Lawsuits*, IP WATCH DOG (Sept. 8, 2019), <https://www.ipwatchdog.com/2019/09/08/preserving-due-process-in-approaches-to-narrowing-claims-in-multi-patent-lawsuits/id=113031/>.

independent claims with seventy-eight related dependent claims, all of which represented innovative features.²⁷ In limiting the representative claims to thirty, the Federal District Court for the District of Delaware alluded to the *In re Katz* court's finding that early reduction was permissible based on the "common genealogy of Katz's patents."²⁸ Additionally, like *In re Katz*, the court purported to leave open the possibility that additional claims could be added with a good cause showing.²⁹ No application of the *In re Katz* safety valve standard has yielded a result where the court found a good cause showing.

C. DUE PROCESS

So, why was Katz calling foul based on due process principles? The short answer is that intellectual property rights are just what they say they are – property rights.³⁰ Consequently, due process is the constitutional clause that seeks to ensure that those property rights are not wrongfully taken from their holder without the proper procedure.³¹ The Fifth Amendment of the Constitution of the United States provides that "[n]o person shall be . . . deprived of life, liberty, or property, without due process of law."³² The Fourteenth Amendment also guarantees that "[n]o State [shall] . . . deprive any person of life, liberty, or property, without due process of law."³³ In defining what due process requires, the Supreme Court announced in *Mullane v. Central Hanover Bank & Trust Co.* that, at a minimum, "deprivation of life, liberty, or property by adjudication be proceeded by notice and opportunity for hearing appropriate to the nature of the case."³⁴ The *Mullane* minimum standard for due process can be separated into two elements: notice of the charge or issue, and the opportunity for a meaningful hearing.³⁵ Due process has been divided into two categories over time – procedural and substantive due process.³⁶ In short, procedural due process requires the government to follow the necessary procedures before

²⁷ 918 F. Supp. 2d 277 (D. Del. 2013).

²⁸ *Id.* at 283 (quoting *In re Katz Interactive Call Processing Pat. Litig.*, 639 F.3d at 1312 n.7)).

²⁹ Rader, *supra* note 26 (citing *Masimo*, 918 F. Supp. 2d at 286 (D. Del. 2013)).

³⁰ *Intellectual Property*, CORNELL LEGAL INFO. INST., https://www.law.cornell.edu/wex/intellectual_property (last visited Nov. 13, 2020) ("The law of intellectual property can be seen as analogous to the law of tangible property in that both consist of a bundle of rights conferred upon the property owner.").

³¹ U.S. CONST. amend. V.

³² U.S. CONST. amend. V.

³³ U.S. CONST. amend. XIV, § 1.

³⁴ 339 U.S. 306, 313 (1950).

³⁵ *See id.* (stating that when a proceeding is one in which property rights may be deprived, "notice and hearing must measure up to the standards of due process.").

³⁶ *Procedural Due Process*, CORNELL LEGAL INFO. INST., https://www.law.cornell.edu/wex/procedural_due_process (last visited Oct. 30, 2020).

taking life, liberty, or property and prohibits “arbitrary and unfair deprivations” of the same “without procedural safeguards.”³⁷ Claim limiting is inherently procedural since it relates to how the business of the court is conducted.³⁸ The specific procedural process due in any case is decided by balancing several factors.³⁹ These include the private interest affected; the risk of erroneous deprivation of such interest through the procedures used and the probable value of additional or substitute safeguards; and finally, the government interest, including function involved, and fiscal and administrative burdens of additional procedure.⁴⁰ As previously mentioned, on appeal, the Federal Circuit found that the trial judge did not violate Katz’s due process rights when he limited the number of claims to 64.⁴¹ The Federal Circuit cited the safety valve standard as the mitigating factor that prevented any due process violations.⁴² Under such a standard, Katz could assert additional claims for adjudication as long as he could show that the new claims raised non-duplicative issues of validity or infringement.⁴³

D. PATENTS AS PROPERTY UNDER THE CONSTITUTION

An important protection guaranteed by due process is access to the courts, and whether the safety valve provides a patentee access to the courts to vindicate his or her rights consistent with due process is questionable.⁴⁴ The Fourteenth Amendment and Fifth Amendment “require that the courts shall be open to every person with a right to a remedy for injury to . . . property . . .”⁴⁵ Since due process guarantees access to the courts to remedy an injury to property, a necessary question is whether courts treat a patent as a property right that is afforded the same due process protections contemplated by the Fifth Amendment. It is fundamentally true that a patent-derived right is a property right that is on equal footing with rights associated with ownership of land or

³⁷ Howard v. Grinage, 82 F.3d 1343, 1350 (6th Cir. 1996).

³⁸ See *Procedural Law*, CORNELL LEGAL INFO. INST., https://www.law.cornell.edu/wex/procedural_law (last visited Oct. 13, 2020) (“In particular, laws that provide how the business of the court is to be conducted.”).

³⁹ Mathews v. Eldridge, 424 U.S. 319, 321 (1976).

⁴⁰ *Id.*

⁴¹ See *In re Katz Interactive Call Processing Pat. Litig.*, 639 F.3d 1303, 1311 (Fed. Cir. 2011) (“We reject Katz’s due process argument. Katz has not shown that the claim selection procedure . . . was inadequate[.]”).

⁴² See *id.* at 1311–13 (describing the district court’s claim limitation and accompanying due process analysis as “efficient and fair” because Katz did not show that non-selected claims were not duplicative).

⁴³ *Id.* at 1312.

⁴⁴ See 16D C.J.S. *Constitutional Law* § 1912 (2020) (synthesizing that the right of access to the courts is protected by the constitutional due process clauses).

⁴⁵ *Id.* (citing Coburn v. Auto-Owners Ins. Co., 189 Ohio App. 3d. 322 (2010)).

personal property.⁴⁶ Moreover, “the [patent] right rests on the same foundation, and is surrounded and protected by the same sanctions [as land property rights].”⁴⁷ Recently, the Supreme Court has announced that patents are “surely included within the ‘property’ of which no person may be deprived by a State without due process of law.”⁴⁸

E. THE PATENT CLAUSE AND THE U.S. PATENT ACT

The next question is how patents got the same kind of irrational protections as property rights. The property right protected by a patent is derived directly from the Constitution.⁴⁹ Article I grants Congress the power “to promote the Progress of Science and useful Arts by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”⁵⁰ Implementing its constitutional power, Congress enacted the U.S. Patent Act, which allows a patent to be granted to “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter” subject to limitations in the act.⁵¹ The legal effect of a patent is a limited right of exclusion.⁵² For 20 years, a patentee has the right to exclude all others from making, using, offering for sale, or selling the patented invention.⁵³ The exclusionary nature of patent rights is important for individuals like Katz because patentees may exercise their constitutionally afforded patent rights only if they prevent others from using those same rights.

Under the *In re Katz* safety valve, a patentee must be the one to make a showing that her claims are non-duplicative, thus deserving of adjudication.⁵⁴ The U.S. Patent Act states that a patent, and each distinct claim of a patent, is presumed valid.⁵⁵ The statute says “[e]ach claim of a patent . . . shall be presumed valid independent of the validity of other claims.”⁵⁶ Additionally, “dependent or multiple claims shall be presumed valid even though dependent upon an invalid

⁴⁶ *Consol. Fruit-Jar Co. v. Wright*, 94 U.S. 92, 96 (1876) (“A patent for an invention is as much property as a patent for land.”); *see Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627, 642 (1999) (recognizing that patents “have long been considered a species of property”).

⁴⁷ *Fruit-Jar*, 94 U.S. at 96.

⁴⁸ *Fla. Prepaid*, 527 U.S. at 642.

⁴⁹ *See* U.S. CONST. art. I, §8, cl. 8.

⁵⁰ *Id.*

⁵¹ 35 U.S.C. § 101 (1952).

⁵² *See* 35 U.S.C. § 154 (1952).

⁵³ § 154(a)–(b).

⁵⁴ *In re Katz Interactive Call Processing Pat. Litig.*, 639 F.3d 1303, 1312 (Fed. Cir. 2011).

⁵⁵ 35 U.S.C. § 282(a)(2012).

⁵⁶ *Id.*

claim.”⁵⁷ The presumption of validity places the “burden of establishing invalidity of a patent or any claim thereof . . . on the party asserting such invalidity.”⁵⁸

If a patent holder brings an infringement claim against another party, the statute provides an invalidity defense against the infringement claim.⁵⁹ As the statute dictates, the burden of establishing invalidity rests on the alleged infringer who is asserting invalidity as a defense.⁶⁰ Congress did not expressly provide what standard of proof attaches to the burden on the party alleging invalidity.⁶¹ The Supreme Court filled in the gaps in *Microsoft Corp. v. I4I Ltd. Partnership*.⁶² In that case, the Supreme Court held that by codifying the presumption of patent validity, Congress implicitly attached a heightened standard of proof to a claim for invalidity.⁶³ The Court supported this finding by the long-time fixture of the common law interpretation of the effect of a presumption.⁶⁴ In the context of patent infringement cases, the word “presumption” in patent validity has always had teeth, only to be overcome by “clear and cogent evidence.”⁶⁵ The Court’s interpretation of § 282 was based on “the assumption that the ordinary meaning of [the] language” written by Congress in the statute “accurately expresses the legislative purpose.”⁶⁶ Accordingly, the Court affirmed the Federal Circuit’s interpretation of § 282, finding that in order to have a successful invalidity defense against a claim for infringement, a party must prove invalidity by clear and convincing evidence.⁶⁷ If the presumption of validity was not enough protection, the U.S. Patent Act also includes a short and clear statement that a patentee is entitled to civil redress if his or her patent is infringed.⁶⁸

⁵⁷ *Id.*

⁵⁸ *Id.*

⁵⁹ 35 U.S.C. § 282(b)(2).

⁶⁰ 35 U.S.C. § 282(a).

⁶¹ *See* 35 U.S.C. § 282(b) (2012) (stating only that the party asserting invalidity has the burden of proof).

⁶² 564 U.S. 91 (2011).

⁶³ *Id.* at 113-14.

⁶⁴ *Id.* at 101-02.

⁶⁵ *Id.* at 101 (quoting *Radio Corp. of Am. v. Radio Eng’g Lab’ys, Inc.*, 293 U.S. 1, 2 (1934)).

⁶⁶ *Id.* at 101 (quoting *Engine Mfrs. Ass’n v. S. Coast Air Quality Mgmt. Dist.*, 541 U.S. 246, 252 (2004)).

⁶⁷ *Id.* at 102 (citing *Radio Corp.*, 293 U.S. at 8 (1934)).

⁶⁸ *See* 35 U.S.C. § 281 (1952) (“A patentee shall have remedy by civil action for infringement of his patent.”).

F. MODERN PATENT LITIGATION

1. *Patent Claims*

Understanding claim limitation first requires an understanding of patent claims. The description portion of a patent does just that — it describes the invention and the “manner and process of making and using it.”⁶⁹ The description, together with the claims, make up the specification portion of a patent application.⁷⁰ Claims make a patent valuable to its owner because they define the scope of legal protection.⁷¹ The USPTO stresses the importance of the claims, as they define the “protection afforded by the patent and which questions of infringement are judged by the courts.”⁷² The Federal Circuit affirmed this importance, announcing that “[i]t is a ‘bedrock principle’ of patent law that ‘the claims of a patent define the invention to which the patentee is entitled the right to exclude.’”⁷³ If claims are not properly drafted to cover every detail of the description, then the patent owner has no legal claim over those aspects of the description, and others would be free to appropriate the technology as they wish.⁷⁴ Thus, it is in the patent owner’s interest to draft the claims as broadly as possible so that the owner secures legal protection over all possible situations or future iterations of a patent.⁷⁵ However, the examiners at the USPTO are employed to determine whether the claims comply with the filing requirements.⁷⁶ Therefore, a patent examiner will only allow claims to the actual invention as it is described.⁷⁷

2. *Explosion of Patent Litigation*

The robust protections afforded by the U.S. Patent Act and the USPTO’s role raises the question of why judges need special procedures like claim

⁶⁹ *General Information Concerning Patents*, USPTO (Oct. 2015), <https://www.uspto.gov/patents-getting-started/general-information-concerning-patents#heading-17>.

⁷⁰ *Id.*

⁷¹ *IP and Business: Quality Patents: Claiming What Counts*, WORLD INTELL. PROP. ORG. (Feb. 2006), https://www.wipo.int/sme/en/documents/drafting_patent_claims_fulltext.html.

⁷² *General Information Concerning Patents*, *supra* note 69.

⁷³ *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc) (quoting *Innova/Pure Water, Inc. v. Safari Water Filtration Sys. Inc.*, 381 F.3d 1111, 1115 (Fed. Cir. 2004)).

⁷⁴ *See IP and Business: Quality Patents: Claiming What Counts*, *supra* note 71 (explaining that when claims are not properly drafted, then inventions disclosed but not claimed become prior art).

⁷⁵ *See id.* (“[B]road claims are attractive to the business applicant because they cover a greater range of products or situations . . .”).

⁷⁶ *See id.* ([A] patent examiner in an IP office will not allow broad claims that cover more than the inventor actually invented . . .”).

⁷⁷ *Id.*

limitation in patent cases. The answer lies in the volume and complexity of patent litigation today.⁷⁸ Patent litigation has become one of the most complex, lengthy, and costly types of litigation.⁷⁹ These cases boast an average cost of \$500,000 per claim and last an average of 2.7 years.⁸⁰ Importantly, judicial intervention is the only way that patentees can assert and enforce their rights and accused infringers can continue to operate.⁸¹ Adding to the complexity of these cases are companies with large patent portfolios and even larger research and development budgets.⁸² These companies, and their continued modification of their patents, have increased the number of cumbersome cases that comprise the current patent litigation landscape.⁸³

Notably, there has been an explosion in patent litigation in recent years.⁸⁴ The number of patent suits filed in the year 2000 was around 2,500, with that number doubling to around 5,000 by 2014.⁸⁵ Less empirical is the anecdotal evidence that patent cases are increasingly contentious because the global economy is increasingly dependent on technological innovation.⁸⁶ Critics have stated that the law has “tilted too far” in favor of protecting intellectual property rights and resulting in stifled competition.⁸⁷ The stakes are getting higher as the Supreme Court litigates more patent issues.⁸⁸ It is important to consider the practice of judicial claim-limiting through the lens of complex modern patent litigation where patentees may assert thousands of infringement claims under multiple patents in one action.⁸⁹

⁷⁸ See Johnathon H. Ashter, *Opening Pandora's Box: Analyzing the Complexity of U.S. Patent Litigation*, 18 YALE J.L. & TECH. 217, 217 (2016) (“Patent litigation is widely regarded as one of the most complex types of civil litigation, with costs often totaling millions of dollars and typical cases lasting years.”).

⁷⁹ *Id.*

⁸⁰ *Id.* at 223, 227.

⁸¹ *Id.* at 222.

⁸² Rader, *supra* note 26.

⁸³ *Id.*

⁸⁴ Christopher Beauchamp, *The First Patent Litigation Explosion*, 125 YALE L.J. 848, 850 (2016).

⁸⁵ *Id.*

⁸⁶ Jess Bravin, *As Patents Grow More Contentious, Battleground Shifts to High Court*, WALL ST. J. (Nov. 28, 2006), <https://www.wsj.com/articles/SB116468538911734236>.

⁸⁷ *Id.*

⁸⁸ See *id.* (describing the increasingly complex and valuable patent landscape leading to litigation in the Supreme Court).

⁸⁹ See David G. Chang, *Claim Limitation: Confronting the Tension Between Limiting Claims in Complex Patent Litigation and Preserving a Patentee's Due Process Rights*, 20 INTELL. PROP. & TECH. L.J. 19, 21 (2008) (describing modern patent litigation where many infringement claims are made under multiple patents).

3. *Judicial Solutions to the Patent Explosion*

The paramount command of Rule 1 of the Federal Rules of Civil Procedure is to secure the “just, speedy, and inexpensive determination of every action and proceeding.”⁹⁰ Accordingly, it has long been recognized that district courts possess inherent powers that are “governed not by rule or statute but by the control necessarily vested in courts to manage their own affairs so as to achieve the orderly and expeditious disposition of cases.”⁹¹ Given this inherent discretionary power, it is understandable that judges would invoke it when presiding over highly complex cases. Because of the modern rise in volume and complexity of patent cases, judges have implemented various practices to make cases more administratively feasible.⁹² Claim limiting is one of these practices.⁹³ The litigation of multiple claims under multiple patents will be consolidated, and the presiding judge will order the patentee to select a limited number of representative claims to litigate.⁹⁴ *In re Katz* was precisely this type of case.⁹⁵

4. *Claim Preclusion*

An issue that may arise when narrowing claims in patent cases is the possibility that the patentee will want to assert an infringement claim later on using a claim that was deemed non-representative in prior litigation.⁹⁶ Whether the patentee will be able to bring that claim may depend on the doctrine of res judicata, otherwise known as claim preclusion.⁹⁷ The latter applies “when there is (i) ‘a judgment on the merits in a prior suit;’ (ii) ‘a second suit involving the same parties or their privies;’ and (iii) the second suit is ‘based on the same cause of action.’”⁹⁸ The chief policy behind claim preclusion is to protect a defendant from re-litigating the same claim; thus, any claim that was or could have been raised previously must be dismissed as precluded.⁹⁹ This doctrine poses a special

⁹⁰ Fed. R. Civ. P. 1.

⁹¹ *Dietz v. Bouldin*, 136 S. Ct. 1885, 1891 (2016)(quoting *Link v. Wabash R.R. Co.*, 370 U.S. 626, 630-31 (1962)).

⁹² *See Chang*, *supra* note 89, at 20 (explaining how courts have overcome “administrability barriers of large complex patent cases[.]”).

⁹³ *See id.* (describing claim-limiting as a method to improve administrability).

⁹⁴ *See id.* (explaining that Federal Circuit guidance on making complex patent cases more manageable has been involved consolidating patent claims).

⁹⁵ *In re Katz*, 639 F.3d 1303 (Fed. Cir. 2011).

⁹⁶ *See, e.g., In re Katz*, 639 F.3d 1303 (Fed. Cir. 2011) (Katz arguing that his due process rights were violated because he could no longer vindicate rights on non-selected claims).

⁹⁷ *Res judicata*, CORNELL LEGAL INFO. INST., https://www.law.cornell.edu/wex/res_judicata (last visited Oct. 30, 2020).

⁹⁸ *Aviation Software, Inc. v. United States*, 101 Fed. Cl. 656, 662-663 (2011) (quoting *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n.5 (1979)).

⁹⁹ *See Klaassen v. Atkinson*, 348 F.Supp.3d 1106, 1158 (D. Kan. 2018) (“[T]he doctrine of res judicata expresses a policy designed to protect the defendant from harassment and the

threat to patentees whose claims have been narrowed since claim preclusion also bars a suit arising from the same set of transactional facts.¹⁰⁰ Moreover, there is a possibility that a patentee will never get to assert those non-representative claims to enforce their rights in court. This danger illustrates both the statutory tension and the due process implications of judicial claim-limiting.

III. ANALYSIS

A. INSTITUTIONAL AND STATUTORY TENSIONS

In re Katz was appealed to the Federal Circuit, in part, because the district court's refusal to sever and stay Katz's non-representative or possibly duplicative claims allegedly violated Katz's due process rights.¹⁰¹ Much of the commentary and criticism of this case focuses on the tensions between a possible due process violation and the act of judicial claim limiting.¹⁰² What is more troubling about the *In re Katz* holding, and the practice of judicial claim-limiting, is the stark tension with the U.S. Patent Act's text and its purpose.

1. Institutional Power to Grant Patent Rights

The practice of judicial claim-limiting in patent cases is at odds with Title 35 of the United States Code because it undermines the clear congressional intent to codify the process by which a patentee can secure patent rights for their works and inventions. Title 35 outlines what a patentee must do to get patent rights and the process of securing such rights for their works or inventions.¹⁰³ Since the framers thought patent rights were important, Congress used its constitutional power to create the USPTO to systematically administer patent rights.¹⁰⁴

The U.S. Patent Act requires an applicant to submit a written application for a patent to the USPTO consisting of a specification, drawings or specimens, and an oath or declaration stating that the individual believes himself or herself to be the original inventor.¹⁰⁵ The specification requires a "written description of the invention, and of the manner and process of making and using it, in full, clear, concise, and exact terms," so "any person skilled in the art to which it pertains"

public from multiple litigation.")(quoting *Griffith v. Stout Remodel, Inc.*, 548 P.2d 1238, 1240 (Kan. 1976)).

¹⁰⁰ *Houston Prof'l Towing Ass'n v. City of Houston*, 812 F.3d 443, 447 (5th Cir. 2016).

¹⁰¹ *In re Katz*, 639 F.3d at 1310.

¹⁰² See, e.g., Rader, *supra* note 26 (posing the question whether the *In re Katz* decision is at odds with due process).

¹⁰³ See generally, 35 U.S.C. § 1–390 (outlining requirements for grant of a patent).

¹⁰⁴ 35 U.S.C. § 1 (2000); 35 U.S.C. § 2 (2012).

¹⁰⁵ 35 U.S.C. § 111 (2012) 35 U.S.C. § 115(b) (2012).

can make and use the invention.¹⁰⁶ Most importantly, the specification includes “one or more claims particularly pointing out and distinctly claiming the subject matter which the inventor . . . regards as the invention.”¹⁰⁷

Once the application is filed, it is examined by a patent examiner.¹⁰⁸ If it appears to the examiner that the “applicant is entitled to a patent under the law,” a patent is issued, and the applicant becomes a patent holder, or patentee.¹⁰⁹ If the application is not issued and the patent is rejected, the USPTO examiner will notify the applicant and include reasons for rejections or requirements needed to move forward with the prosecution of the patent applied for.¹¹⁰ The U.S. Patent Act explicitly allows an applicant to appeal adverse USPTO decisions to the U.S. Patent Trial and Appeal Board or the U.S. Court of Appeals for the Federal Circuit.¹¹¹

As a whole, this statutory scheme constitutes a large hurdle that patentees must clear in order to secure patent rights. The burden on the patentee to secure patent protection involves time and attention to detail in drafting their applications.¹¹² As a practical matter, successful patent prosecution generally requires hefty legal fees because a patent agent or attorney is usually needed to draft and argue the patent application before the USPTO.¹¹³

The challenges of the patent application process intentionally puts the USPTO into the role of gatekeeper – allowing or disallowing the benefits of patent rights to those applicants whose inventions meet the legal standards established by Congress. A federal judge engaging in claim limitation undercuts the USPTO’s prior decision that the patentee was entitled to legal rights protecting their ability to make, use, and sell their inventions for a limited time. By engaging in claim limitation and refusing to hear a claim that the USPTO has already decided has legal force, a judge usurps the power granted to the USPTO to issue patents. Federal courts have recognized that they have no authority to adjudicate with respect to pending patents, recognizing that “Congress . . . explicitly vested the [USPTO] with sole discretion over the ‘granting and issuing of patents’”.¹¹⁴ Thus, the whole purpose of the provisions dictating the patent

¹⁰⁶ 35 U.S.C. § 112(a) (2012).

¹⁰⁷ 35 U.S.C. § 112(b) (2012).

¹⁰⁸ See 35 U.S.C. § 131 (2002) (“The Director shall cause an examination to be made of the application and the alleged new invention . . .”).

¹⁰⁹ *Id.*

¹¹⁰ 35 U.S.C. § 132 (2012).

¹¹¹ 35 U.S.C. § 134 (2012); 35 U.S.C. § 141 (2012).

¹¹² *General Information Concerning Patents*, USPTO (Oct. 2015), <https://www.uspto.gov/patents-getting-started/general-information-concerning-patents#heading-17>.

¹¹³ *Id.*

¹¹⁴ *Camsoft Data Sys., Inc. v. S. Elecs. Supply, Inc.*, 756 F.3d 327, 334 (5th Cir. 2014) (quoting 35 U.S.C. § 2(a)(1)), *cert. denied*, 574 U.S. 1122 (2015).

application and issuance process is frustrated. If patent rights are already established as valid by the examining body of the USPTO and a judge refuses to recognize that decision, this practice renders the application process ineffectual. In consequence, judicial claim-limiting conflicts with Congress' intention that the USPTO be powerful in administering patent rights to qualified applicants.

Judicial claim-limiting effectively disregards the U.S. Patent Act's provisions and, in turn, ignores the Constitution drafters' intent to vest patentees with powerful rights. The Constitution explicitly grants Congress the power to grant essential, temporary monopolies to authors and inventors of their works and inventions in order to promote the progress of "Science and useful Arts."¹¹⁵ It is clear that the intellectual property rights granted from the Patent Clause were considered by the framers as imperative for the development and security of the new country for which they were building a structure of governance. The legislative history of the Constitution indicates unanimity in this sentiment. As James Madison wrote in Federalist Paper No. 43, the "utility" of the power entrusted to Congress to grant these rights "will scarcely be questioned."¹¹⁶ The U.S. Patent Act was promulgated as a response to this all-important constitutional provision.¹¹⁷ Based on drafter's intent, to undermine the provisions of the U.S. Patent Act is to ignore the looming history and purpose that culminated in the enactment of federal patent laws that are rooted in the constitution itself.

2. *Tensions with Specific Provisions of the U.S. Patent Act*

In addition to the tension with purpose of the Act, the narrowing patent claims and the safety valve contradict specific provisions of the U.S. Patent Act. The starkest tension between judicial claim limitation and the U.S. Patent Act is the statutory presumption of validity of a patent and its claims. § 282 of the U.S. Patent Act requires that:

[a] patent shall be presumed valid. Each claim of a patent (whether in independent, dependent, or multiple dependent form) shall be presumed valid independently of the validity of other claims; dependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim.¹¹⁸

In addition, the statute places the "burden of establishing invalidity of a patent or any claim thereof" on the party asserting invalidity.¹¹⁹

¹¹⁵ U.S. CONST. art. I, § 8, cl. 8.

¹¹⁶ THE FEDERALIST No. 43 (James Madison).

¹¹⁷ 35 U.S.C. § 1 (2000).

¹¹⁸ 35 U.S.C. § 282(a) (2012).

¹¹⁹ *Id.*

a. Contradiction of Plain Language of the Statute

Judicial claim limitation is not consistent with the U.S. Patent Act because it contradicts § 282's plain command that a patent, and all its claims, shall be presumed valid. The starting point for statutory interpretation is looking at the plain language of the statute.¹²⁰ The plain language is the most obvious guide in determining the intent of the legislature in enacting the statute.¹²¹ At a cursory glance, judicial claim limitation is a clear departure from the statute's plain text because a judge is barring claims from adjudication and placing the burden on the patentee to establish validity. Under § 282, a patentee asserting an infringement claim in federal court would have the advantageous starting point of presumed validity of *all* claims under their patent, including those claims that may be derivative of claims in the same patent which have been invalidated.¹²²

The drafters used the word "independently" to describe the manner in which each claim must be considered.¹²³ In addition, the drafters exhaustively included any form of a claim, whether they are in "independent, dependent, or multiple dependent form."¹²⁴ The *In re Katz* court sanctioned the safety valve approach that only allowed patentees to assert additional patent claims outside of the allotted number if they were not duplicative of those claims asserted, or raised additional issues of liability or damages.¹²⁵ This test, in several ways, ignores the statutory requirement that all patent claims are presumed valid. First, it does not allow all claims, no matter what form they are in, to have statutorily-guaranteed validity. Any presumption or protection contemplated by § 282 for a claim not allowed to be brought before the court effectively disappears under the safety valve standard. In addition, the safety valve test runs afoul the language of § 282 because it disallows a patentee from asserting dependent or multiple dependent claims. Thus, a dependent or multiple dependent claims would likely be considered "duplicative" by a federal judge determining the legal effect of a patent claim through claim construction.

The test is especially troubling when considering the statute's requirement that even those claims dependent on invalidated claimed are presumed valid. If, upon decision on the merits, a "representative claim" asserted by a patentee was invalidated, any dependent claim that a district court refused to allow at the outset of the case would never get the presumption of validity that § 282

¹²⁰ *Statutory Construction*, CORNELL LEGAL INFO. INST., https://www.law.cornell.edu/wex/statutory_construction (last visited Oct. 30, 2020).

¹²¹ *Id.*

¹²² 35 U.S.C. § 282(a) (2012).

¹²³ *Id.*

¹²⁴ *Id.*

¹²⁵ *In re Katz Interactive Call Processing Pat. Litig.*, 639 F.3d 1303, 1312 (Fed. Cir. 2011).

explicitly contemplates.¹²⁶ The presumption of validity for dependent claims is a particularly strong starting point for a patentee in litigation. The legislature's special attention to claims potentially derivative of invalid claims, evidenced in the statute's language, reinforces that each claim is presumed valid and protectable. Thus, no matter how many claims are asserted, a judge must apply this presumption of validity to comply with the U.S. Patent Act.

To round out and sharpen the tension between claim limitation and the language of the U.S. Patent Act, § 281 also provides that a patentee will have enforcement rights for their patent by civil remedy.¹²⁷ Specifically, guaranteed access to the courts for enforcement is the only remedy named in the U.S. Patent Act.¹²⁸ In light of the foregoing statutory provisions, the enforcement provision encompasses the core idea of the statute that every claim of a patent issued is legally enforceable by the courts of the United States. By engaging in claim limitation, and not allowing patentees to assert all of their claims, the courts are ignoring this important provision that gives patent rights their teeth and value.

b. Contradiction of Courts' Ongoing Interpretation of the Statute

Not only does the safety valve conflict with the U.S. Patent Act's plain text, but its essence runs contrary to the groundwork that courts, including the Federal Circuit, have laid in interpreting the statute.

i. The Burden of Proof and Interpretation of 'Presumption'

The language of § 282 requires that the burden of establishing patent invalidity rests on the party asserting such invalidity.¹²⁹ Practically, the party asserting invalidity in litigation where a patentee's claims are being limited is the party accused of infringement, as the statute expressly provides an invalidity defense to patent infringement.¹³⁰ Put simply, the burden of proof is on the defendant, not the patentee.¹³¹ Congress did not expressly provide what standard of proof attaches to the defendant's burden.¹³² Filling in the gaps, the Supreme Court affirmed the Federal Circuit's holding in *Microsoft Corp. v. I4I Ltd. Partnership* to establish that, in order to have a successful invalidity defense against a claim for infringement, a party must prove invalidity by clear and convincing evidence, a heightened standard of proof.¹³³ Just as § 282 was interpreted in the

¹²⁶ 35 U.S.C. § 282(a).

¹²⁷ See 35 U.S.C. § 281 (1952) ("A patentee shall have remedy by civil action for infringement of his patent.").

¹²⁸ *Id.*

¹²⁹ 35 U.S.C. § 282(b).

¹³⁰ 35 U.S.C. § 282(b)(2).

¹³¹ *Id.*

¹³² See *id.* (stating only that the party asserting invalidity has the burden of proof).

¹³³ 564 U.S. at 102 (citing *Radio Corp. of Am. v. Radio Eng. Lab'y, Inc.*, 293 U.S. 1, 8 (1934)).

preceding subsection, the Court's interpretation of § 282 was based on "the assumption that the ordinary meaning of [the] language" written by Congress in the statute "accurately expresses the legislative purpose."¹³⁴

Once again, the safety valve test completely undermines the statute by effectively removing the burden of proof, which rests heavily on the defendant according to the court's own interpretation of the statute, and placing it on the patentee.¹³⁵ § 282 could not be clearer in its articulation of which party the burden of proof rests upon.¹³⁶ In interpreting § 282, the Federal Circuit and the Supreme Court have doubled down on the language of the statute and made that burden as heavy as possible in the civil litigation context, requiring a showing by clear and convincing evidence.¹³⁷ Yet, district judges are forcing patentees to show that any additional claims, which have been patented, are non-duplicative and valid, and thus, valid.¹³⁸ This effectively places the burden on the patentee to demonstrate the validity of her claims. This is a judicially created burden-shifting that is completely inconsistent with § 282.

Not only is this burden-shifting not supported by the statute, but it does not follow the logic of the Federal Circuit's own interpretation of the same. As outlined above, the Federal Circuit took a belt-and-suspenders approach in articulating the standard of proof that a defendant would have to meet in asserting invalidity of a patentee's claims in defending an alleged infringement.¹³⁹ The defendant's heavy burden of proof does not comport with the burden placed on the patentee to show that any "unselected claims presented unique issues as to liability or damages."¹⁴⁰

ii. Claim Construction

Other doctrines reflecting an expansive interpretation of the U.S. Patent Act, insofar as how broad the patentee's rights are in legal force, illustrate the inconsistency of judicial claim-limiting and the ongoing judicial interpretation of the U.S. Patent Act.¹⁴¹ Patent claim construction is the process of determining

¹³⁴ *Id.* at 101 (quoting *Engine Mfrs. Assn. v. S. Coast Air Quality Mgmt. Dist.*, 541 U.S. 246, 252 (2004)).

¹³⁵ *Microsoft*, 564 U.S. at 102.

¹³⁶ *See* 35 U.S.C. § 282 ("A patentee shall have remedy by civil action for infringement of his patent.").

¹³⁷ *Microsoft*, 564 U.S. at 102.

¹³⁸ *See, e.g., In re Katz Interactive Call Processing Pat. Litig.*, 639 F.3d 1303, 1312 (Fed. Cir. 2011)(requiring Katz to show that any patent claims added to the suit were non-duplicative of the representative claims).

¹³⁹ *Microsoft*, 564 U.S. at 102.

¹⁴⁰ *In re Katz*, 639 F.3d at 1312.

¹⁴¹ *See, e.g.,* Glen P. Belvis, *The Doctrine of Equivalents and § 112 Equivalents*, BRINKS GILSON & LIONE, <https://www.brinksgilson.com/files/100.pdf> (last visited Nov. 13, 2020) ("The doctrine of equivalents is a judicially created doctrine that is expansive in nature.").

the boundaries of the legal protection provided by the patent.¹⁴² When a patentee is seeking to enforce their rights under a patent, federal judges are tasked with claim construction.¹⁴³ If claims are the most valuable aspect of a patent for its owner, then claim construction is the most important step in the litigation process because a judge will use her own interpretation of the claims to decide issues of infringement and invalidity.¹⁴⁴ The Federal Circuit outlined the standards of claim construction in *Phillips v. AWH Corp.*¹⁴⁵ A court will first look to the plain language of the claims in the patent, potentially with the aid of a general-purpose dictionary.¹⁴⁶ If that is not informative, as the Federal Circuit noted that it often is not because of the complex nature of patent law, the court must examine the “meaning of a claim term as understood by persons of skill in the [relevant] art.”¹⁴⁷ The Federal Circuit also emphasizes the instructive nature of the immediate context in which a claim term appears, as well as “other claims of the patent in question.”¹⁴⁸ Finally, the Federal Circuit requires that claims and the terms therein “do not stand alone,” and must be read as a part of “a fully integrated written instrument.”¹⁴⁹ Thus, extrinsic sources can be taken into account, such as the prosecution history.¹⁵⁰

It seems incongruous to standardize the process of judicial interpretation of patent claims in this manner and simultaneously refuse to consider additional claims that make up the “fully integrated written instrument.”¹⁵¹ If a judge is to consider the patent as a whole, which includes other contextual claims as well as the prosecution history to determine issues of infringement, then the narrowing of claims completely frustrates this process and should be considered at the very least a hinderance, and at most, a detriment to finding whether a patent has in fact been infringed. Most importantly, the narrowing of claims and the consequential narrowing of patent rights contradicts the expansive interpretation that the courts have taken thus far in claim construction.

iii. Doctrine of Equivalents

The narrowing of rights by judicial claim limiting is additionally inconsistent with the doctrine of equivalents, because the doctrine is a broad interpretation

¹⁴² J. Jonas Anderson & Peter S. Menell, *Informal Deference: A Historical, Empirical, and Normative Analysis of Patent Claim Construction*, 108 NW. U.L. REV. 1, 3 (2013).

¹⁴³ *Id.* at 4.

¹⁴⁴ *See id.* (“[W]hen patentees seek to enforce their patents, the task of claim construction falls to generalist federal district court judges . . .”).

¹⁴⁵ 415 F.3d 1303, 1313-15 (Fed. Cir. 2005) (en banc).

¹⁴⁶ *Id.* at 1314.

¹⁴⁷ *Id.* at 1313.

¹⁴⁸ *Id.* at 1314.

¹⁴⁹ *Id.* at 1315 (quoting *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 978 (Fed. Cir. 1995) (en banc)).

¹⁵⁰ *Id.* at 1314-15.

¹⁵¹ *Id.* at 1315 (quoting *Markman*, 52 F.3d at 978).

of the U.S. Patent Act that expands a patentee's rights. Even though a patentee's legal rights are based on the text of the claims, courts may extend the protection of the patent beyond the literal wording of the claims under the doctrine of equivalents.¹⁵² Under the doctrine, even "if an asserted claim does not literally read on an accused product, infringement may still occur . . . if there is not a substantial difference between the limitations of the claim and the accused product."¹⁵³ The purpose of the doctrine is to prevent competitors of the patentee who are trying to avoid merely literal infringement from attempting to introduce insignificant modifications into the claimed invention.¹⁵⁴ In the context of *In re Katz*, differences in the patentee's claims considered non-representative, and not considered in the judgment for infringement, could have been considered equivalent to the infringer's claims. The doctrine ultimately takes an expansive view of how far a patentee's rights extend and the court's role in enforcing them. The narrowing of claims is not only inconsistent with how extensively the courts have interpreted a patentee's rights, but also may render the doctrine of equivalents ineffectual, as not all claims would be considered in litigation.

B. DOES THE SAFETY VALVE STANDARD VIOLATE DUE PROCESS?

Although I submit that the safety valve's largest problem is its inconsistency with statutory provisions, it is important to note that the grounds on which *In re Katz* was appealed was the alleged violation of Katz's constitutional due process rights.¹⁵⁵ Commentary on this case has been couched in terms of due process, and district courts have engaged in judicial claim-limiting citing *In re Katz* as precedent to ensure that they do not trample on the due process rights of patentees.¹⁵⁶ The question then becomes whether the allowance of an opportunity to introduce "unselected claims present[ing] unique issues as to liability or damages,"¹⁵⁷ or good cause, is enough to comport with due process.

¹⁵² *Graver Tank & Mfg. Co. v. Linde Air Prods., Inc.*, 339 U.S. 605, 608–09 (1950).

¹⁵³ *Doctrine of Equivalents*, CORNELL LEGAL INFO. INST., https://www.law.cornell.edu/wex/doctrine_of_equivalents (last visited Oct. 30, 2020) ("The purpose of the doctrine is to prevent an infringer from stealing the benefit of a patented invention by changing only minor or insubstantial details of the claimed invention[.]"); *Bayer AG v. Elan Pharm. Rsch. Corp.*, 212 F.3d 1241, 1250 (Fed. Cir. 2000).

¹⁵⁴ *Bayer AG*, 212 F.3d at 1250.

¹⁵⁵ *In re Katz Interactive Call Processing Pat. Litig.*, 639 F.3d 1303, 1312 (Fed. Cir. 2011).

¹⁵⁶ *See Masimo Corp. v. Phillips Elec. N. Am. Corp.*, 918 F. Supp. 2d 277, 283 (D. Del. 2013) (citing *In re Katz*); *see also Stamps.com Inc. v. Endicia, Inc.*, 437 Fed. App'x 897, 902 (Fed. Cir. 2011) (citing *In re Katz*).

¹⁵⁷ *In re Katz Interactive Call Processing Pat. Litig.*, 639 F.3d 1303, 1312 (Fed. Cir. 2011).

Doctrinal interpretation of the Fifth Amendment yielded procedural due process in *Mathews v. Eldridge*.¹⁵⁸ In *Mathews*, the Supreme Court held that individuals had a statutorily created property right in social security benefits, and the termination of such benefits had due process implications.¹⁵⁹ In comparison, a patentee has statutorily created property rights in patent claims,¹⁶⁰ and therefore the refusal to hear those claims may similarly have due process implications. The safety valve articulated in *In re Katz* was likely the Federal Circuit's nod to the threshold requirement that some process is due. However, the Federal Circuit, sitting as an appellate court, failed to engage in a full due process analysis, holding only that Katz failed to "demonstrate that the district court's claim selection procedure risked erroneously depriving it of its rights and that the risk outweighed the added costs associated with a substitute procedure."¹⁶¹ Thus, the court reasoned, Katz failed to make a due process claim.¹⁶² The court opined that Katz was in a better position to show that the claims were non-duplicative, thus the burden shifting was reasonable.¹⁶³ Additionally, the court rested its holding on the fact that Katz made an unsubstantiated claim that 64 claims were too few, and he never attempted to show why additional claims needed to be adjudicated.¹⁶⁴ As the Federal Circuit found, it seems that the safety valve comports with due process because Katz could have brought forth claims to be reviewed upon the proper showing of need, thus mitigating any risk of erroneous deprivation of its property rights.¹⁶⁵ It is logical for the court to shake its finger at the patentee because it looks like the patentee is asking the court for redress for a wrong it brought on herself by not coming up with good cause for her additional claims. However, the safety valve still does not entirely mitigate the due process problem. The real due process problem arises from the effects of claim limiting on further litigation under principles of *res judicata*.

In 2016, when a patentee voluntarily removed claims from a previous suit against a defendant, the Federal Circuit held that a patentee's due process rights were not violated when the same claims were barred from being brought in a

¹⁵⁸ 424 U.S. 319 (1976).

¹⁵⁹ *Id.* at 332-33.

¹⁶⁰ *Consol. Fruit-Jar Co. v. Wright*, 94 U.S. 92, 96 (1876) ("A patent for an invention is as much property as a patent for land."); *see Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627, 642 (1999) (recognizing that patents "have long been considered a species of property").

¹⁶¹ *In re Katz*, 639 F.3d at 1311 (citing *Mathews v. Eldridge*, 424 U.S. 391, 332 (1976)).

¹⁶² *Id.*

¹⁶³ *Id.* at 1311.

¹⁶⁴ *Id.* at 1311-12.

¹⁶⁵ *See In re Katz*, 639 F.3d at 1312 ("Because Katz did not file a motion to add claims with the requisite showing of need, the court concluded that Katz 'cannot legitimately complain that it did not have a meaningful opportunity to be heard on those claims.'").

subsequent suit against the same defendant.¹⁶⁶ The court reasoned that the patentee was precluded from “trying to get a second bite at the apple,”¹⁶⁷ and that boilerplate reservation of rights to assert the non-selected claims at a later time were negated by the patentee’s own active participation in narrowing the claims.¹⁶⁸ Although Katz objected to the narrowing of claims, it is likely that the narrowing of the claims would prevent any of the non-representative claims from being asserted against the same defendant.¹⁶⁹ Thus, the due process analysis should be informed by the effects of the safety valve on the patentee’s rights to assert any claims in the future that were narrowed at the outset of a previous lawsuit.

The Federal Circuit did not perform a full due process analysis in its *In re Katz* opinion,¹⁷⁰ thus a full analysis is performed below to inform the due process implications of patent claim limitations and safety valve test.

The first factor to evaluate is the private interest affected.¹⁷¹ Weighing heavily in favor of the inadequacy of the Court’s safety valve test is the private interest affected because a patent right and each claim under that patent is not only presumed valid by federal statute, but is traditionally recognized at common law as a property right protectable by the same sanctions as real or personal property rights.¹⁷² Companies in the United States globally spend trillions of dollars on research and development to build their patent portfolios, and patents serve as financial corporate assets in the modern market.¹⁷³ In large or medium-sized companies, a strong patent portfolio provides confidence and security in day-to-day business.¹⁷⁴ For smaller companies, or start-ups, the entire valuation of the company is usually dependent on the company’s patent portfolio.¹⁷⁵ Technological innovation permeates modern society and businesses are

¹⁶⁶ Nuance Commc’ns, Inc. v. ABBYY USA Software House, Inc., 813 F.3d 1368, 1376 (Fed. Cir. 2016).

¹⁶⁷ *Id.* at 1374.

¹⁶⁸ *Id.* at 1376.

¹⁶⁹ *See id.* at 1376 (holding that voluntarily narrowing claims prevents non-representative claims from being asserted against the same defendant).

¹⁷⁰ *See In re Katz*, 639 F.3d at 1312–13 (The court merely approved the district court’s due process analysis, and did not engage in a due process analysis as laid out as articulated in *Mathews v. Eldridge*, 424 U.S. 319 (1976)).

¹⁷¹ *Mathews*, 424 U.S. at 334-35 (1976).

¹⁷² *Consol. Fruit-Jar Co. v. Wright*, 94 U.S. 92, 96 (1876) (“A patent for an invention is as much property as a patent for land.”); *see Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627, 642 (1999) (recognizing that patents “have long been considered a species of property”).

¹⁷³ Dr. Masoud Vakili, *Patent Portfolio Valuations – Importance of IP and Patents*, IP WATCH DOG (July 12, 2017), <https://www.ipwatchdog.com/2017/07/12/patent-portfolio-valuations/id=85409/>.

¹⁷⁴ *Id.*

¹⁷⁵ *Id.*

responding by moving from tangible assets to intangible assets that are protected by patents.¹⁷⁶ With this type of capital movement in the business world, it is clear that economic survival is dependent on the ability to protect and enforce the rights guaranteed by a patent.

Also lending heavily to the unconstitutional nature of the safety valve test is the high risk that a patentee will be erroneously deprived of a patent right because of the arbitrary limits on “representative” claims and the danger of claim preclusion in later litigation. The court’s mandate that only representative claims may be brought is only effective for judging infringement in the context of a specific case with specific facts. For example, the arbitrary number of 64 claims in *In re Katz* may have been sufficient to adjudge whether or not the defendants infringed Katz’s patents in that specific litigation. This explains Katz’s inability to come forward with good cause to bring additional claims that would raise unique issues. However, any litigation in the future involving non-representative claims that were forced out of a former case because of common “genealogy”¹⁷⁷ would be barred from ever being brought as precluded under principles of res judicata.¹⁷⁸ This fact is aggravated by the reality of modern patent litigation where infringement claims arise against multiple defendants.¹⁷⁹ For example, if Katz attempted to bring non-representative claims that were excluded in the 2011 case against any one of the multiple defendants, the Federal Circuit would have strong precedent to refuse to hear the case because the safety valve’s falsehood of protection states that Katz had a chance to make a meaningful showing of need to bring the claim in prior litigation.

The probability that more process would mitigate the risk of erroneous deprivation of a patentee’s rights is great because the ability to sever and stay non-representative claims would allow a patentee to enforce all of their patents and claims. Under the U.S. Patent Act, judicial intervention is the only mode of enforcing a patentee’s rights.¹⁸⁰ Given that claim preclusion for claims that have never been litigated is the grounds for a due process argument, the court could employ some equitable measures that would preserve a patentee’s right to have their day in court for all of their claims. For example, the court could do what Katz asked of it: sever and stay all non-representative claims.¹⁸¹ This would allow a patentee the ability to bring an infringement claim based on a patent claim that

¹⁷⁶ *Id.*

¹⁷⁷ *In re Katz* Interactive Call Processing Pat. Litig., 639 F.3d 1303, 1311 (Fed. Cir. 2011).

¹⁷⁸ *Res judicata*, CORNELL LEGAL INFO. INST., https://www.law.cornell.edu/wex/res_judicata (last visited Oct. 30, 2020).

¹⁷⁹ *See* Chang, *supra* note 89 (describing modern patent litigation where many infringement claims are made under multiple patents against multiple defendants).

¹⁸⁰ *See* 35 U.S.C. § 281 (“A patentee shall have remedy by civil action for infringement of his patent.”).

¹⁸¹ *See In re Katz*, 639 F.3d at 1310 (“Katz appeal the district court’s decision not to sever and stay the unselected claims.”).

was excluded without the threat of a dismissal based on claim preclusion. It would be ignorant not to acknowledge the possibility for abusive litigation tactics where a patentee would attempt to re-litigate against the same defendants using non-representative claims. Therefore, the sever and stay solution could be accompanied by a requisite burden of production for the patentee to show some set of facts as to why the infringement claim is warranted. This type of measure may impose some administrative costs on the judiciary, but not so much that it would outweigh the benefit of preserving a patentee's rights. A judge's discretion to manage his case docket in the way that he sees fit is not a justification that is sufficient to overcome a violation of due process. Practical administration of the law should not be viewed as a superior interest to constitutional due process.

The safety valve standard employed by the Federal Circuit does not comport with constitutional due process because it practically destroys the property interest of a patentee by barring infringement claims that are statutorily presumed as valid. On balance of the *Mathews* factors, judicial claim-limiting and the safety valve test is at odds with procedural process due because there is an erroneous deprivation of a patentee's property interest without sufficient justification.

IV. CONCLUSION

In conclusion, there are serious tensions between judicial claim limiting in patent litigation and the U.S. Patent Act that have blurred the clear congressional intent to afford certain rights to patentees through a process outside of the courts. The rise of complex patent litigation has resulted in the Federal Circuit articulating a standard for dealing with claim limitation that violates constitutional due process. The *In re Katz* safety valve may appear to satisfy due process on its face. However, it fails to do so in light of the ramifications of claim limiting when non-representative claims are barred from later litigation under principles of res judicata.

The Federal Circuit may weigh in on the issue again in *Finjan, Inc. v. Juniper Networks*.¹⁸² This case addresses the constitutionality of methods of claim limiting that do not necessarily include a safety valve.¹⁸³ By necessity, the Federal Circuit may be forced to re-evaluate, or re-explain its holding in *In re Katz*.

The court should find that the biggest problem with judicial claim-limiting under the *In re Katz* safety valve standard is the stark contrast between the text and the provisions of the U.S. Patent Act. This contrast invites congressional action to amend the statute or enact another congressional directive that would ease the current tension. It is not the place of the courts to undermine congressional intent. If Congress was to speak on the issue, the ripest tension to

¹⁸² No. 3:17-cv-05659-WHA, 2020 WL 5988532 (N.D. Cal. Aug. 2, 2019).

¹⁸³ *Id.*

¹⁸³ *Id.*

2020]

PATENT-CLAIM LIMITATIONS

211

relieve is the opposition of the presumption of validity in § 282 of the U.S. Patent Act, which is undermined by the court's requirement that the patentee make a good cause showing of need to include non-representative claims. To reach the problematic foundation of a patentee's arguments about constitutional due process violations, Congress would also have to issue some directive on whether, in the context of high technology and modern patent portfolios, patents should still get protection akin to real or personal property under the Constitution.

Until such congressional statement is issued, district judges can manage their dockets efficiently while also preserving patentees' due process rights by instituting equitable judicial solutions, such as a sever and stay for those claims that were not considered representative. Additionally, patentees should be careful to preserve their rights by objecting to mandates from the trial court attempting to narrow their claims. Any objections of this nature should be supported by specific issues of need or damage, although it is unclear what exactly this showing would require given that no patentee has defeated a narrowing order for good cause. Clarity on this issue is important because patentees need to know how to protect their rights conferred on them through the granting of their patent claims.

212

J. INTELL. PROP. L.

[Vol. 28:1