Are Juries Ready to Decide Underlying Questions of Fact? Obviously Not

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The Supreme Court has told us that obviousness in patent cases is a question of law, based on underlying findings of fact. What this means is that juries as fact-finders are supposed to decide the underlying factual issues, but judges are supposed to decide the ultimate legal question of patent validity. See *KSR Inter., Co. v. Teleflex, Inc.*, 550 U.S. 398, 427 (2007). It seems like a straightforward division of responsibility; the reality, however, is far more complicated.

The "underlying questions of fact" for obviousness are not simple yes/no questions. In *Graham v. John Deere Co.*, the Supreme Court identified "several basic factual inquiries" relevant to obviousness: "Under 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved." 383 U.S. 1, 17 (1966). The Court also identified "secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc.," that might be utilized to show either obviousness or nonobviousness. *Id*. These factors are not well-suited to jury interrogatories, particularly where the relevance of any one factor may weigh more heavily depending on its relative strength. Historically, this has meant that the ultimate legal question of patent validity has been submitted to juries for decision.

The problem with this procedure is that it severely curtails the judge's ability to decide the ultimate legal question of patent validity. Once the jury finds a patent obvious or not obvious, on a motion for judgment as a matter of law, the judge must assume that the jury found in favor of the verdict winner on each of the relevant factors, so long as there is substantial evidence in the record to support that finding. This may be contrary to what the jury actually decided. For example, the jury may have found a claim obvious, but in its deliberations concluded that the evidence on secondary considerations did not support this finding. In reviewing the verdict, however, the judge would assume that these secondary considerations were present, provided there was substantial evidence for them. If the judge's proper role is to weigh the underlying factual findings, the deck is effectively stacked in favor of the verdict winner.

Recognizing this problem and in the wake of *KSR*, there have been efforts to provide an alternative approach on obviousness that would give judges an expanded role. In October 2007, the Northern District of California updated its model jury instructions to include alternative obviousness instructions and a model jury verdict form (available at http://www.cand.uscourts.gov/). In one alternative, the jury is asked to decide the ultimate question of obviousness as well as the underlying factual questions, effectively rendering only an "advisory" verdict on this ultimate question. In the other, the jury only decides the underlying factual questions. The instructions include a caution that the factual questions should be presented to the jury "as specifically as possible," meaning only those issues actually in dispute are put in front of the jury for decision.

The Northern District's model jury verdict form attempts to implement these alternative instructions. The jury is asked to decide between party contentions on the level of ordinary skill and the differences between the claimed invention and the prior art. If there are multiple differences alleged between the prior art and the claimed invention, presumably all of them would be listed individually, including alternatives (*i.e.*, "no differences" or "only x difference"). Likewise, the jury may be given the option of specifying a finding. The jury is also asked to decide whether a reference is within the scope and content of the prior art. And on other secondary factors, the jury is asked whether that factor is present or not. There is no attempt to capture the relative strength of any one factor, and very little attempt to correlate these factor(s) with the patented invention. Moreover, in the alternative where the jury only decides the underlying questions of fact, there is no indication of any particular burden on proof. It is only where the jury is asked to render an "advisory" verdict on the ultimate question of obviousness, that it is asked to apply the "highly probable" burden of proof.

More recently, in June 2009, a committee organized by Chief Judge Michel of the Federal Circuit issued Model Patent Jury Instructions (available at http://www.nationaljuryinstructions.org). These instructions likewise include two alternative obviousness instructions and a model jury verdict form similar to those in the Northern District of California instructions. However, the committee includes a note that they were unable to reach any consensus on an alternative obviousness instruction and verdict form where the jury decides the underlying findings of fact only and the judge decides the ultimate question of obviousness—the very division of responsibility outlined by the Supreme Court.

In particular, the committee identifies a key problem relating to the burden of proof. Because historically juries have decided the ultimate issue, there is no existing case law on point that speaks to the burden of proof on the underlying factual questions. Some on the committee took the position that the "highly probable" burden of proof only applies to the factual findings and not the ultimate issue. However, this creates a potential problem outlined in the committee notes. If the patentee fails to come forward with evidence of a nexus between commercial success and the patented invention (where the Federal Circuit has said it has the burden of production), what should the jury do with an interrogatory that asks whether the defendant has proven it is highly probable that the patented invention was not commercially successful? Further, would the "highly probable" burden allow the jury to find a level of skill in the art inconsistent with either its own determination of that issue for the doctrine of equivalents or with the court's determination during claim construction? Accordingly, the committee's model verdict form includes the ultimate question of obviousness as well as the underlying findings of fact, and applies the "highly probable" burden of proof only to the ultimate question per "standard" practice.

There remain many challenges to presenting underlying questions of facts for decision to the jury. Some are legal, such as the problem with the burden of proof identified in the committee's notes. But some are more practical. If the issues are more complicated than a single combination or claim, the jury verdict form would quickly become a small novel, and not a page-turner at that. It is also difficult to capture the strength of any one factor in the juror interrogatories. And are we ready for juries to specify an alternative finding where neither of the parties' contentions fully represents their verdict?

Since *KSR*, courts have been more willing to second-guess juries on obviousness, regardless of the form of instruction or jury verdict form. The revised model instructions do give courts greater latitude to fulfill their role of deciding the ultimate question of patent validity. But having juries make factual findings on a complicated and nuanced issue is often impractical if not impossible. There is currently no ready solution to this problem, leaving obviousness largely to the discretion of juries in these sorts of cases. The Federal Circuit, and Chief Judge Michel in particular, however, is clearly attuned to the issue, and we may see further guidance from the Federal Circuit in the near future.

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