SPECIALIZED STANDARDS OF REVIEW

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ABSTRACT

The applicable standard of review on appeal is governed by a simple rule: appellate courts review questions of law de novo, questions of fact for “clear error,” and questions of discretion for “abuse of discretion.” Despite the apparent simplicity of the rule, its application has been uneven, to state it mildly. Scholars have written extensively about the application of the rule, but have yet to consider whether the traditional rule of “deference” should be altered when the appellate court is a specialized court.

Despite the dearth of legal scholarship on specialized deference, the Supreme Court is keenly interested in the topic. Recently, the Court held in two cases (both of which arose from the U.S. Court of Appeals for the Federal Circuit, a specialized court of appeals that hears all patent appeals) that specialized courts do not enjoy specialized standards of review. This Article supports those decisions.

Furthermore, this Article marshalls additional support for the Courts decisions in three ways. First, this Article argues the Federal Circuit’s use of de novo review has had a deleterious effect on the patent system. The use of de novo by the Federal Circuit has increased litigation, demoralized judges, and led to inferior decisions. Second, it offers an alternative to de novo review that is based in traditional principles of appellate practice. The Article concludes by arguing for a reduced role for stare decisis in standard of review cases.

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INTRODUCTION

Despite frequent complications in application, the formal amount of deference that appellate courts apply to district court civil decisions is well-established: appellate courts give deference to factual determinations, reversing only when there is “clear and convincing evidence” of a mistake; whereas with legal determinations, appellate courts grant no deference to district court decisions, instead reviewing those decisions “de novo.” There are sound, institutional reasons for the fact/law dichotomy of standard of review law. For example, federal district courts and federal circuit courts of appeal have complimentary, yet distinct areas of expertise: district courts are considered superior at “fact-finding,” while appellate courts are thought to be primarily responsible for maintaining coherent legal interpretations. Thus, factual decisions are reviewed with some level of deference on appeal, while legal

1. See, e.g., Kelly Kunsch, Standard of Review (State and Federal): A Primer, 18 SEATTLE U. L. REV. 11, 12 (1994) (“It would be difficult to name a significant legal precept that has been treated more cavalierly than standard of review.”).

2. Bose Corp. v. Consumers Union of U.S., Inc., 466 U.S. 485, 514 (1984). For discretionary decisions, courts reverse only when an “abuse of discretion” has been committed. For discussion of discretionary decisions and the review of those decisions, see infra Subpart I.A.4. Other common standards of review are “arbitrary or capricious” review, which is generally applied to review of agency decisions, see 5 U.S.C. § 706(2)(A) (2014), and “substantial evidence” review, which is applied to factual determinations made by juries, see Glasser v. United States, 315 U.S. 60, 80 (1913). Those standards are beyond the scope of this Article, which instead focuses on appellate review of district court bench decisions.

3. Of course, the very basis of the fact/law distinction has been questioned on practical and philosophical grounds. See generally, Ronald J. Allen & Michael S. Pardo, The Myth of the Law-Fact Distinction, 97 NW. U. L. REV. 1769, 1775–83 (2003) (questioning the ontological distinction between law and fact).

decisions are not.

But the relative strengths and weaknesses of appellate and trial courts differ when the appellate court is not a generalist court (one that hears a broad array of cases from diverse legal areas), but is instead a specialized court (one that acts as a centralized repository for all appeals of a particular legal area). While most appeals from trial court decisions are sent to generalist appellate courts—such as the numbered federal appellate circuits and the D.C. Circuit—certain types of cases are sent to specialized courts of appeals.\(^5\) For instance, the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) reviews all appeals arising under the U.S. patent laws.\(^6\)

Numerous legal scholars have contributed to the robust theoretical literature on deference’s place in the federal court system.\(^7\) Another group of legal and political science scholars has created a large and growing body of literature analyzing the role of specialized courts in the federal court hierarchy.\(^8\) But scholars have paid little attention to the link between deference and specialized courts.\(^9\) Despite the oversight of legal academics, the Supreme Court is currently very interested in the topic. Recently, the Court heard two

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5. For instance, all court-martials from the armed forces’ four Court of Criminal Appeals are heard before the U.S. Court of Appeals for the Armed Forces. 28 U.S.C. § 1651 (2014).


9. Some scholars, most notably Arti Rai, have written about the Federal Circuit’s tendency to review facts de novo. See Rai, supra note 4 at 1042–60 (describing the Federal Circuit as “Fact Finder”); Arti K. Rai, Specialized Trial Courts: Concentrating Expertise on Fact, 17 Berkeley Tech. L.J. 877, 883–87 (2002) (arguing that the Federal Circuit has “[i]gnoring conventional allocation-of-power principles” in “asserting power over fact.”). Numerous scholars have discussed the Federal Circuit’s lack of deference to agency decisions. See e.g., Craig Allen Nard, Deference, Defiance, and the Useful Arts, 56 Ohio St. L.J. 1415 (1995). However, scholars have not analyzed whether deference principles apply with less force in specialized legal areas than in generalized ones, which is the focus of this Article.
cases that dealt with the proper amount of deference owed by specialized courts. Those cases correctly held that appellate courts owe some deference to their trial-level colleagues.

Previously, the Federal Circuit, and to a lesser extent the Supreme Court, indicated that specialized courts should apply reduced amounts of deference to district court decisions. The courts’ earlier decisions have an understandable appeal. The case for rigorous oversight is stronger, at least superficially, for the Federal Circuit and other specialized courts than it is for non-specialized circuit courts of appeal. Congress created the Federal Circuit in order to unify patent law, and the court should therefore be given broad leeway in reviewing patent cases, cases which are heard before non-specialist judges, or so the theory goes.

In fact, it is more than a theory. The Federal Circuit has held in numerous instances that its unique Congressional mandate to unify patent law compels it to grant less deference to lower court decisions than traditional appellate practice would suggest. The court achieves this extra-thorough review via two principal mechanisms: first, the court narrowly defines the category of “fact,” thus limiting the import of Rule 52(a) of the Federal Rules for Civil Procedure (FRCP), which requires deference on factual questions, second, the court applies de novo review to claim construction decisions. Because claim construction is fundamental to determinations of patent validity and infringement, the Federal Circuit is able to review issues in virtually every patent appeal de novo.

This Article argues that the Supreme Court was wise to align the Federal Circuit’s standard of review jurisprudence with traditional principles of appellate practice. It also provides a more robust theoretical justification for the decision. The Federal Circuit lacks any sort of specialized expertise in fact-finding and therefore is required to defer to district court decisions of fact. Although the court is a specialized center of patent jurisprudence, the expertise that the court has developed on legal patent matters does not alter the common law’s carefully-crafted balance between searching review and deferential

11. See infra Part II.
12. See infra Part II.
13. Id.
14. Id. See also, Rai, supra note 4 at 1044–60 (describing the Federal Circuit’s tendency to review facts).
15. FED. R. CIV. P. 52(a); see Part II.B.1, infra.
17. See Rai, supra note 9 at 883–87 (describing the “domino effect” of reviewing claim construction de novo).
18. FED. R. CIV. P. 52(a).
review, a balance which is based on the strengths and weaknesses of appellate review. Specialized appellate courts such as the Federal Circuit should review cases through well-understood principles of deference, without creating a parallel system of specialized review.

The Federal Circuit has also held—in a separate case—that stare decisis requires an appellate court to maintain a previously adopted standard of review. That position should be rejected by the Supreme Court. Although the doctrine of stare decisis ebbs and flows, it has been consistently applied with a light touch in cases concerning standards of review. Theoretical rationales for stare decisis—fairness, predictability, and separation of powers—are of little import when determining the scope of appellate review. Furthermore, no decisions outside of the litigation context are based on the appellate standard of review; therefore, no expectancy interest is in need of protection via stare decisis.

Relative institutional competency provides a better framework from which to determine the proper standard of review for specialized courts. Insulating factual decisions from plenary appellate review reinforces and leverages the strengths of both trial courts (fact-gathering) and appellate courts (legal interpretation). Overbroad use of de novo review undermines the role of the trial judge and increases litigation uncertainty and cost. Indeed, the Federal Circuit’s own experience with de novo review provides compelling evidence of the problems that plenary review of fact-intensive issues can cause. The Federal Circuit’s non-deferential review of district court findings has led to judicial confusion and increased litigation costs in patent law.

The Federal Circuit (and other specialized courts) could apply less-than-complete review to mixed question decisions without sacrificing national legal uniformity. Specialized questions of mixed fact and law (like patent claim construction) should be reviewed in much the same way that generalist appellate courts review contract interpretation cases: by reviewing the ultimate interpretation de novo, while deferring to underlying factual decisions unless clearly erroneous. Such a hybrid review has proven workable for every appellate circuit in contract law for well over a century.

This Article proceeds in three Parts. Part I describes the basic contours of the standards of review applied by appellate courts to judicial findings of (1) fact, (2) decisions of law, (3) mixed questions of fact and law, and (4) discretionary decisions. It then compares those standards to the more

22. Id.
24. Id.
25. Id.
27. Id.
intensive review employed by the Federal Circuit. Part II examines mixed questions of law and fact in more depth and analyzes whether such questions should be reviewed less deferentially by specialized appellate courts than by generalist ones. Part III critiques the Federal Circuit’s misapplication of standard of review principles. As a case study, it empirically and theoretically examines the court’s claim construction jurisprudence.

I. STANDARDS OF REVIEW

In federal appeals, the scales of justice are often tipped in favor of the party that prevailed at trial. This is so because appellate courts are, at times, required to uphold trial court decisions even when the appellate court disagrees with that decision.28 Courts of appeal are said to “defer” to district court decisions when those decisions are reviewed not for correctness, but rather for some larger, more fundamental error.29 The amount of deference that an appeals court applies in any given case may vary from no deference (as is the case when a court reviews a Constitutional question)30 to complete deference (as is the case when the court receives an appeal of an issue that is unreviewable on appeal).31 The formal level of deference with which an appellate court treats lower court rulings is called the “standard of review.” Sometimes the applicable standard of review is mandated by statute. For example, agency decisions are statutorily required to meet an “arbitrary and capricious” standard.32 More frequently, however, standards of review are not set by statute and instead are determined by reference to history, traditional appellate practice, and the common law.33

The traditional rule for determining standard of review is easily stated, if difficult to put into practice: “questions of law” are reviewed de novo (or “anew”), “questions of fact” are reviewed for clear error, and “matters of discretion” are reviewed for abuse of discretion.34 The distinction between decisions of law, fact, and discretion, is often quite difficult to decipher and has

28. See Cleo Syrup Corp. v. Coca-Cola Co., 139 F.2d 416, 417 (8th Cir. 1943) (“The power of a trial court to decide doubtful issues of fact is not limited to deciding them correctly.”).
30. See Hanan v. Mukasey, 519 F.3d 760, 763 (8th Cir. 2008).
33. See Kunsch, supra note 1, at 16–18 (describing the development of review standards).
Deferential review of factual and discretionary decisions existence is based on sound principles of legal institutional policy. Trial courts are thought to be particularly adept at deciphering and making findings of fact. Federal district courts have expertise in evaluating witnesses and weighing conflicting evidentiary sources. They possess powers that permit broad discovery of factual information, such as the subpoena power, the power to compel discovery (and sanction parties who fail to comply), and ability to hear expert testimony. These powers and expertise make district courts uniquely well-positioned to analyze evidence and make factual judgments. Appellate courts defer to that expertise unless they have a "definite and firm conviction that a mistake has been committed," because the appellate court typically functions without testimony, reviewing only a cold record of the proceeding below.

Conversely, appellate courts are charged with maintaining uniformity in the law and "are able to devote their primary attention to legal issues." They are given time to consider the ramifications of particular decisions on the larger legal landscape. Additionally, they typically sit in three-judge panels, allowing discussion and debate amongst peers that furthers the goal of achieving optimal and uniform laws. Thus, they need not defer on questions of law to trial courts, which do not enjoy the temporal and collaborative benefits of appellate courts with regards to questions of legal interpretation.

35. Clarence Morris, Law and Fact, 55 Harv. L. Rev. 1303, 1303 (1942) ("Beginning law students are asked to brief cases by separating the facts from the law—their teachers act as though the distinction were obvious even to the inexperienced.").
36. Compare Allen & Pardo, supra note 3 (challenging the distinction between law and fact) with Nathan Isaacs, The Law and the Facts, 22, Colum. L. Rev. 1 (1922) (discussing the difference between fact and law).
37. See Wright, supra note 4, at 778; Rai, supra note 4, at 1086–88.
38. See United States v. U.S. Gypsum Co., 333 U.S. 364, 395 (1948) ("The practice in equity . . . was that the findings of the trial court, when dependent on oral testimony where the candor and credibility of the witnesses would best be judged, had great weight with the appellate court.").
40. FED. R. CIV. P. 45.
41. FED. R. CIV. P. 26(b)(2)(B) & 42.
42. FED. R. EVID. 702.
43. The federal appellate courts share these same powers of fact discovery, but almost never make use of those powers. See generally, John C. Godbold, Fact Finding by Appellate Courts—An Available and Appropriate Power, 12 Cumb. L. Rev. 365 (1981).
44. Id. at 395.
47. See Mucha v. King, 792 F.2d 602, 605–06 (7th Cir. 1986) (The appellate court’s “main responsibility is to maintain the uniformity and coherence of the law . . . .”).
Distinguishing law from fact and then applying the correct standard of review has proven to be quite troublesome for appellate courts. Although the landscape of standard of review practices is uneven, in general it can be said that appellate courts have established four types of civil judicial decisions that merit unique standards of review: findings of fact, findings of law, discretionary rulings, and mixed questions of law and fact. This section will provide a brief overview of the approach that appellate courts take in reviewing each of the four decisional categories.

A. Standards of Review Among Generalist Courts

1. Findings of Fact

Controversy and debate over the scope of appellate review of U.S. district court findings is long-running, predating the U.S. Constitution. In 1937, Congress and the federal courts attempted to resolve the controversy of appellate standard of review within the broader adoption of the FRCP. Rule 52(a) requires district courts to specifically state conclusions of law and conclusions of fact separately. The rule further restricts appellate tribunals from setting aside the district court’s fact-findings “unless clearly erroneous.” Thus, appellate courts are required to defer to district court findings of fact in the absence of clear error.

In defining “clearly erroneous,” the Supreme Court has provided little more than broad platitudes:

A finding is ‘clearly erroneous’ when although there is evidence to support it, the reviewing court on the entire evidence is left with the firm conviction that a mistake has been committed.

While application of such a pliable standard is bound to be fraught with controversy, courts have, for the most part, managed to navigate the contours of clearly erroneous review over the years.

Numerous justifications have been given for the requirement of appellate

48. There are also separate standards of review used for appeals of administrative decisions and jury decisions.

49. STEVEN A. CHILDRESS & MARTHA S. DAVIS, 1 FEDERAL STANDARDS OF REVIEW § 2.01 at 2–3 (4th ed. 2010) (stating that the controversy was “reflected in power tugs-of-war between not only trial and appellate authority but also between law and equity jurisdiction”).

50. FED. R. CIV. P. 52(a).

51. Id. at 52(a)(6).


deference on factual issues. First, there is the matter of relative institutional
compétence. District court judges are generally recognized as having a superior
position from which to judge facts. A case is often on a district court’s docket
for years, whereas the average appellate judge spends around a month on a
particular case. Furthermore, district court judges personally hear witness
testimony and are therefore seen as more reliable in resolving conflicting
testimony than appellate judges who must base credibility determinations off of
a “cold record.” Indeed, the Supreme Court has emphasized the inherent
advantages that district courts enjoy in weighing certain types of evidence. The
Court has instructed appellate courts that “even greater deference” than clear
error should apply when reviewing demeanor testimony. Furthermore, review
of credibility determinations of internally consistent witness testimony “can
virtually never be clear error.”

There is some dispute among the circuits as to the amount of deference that
should be applied with so-called “non-demeanor” findings. While most circuits
continue (with occasional detours) to strictly apply the clearly erroneous rule to
issues of fact, regardless of the type of evidence, following the Supreme
Court’s “greater deference” admonition for demeanor testimony, some circuits
began to more readily find clear error with regard to non-demeanor findings
(documentary evidence, undisputed testimony, depositions, etc.). The Second
Circuit, for instance, has refused to apply the clearly erroneous rule to cases
involving documentary evidence. The Fifth Circuit appears to do the same.
Those courts that refuse to apply Rule 52 to non-demeanor evidence (or that
apply something less than “clear error” review) do so under the theory that the
appellate court has the same vantage point as the district court in reviewing
such evidence. In the view of those courts, appellate courts owe no deference
on non-demeanor evidence because the court is in the same position to review
the evidence as the trial court.

There are reasons beyond institutional expertise that help explain the
deference that appellate courts apply on factual questions. A second reason is
premised upon maximizing judicial efficiency. A general division of labor

54. Anderson v. Bessemer City, 470 U.S. 564, 574-75 (1985) (discussing the
“superiority of the trial judge’s position” to determine facts).
55. See e.g., Rodriguez v. Jones, 473 F.2d 599, 604 (5th Cir. 1973) (“[C]redibility
choices and the resolution of conflicting testimony are within the province of the court
sitting without the jury, subject only to the clearly erroneous rule.”).
56. Anderson, 470 U.S. at 574-75.
57. Id. at 575.
59. See United State ex rel. Lasky v. LaVallee, 472 F.2d 960, 963 (2d Cir. 1973)
(holding that when “the credibility of witnesses is not in issue, we make our own
independent factual determinations. . . .”).
60. See Onaway Transp. Co. v. Offshore Tugs, Inc., 695 F.2d 197, 200 (5th Cir. 1983)
(holding that the burden of proving a finding to be clearly erroneous “is to some extent
ameliorated” when credibility determinations are not involved).
61. Id.
among the federal courts allocates fact-finding responsibility to district courts and law-pronouncing responsibility to the appellate courts.\textsuperscript{62} If district courts were unbounded by principles of stare decisis and were required to reevaluate the law upon each new case, the judicial system would collapse under the increased workload.\textsuperscript{63} Similarly, if appellate courts were unbounded by Rule 52 and were required to reexamine each factual dispute in every appellate case, the appellate courts would quickly become overburdened.\textsuperscript{64} In this way, stare decisis and appellate deference work hand in hand, allocating the major law-creation function of the judicial system to the appellate courts and the fact-finding function to the district courts.

A further reason to defer to district court judges is out of respect for the role of the trial court. In 1985, the Supreme Court in \textit{Anderson v. Bessemer City} emphasized that:

The reviewing court oversteps the bounds of its duty under Rule 52 if it undertakes to duplicate the role of the lower court... If the district court's account of the evidence is plausible in light of the record viewed in its entirety, the court of appeals may not reverse it even though convinced that had it been sitting as the trier of fact, it would have weighed the evidence differently.\textsuperscript{65}

Clearly delineated roles for trial and appellate tribunals are thought to produce efficiency gains: district courts are incentivized to thoroughly examine all of the evidence, without fear of their decisions being completely discarded on appeal; meanwhile the appellate court can focus on harmonizing and stabilizing the law.

2. Conclusions of Law

As opposed to questions of fact, the FRCP are silent regarding the standard of review to be applied when reviewing questions of law. Despite the lack of guidance within the FRCP, plenary review of questions of law is now applied in all federal circuit courts.\textsuperscript{66} The ubiquity of \textit{de novo} review likely results from the appellate court's views of their roles within the federal judiciary. Appellate courts are, at their heart, courts of law.\textsuperscript{67} Their twin functions of correcting


\textsuperscript{63} See Benjamin N. Cardozo, \textit{The Nature of the Judicial Process} 149 (1921) ("The labor of judges would be increased almost to the breaking point if every past decision could be reopened in every case.").

\textsuperscript{64} See Rai, \textit{supra} note 4, at 1087 ("If the appellate court attempted to acquire the district court's knowledge of any given factual setting, that acquisition would come at great expense.").


\textsuperscript{66} See Childress & Davis, \textit{supra} note 49, at § 2.13 at 2-82 & n.2 (listing cases from each circuit).

\textsuperscript{67} \textit{Id.} at 2-82.
errors and maintaining uniformity in the law are both present when reviewing a district court’s ruling regarding what the law is.

While the black-letter law that decisions of law are reviewed *de novo* while findings of fact are reviewed for clear error is universally stated, courts are far from consistent in their application on the margins. Rule 52 does not draw the line between fact and law, a line upon which the rule itself hinges. Similarly, the Supreme Court has offered little guidance in distinguishing law from fact, beyond the particulars of the individual cases it has decided.

The Court has, however, begun to sketch the outlines of the fact/law distinction in recent years. In *Miller v. Fenton* the Court had to decide whether the voluntariness of a confession under the Fifth Amendment was a finding of fact. In holding that voluntariness is a legal conclusion, the Court provided an institution-based rationale for determining law from fact:

> At least those instances in which Congress has not spoken and in which the issue falls somewhere between a pristine legal standard and a simple historical fact, the fact/law distinction at times has turned on a determination that, as a matter of the sound administration of justice, one judicial actor is better positioned than another to decide the issue in question.

The Court noted that instances in which repeated applications of law would give meaning to a general legal principle are better handled through *de novo* review, in order to ensure uniformity. Similarly, the Court noted that the particular advantages and disadvantages of the district court in a particular dispute may help characterize an issue as law or fact. For instance, the Court said that “demeanor factors” suggested a factual issue that ought to receive “clear error” review, while the Court found that the presence of “possible biases” on the part of the fact finder would tend to suggest *de novo* review.

### 3. Mixed Questions of Fact and Law

Mixed questions of law and fact—questions which require decisionmakers to apply the law to the facts of the case—have posed innumerable challenges for trial judges and juries. The Supreme Court has defined mixed questions as those which require a decision about “whether the rule of law as applied to the established facts is or is not violated.” Thus, mixed questions represent the classic example of legal reasoning: ascertaining the legal significance of a

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70. *Id.* at 115.
71. *Id.* at 115-19.
72. *Id.* (listing the presence of demeanor factors as suggesting a factual issue while possible biases of the fact finder might suggest an issue be treated as a legal one).
73. *Id.*
74. *See, e.g., Lee, supra note 46, at 236.
75. *Id.* at 238.
Mixed questions muddy the already murky distinction of law/fact. District courts are thought to be better positioned to judge testimony and evidence than appellate courts, so one might conclude that deference to a district court’s decision on a mixed question of law is in order. On the other hand, appellate courts supervise the development of the law and thus might require de novo review of mixed question decisions in order to maintain legal uniformity. The courts remain conflicted on which of these views is the best one. While the standards of review for questions of law and questions of fact are well established, the proper standard of review to be employed for mixed questions has proven to be maddeningly elusive. Some circuit courts employ de novo review for nearly all mixed questions; others employ the “clearly erroneous” standard; others vary the standard of review from case to case, dependent upon the particular mixed question at issue; while yet others follow no discernible pattern whatsoever.

The First and Seventh Circuits are the only circuits that consistently employ the “clearly erroneous” standard to all mixed questions of law and fact. In articulating the Seventh Circuit’s reasoning for adopting the clearly erroneous standard in Mucha v. King, Judge Posner pointed to the different roles of district and appellate courts—rather than the relative access to evidence—as the fundamental theory supporting deference on mixed questions:

Once Rule 52(a) is understood to rest on notions of the proper division of responsibilities between trial and appellate courts, rather than just on considerations of comparative accessibility to the evidence, [the argument for de novo review of mixed questions] subsides. Review is deferential precisely because it is so unlikely that there will be two identical cases; the appellate court’s responsibility for maintaining uniformity of legal doctrine is not triggered.

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77. See J. L. Clark, A Mixed Question of Law and Fact, 18 YALE L.J. 404, 405 (1909) (“And it may be said as a general rule, that all ultimate facts are [mixed questions], which argues that the mixed question never had an excuse for an existence.”).
78. See generally, Lee, supra note 74 (theorizing that there are four manners in which federal appellate courts treat mixed questions: de novo review, clear error review, varying standards depending on the question, and no clear standard).
79. Id.
80. Id. at 241–43 (identifying the Second, Third, Eighth, and D.C. Circuits as circuit courts that employ de novo review to “mixed questions of law and fact, usually without regard to the particular area of the law involved”).
81. Id. at 239–41 (identifying the First and Seventh Circuits as those which consistently employ clear error review to mixed questions).
82. Id. at 244–45 (identifying the Ninth and Tenth Circuits as using “a standard that varies from case to case, no matter the substantive area”).
83. Id. at 245–47 (placing the Fourth, Fifth, Sixth, and Eleventh Circuits in this category).
85. Mucha v. King, 792 F.2d 602, 602 (7th Cir. 1986).
A second group of circuits (consisting of the Second, Third, Eighth, and D.C. Circuits) apply de novo review to decisions of mixed questions. Those circuits view the legal elements of mixed questions as predominant. The remaining circuits have review standards that shift based on the particulars of each case.

4. Discretionary Decisions

The final category of reviewable decisions involves the district judge’s supervision of the litigation process. These decisions are generally reviewed for “abuse of discretion.” The Supreme Court has written that abuse of discretion review is implied statutorily in some cases, while “for most others, the answer is provided by long history of appellate practice.” Thus, it appears that precedential characterizations of specific issues as “discretionary” should weigh heavily in determining standard of review.

Because district courts supervise trials, they are in a better position than appellate courts to make discretionary decisions. Thus, some amount of deference is clearly called for in discretionary decisions. An appellate court cannot overturn a discretionary decision merely because the court disagrees with the district judge. Defining the precise contours of abuse of discretion review has proven quite difficult to negotiate. The courts have been highly variable in the manner in which they apply the standard.

B. Standards of Review at a Specialized Court: The Federal Circuit

The Federal Circuit has, in general, adopted the basic principles for determining standards of review that have been established by the other circuit courts of appeal. Like other circuit courts, the Federal Circuit reviews questions of fact for clear error as required by FRCP 52(a). Like other circuit courts, the Federal Circuit reviews questions of discretion for abuse of that discretion. Like other circuit courts, the Federal Circuit reviews questions of law de

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86. Lee, supra note 46, at 241.
87. Id. at 244-47.
91. Nat’l Hockey League, 427 U.S. at 642 (stating that the question is not whether the appellate court “would as an original matter have” acted as the trial court did”).
92. Childress & Davis, supra note 49, at § 4.21, at 4-160–4-162 (describing the “variability” of the standard between courts and contexts).
93. Id.
novo. Like the Second, Third, Eighth and D.C. Circuits, the Federal Circuit reviews many mixed fact-law questions for clear error, while reviewing the ultimate legal conclusion de novo.

For an example of the court’s approach to mixed questions of law and fact, consider the doctrine of obviousness. The patent statute mandates that a patent may not issue if, at the time of invention, the claimed invention “would have been obvious” to a person of ordinary skill. Decisions on obviousness often turn on factual questions, such as what the state of the art was at the time of invention, the level of ordinary skill in the art, commercial success of the invention, and whether the claimed inventor uncovered “unexpected results” in the process of invention. Prior to the creation of the Federal Circuit in 1982, the geographic circuits had held that obviousness was a question of law based on factual underpinnings. Thus, the ultimate conclusion of obviousness was a legal one subject to de novo review, while the facts underlying that conclusion received deference as long as they were not clearly erroneous. Once created, the Federal Circuit adopted the general view of the regional circuits.

The Federal Circuit maintained its mixed review of obviousness decisions even after the court’s standard was questioned by the Supreme Court. In Dennison Manufacturing Co. v. Panduit Corp., the Court, in a per curiam opinion, summarily vacated and remanded the Federal Circuit’s decision overturning a trial judge’s finding of invalidity for obviousness. On remand, the Court instructed the Federal Circuit to more explicitly analyze “the complex issue of the degree to which the obviousness determination is one of fact.” Because the Federal Circuit’s opinion in Dennison “did not explicitly apply the clearly-erroneous standard” or explain why it was inapplicable, the Supreme Court determined that it was unable to review the decision absent such clarification. The Court’s apparent skepticism about the Federal Circuit’s

96. Herman v. Dep’t of Justice, 193 F.3d 1375, 1378 (Fed. Cir. 1999) (reviewing a decision about the Merit Systems Protection Board’s jurisdiction—a question of law—de novo).
97. See, e.g., Kimberly-Clark Corp. v. Johnson & Johnson, 745 F.2d 1437, 1444 (Fed. Cir. 1984) (stating that obviousness is “a legal conclusion” based on factual underpinnings that receive clearly erroneous review).
100. See, e.g., Sakraida v. Ag Pro, Inc., 425 U.S. 273 (1976) (finding that obviousness is a rule of law based on factual underpinnings); TWM Mfg. Co. v. Dura Corp., 722 F.2d 1261, 1265 (6th Cir. 1983) But see Plastic Container Corp. v. Continental Plastics, 708 F.2d 1554 (10th Cir. 1983) (holding that obviousness is a question of fact subject to Rule 52(a) deference).
101. Id.
103. 475 U.S. 809 (1986).
104. Id. at 811.
105. Id.
review of obviousness determinations appeared to signal a shift away from *de novo* review of obviousness determinations.\(^{106}\)

Despite the Supreme Court’s doubts about the “degree to which the obviousness determination is one of fact,” on remand the Federal Circuit reaffirmed its *de novo* standard for obviousness conclusions.\(^{107}\) Based on its reading of other circuit’s precedents and the functional considerations inherent in determinations of obviousness, the Federal Circuit held that obviousness is “a conclusion of law based on fact.”\(^ {108}\) The legal nature of the obviousness determination, according to the Federal Circuit, was grounded in the question of whether a conclusion “is supportable by” established facts.\(^ {109}\) The court’s holding that *de novo* review applies to the ultimate determination of obviousness despite deference to the factual underpinnings of that decision is now well-settled law of the circuit.\(^{110}\)

Thus, the Federal Circuit has, at least formally, adopted standards of review similar to other circuit courts. That similarity, however, masks the court’s tendency to review fact-intensive issues with much more rigor than other federal appellate courts. The court achieves this intensive review of district court determinations in two primary ways: first, the court has adopted a much narrower view of what constitutes a “factual question” than other courts; second, by applying *de novo* review to claim construction decisions.

1. The Federal Circuit’s View of “Fact”

The first way in which the Federal Circuit is able to more closely examine fact-intensive inquiries than other circuits is by narrowly defining the category of “questions of fact.” By characterizing more issues as “legal” in nature, the court can exercise *de novo* review more broadly. A good example of this practice comes from the court’s trademark jurisprudence. In trademark litigation, a plaintiff must demonstrate, among other things, that the defendant’s use of her mark is likely to cause confusion among consumers of the mark.\(^{111}\) Most geographic circuits regard likelihood of confusion findings as questions of fact and therefore apply the clearly erroneous rule.\(^ {112}\) The Federal Circuit,
however, treats likelihood of confusion as a rule of law that is not subject to the “clearly erroneous rule.” 113 This allows the Federal Circuit to perform a more searching examination of a determination of likelihood of confusion than that performed by most other courts. 114

While the Federal Circuit is not the only court that performs de novo review in the area of likelihood of confusion of a trademark, the court is clearly an outlier in its review standard; the Second and the Sixth Circuits are the only other circuits that review likelihood of confusion de novo. 115 Various other circuits have refused to follow the Federal Circuit’s de novo standard, despite recognizing the Federal Circuit’s expertise in intellectual property law. 116 The Supreme Court has never resolved this circuit split, despite Justice White twice dissenting from the Court’s refusal to settle the issue. 117

Taking a minority position on the formal standard of review to be applied is not the only way that the Federal Circuit increases its oversight over factual issues. Scholars have also criticized the Federal Circuit for adopting the correct standard of review, yet still applying a form of de novo review to factual issues. 118 Arti Rai, for example, has stated that the Federal Circuit has asserted its power to review factual matters by “[i]gnoring conventional allocation-of-power principles that give trial courts primary authority over factual questions.” 119 As an example of the Federal Circuit’s assertion of power over facts, she points to the court’s review of the enablement and non-obvious requirements in patent law. 120 While the Federal Circuit applies the clearly

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114. It should be noted that the Federal Circuit is reviewing agency decisions from the TTAB, while the geographic circuits are reviewing district court decisions. While there are differing review standards for agency actions and court actions, in the area of likelihood of confusion, all circuit courts adopt the same group of review standards.


116. See e.g., Scandia Down Corp. v. Euroquilt, Inc., 772 F.2d 1423, 1428 (7th Cir. 1985) (“Although we should think carefully before disagreeing with the views of the Federal Circuit, a specialist court on questions of intellectual property, we will not change [our clearly erroneous] standard.”).


118. See e.g. Rai, supra note 9, at 883–87 (asserting that the Federal Circuit has “[i]gnor[ed] conventional allocation-of-power principles” in “asserting power over fact.”).

119. Id. at 883.

120. Id. at 885–86.
erroneous standard to the factual components of those doctrines, its de novo review of the ultimate legal conclusion allows the court to delve into the factual elements of each case.\textsuperscript{121} Thus, while formally applying deferential review on factual issues, the court often overturns decisions that are almost entirely unique to a particular case. Rai has also noted the importance of another mixed question that is reviewed de novo: claim construction.

2. De Novo Review of Claim Construction Decisions

The other way in which the Federal Circuit thoroughly reviews factual decisions of district courts is through claim construction. Claim construction is the judicial process of interpreting the boundaries of a patent right.\textsuperscript{122} Claim construction is central to the operation of the patent system because it defines the limits of a patent holder’s right to exclude\textsuperscript{123} and guides infringement and validity analysis.\textsuperscript{124} Because claim construction defines the rights of a patent holder, claim construction is the most important aspect of virtually all patent litigation. Not surprisingly given the doctrine’s importance, litigants frequently appeal unfavorable claim construction rulings to the Federal Circuit.\textsuperscript{125}

The Federal Circuit has traditionally reviewed claim construction decisions de novo. That tradition was called into question, however, after the Supreme Court’s 1996 ruling in Markman v. Westview Instruments that while claim

\begin{itemize}
  \item \textsuperscript{121} Id.
  \item \textsuperscript{122} See David L. Schwartz, Practice Makes Perfect? An Empirical Study of Claim Construction Reversal Rates in Patent Cases, 107 Mich. L. Rev. 223, 225 (2008) (“Claim construction is the process of interpreting the specific terms or phrases used by the patentee to define the technology covered by the patent.”).
  \item \textsuperscript{125} See, e.g., O2 Micro Int’l Ltd. v. Beyond Innovation Tech. Co., 521 F.3d 1351 (Fed. Cir. 2008), see also Schwartz, supra note 122, at 243–44 (observing that the relatively low cost of appeals compared to the overall stakes in patent cases lead to high appeal rates).
\end{itemize}
construction was the province of the judge, not the jury, it was a “mongrel practice,” somewhere between a pure legal question and a question of fact. Following Markman, the Federal Circuit was split, with some judges advocating for de novo review while others urged a more deferential standard, resulting in the court eventually granting en banc review in Cybor Corp. v. FAS Technologies, Inc.

In a sharply divided decision, the Federal Circuit reaffirmed that claim construction is purely a legal issue, subject to de novo review. The majority read the Supreme Court’s Markman decision to classify claim construction as “a legal question to be decided by the judge.” The opinion emphasized the Supreme Court’s concern for certainty and national uniformity and bolstered its conclusion by negative implication: “Nothing in the Supreme Court’s opinion supports the view that the Court endorsed a silent, third option—that claim construction may involve subsidiary or underlying questions of fact.” The opinion downplayed the Supreme Court’s characterization of claim construction as a “mongrel practice” “fall[ing] somewhere between a pristine legal standard and a simple historical fact,” as merely “prefatory comments.” Instead, it picked up on the Supreme Court’s ambiguous observation that

while credibility determinations theoretically could play a role in claim construction, the chance of such an occurrence is “doubtful” and that “any credibility determinations will be subsumed within the necessarily sophisticated analysis of the whole document, required by the standard

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127. Compare Metallics Sys. Co. v. Cooper, 100 F.3d 938, 939 (Fed. Cir. 1996) (characterizing claim construction as a “mixed question of law and fact”), abrogated by Cybor Corp. v. FAS Techs., Inc., 138 F.3d 1448 (Fed. Cir. 1998) (en banc), with Cybor Corp., 138 F.3d at 940 (Lourie, J., concurring) (noting that the Supreme Court did not overrule the de novo review standard). See also J.T. Eaton & Co. v. Atl. Paste & Glue Co., 106 F.3d 1563, 1577 (Fed. Cir. 1997) (Rader, J., dissenting) (“This court’s role in reviewing claim meanings discerned by the district courts calls for modesty and restraint—born not of timidity, but of recognition of the limits inherent in appellate review.”); Eastman Kodak Co. v. Goodyear Tire & Rubber Co., 114 F.3d 1547, 1555–56 (Fed. Cir. 1997) (holding that the district court correctly consulted extrinsic evidence and that the trial court is in the best position to evaluate this extrinsic evidence), abrogated by Cybor, 138 F.3d 1448; Eastman Kodak, 114 F.3d at 1563 (Lourie, J., dissenting) (arguing that extrinsic evidence should not be used to contradict the specification and that the “appellate court is equally well suited to read the specification” as the district court).
129. Cybor, 138 F.3d at 1455.
130. See id. (quoting Markman v. Westview Instruments, Inc., 517 U.S. 370, 391 (1996)).
131. Id.
132. Markman, 517 U.S. at 378.
133. Id. at 388 (quoting Miller v. Fenton, 474 U.S. 104, 114 (1985)).
134. See Cybor, 138 F.3d at 1455.
construction rule that a term can be defined only in a way that comports with the instrument as a whole.\textsuperscript{135}

The \textit{Cybor} decision and the continued practice of \textit{de novo} review met fierce criticism from academics, practitioners, and judges.\textsuperscript{136} Indeed, the decision has since been criticized by numerous Federal Circuit judges.\textsuperscript{137} Much of the criticism stems from the comprehensive nature of claim construction. The scope of a patent claim impacts virtually all areas of patent litigation in fundamental ways: validity, infringement, and enforcement are all intimately tied to the outcome of claim construction. Thus, when the Federal Circuit reviews claim construction \textit{de novo}, it has the ability to review all aspects of a decision, even those aspects that are explicitly factual in nature.\textsuperscript{138}

Rai calls this the “domino effect” of \textit{de novo} claim construction review.\textsuperscript{139} That domino effect occurs when the Federal Circuit reverses on claim construction, a decision that requires a new determination on infringement—an issue of fact. However, Rai notes that while the Federal Circuit has the option to simply remand for a new determination of infringement given the revised claim construction, the Federal Circuit “is often reluctant to remand for a new trial on infringement” and instead simply declares that no factual dispute could exist with respect to infringement in light of the new claim construction.\textsuperscript{140} Despite all of the criticism surrounding the court’s \textit{de novo} review of claim construction, the en banc court recently reaffirmed that standard.\textsuperscript{141}

In summary, the Federal Circuit’s proclivity to review facts on a \textit{de novo} basis arises in two contexts. First, the court has taken a narrow view of what constitutes a factual issue, at times reviewing heavily issues (such as likelihood of confusion) as legal ones, and at other times, reviewing mixed questions as though they were factual issues. Second, the court reviews claim construction \textit{de novo}, which allows the court to review the underpinnings of nearly every

\begin{itemize}
\item \textsuperscript{135} Id. at 1455–56 (quoting \textit{Markman}, 517 U.S. at 389). This explanation, however, overlooks a critical passage in the Supreme Court’s \textit{Markman} decision. See Brief for Peter S. Menell, et al. as Amici Curiae in Support of Neither Party, Teva Pharm. USA, Inc. v. Sandoz, Inc., 135 S. Ct. 831 (2015) (No. 13-854).
\item \textsuperscript{137} See Phillips v. AWH Corp., 415 F.3d, 1303, 1330 (Fed. Cir. 2004) (en banc) (Lourie, J., joined by Newman, J., concurring in part and dissenting in part) (arguing the court to affirm absent the strong conviction of error); id. (Mayer, J., dissenting).
\item \textsuperscript{138} See Rai, supra note 4 at 884 (“[T]he Federal Circuit’s plenary review of claim construction can have something of a domino effect, leading the court to arrogate power over issues even it admits are factual, like infringement.”).
\item \textsuperscript{139} Id.
\item \textsuperscript{140} Id. at 885.
\item \textsuperscript{141} \textit{Lighting Ballast}, 744 F.3d at 1276–77.
\end{itemize}
judgment without deference. Thus, the court enjoys unprecedented power to
review factual decisions of district courts. As Judge Mayer of the Federal
Circuit has written, the court’s “increasing infatuation with de novo review of
factual determinations . . . [is] an enormous waste of litigants’ resources and
vitiates the critically important fact-finding role of the district courts.”\textsuperscript{142}

II. DEFERENCE AND SPECIALIZATION

Most decisions of the various U.S. federal district courts are reviewed by
the geographic appellate circuits. As described in Part I, appellate courts
scrutinize those decisions more closely when the district courts decide an issue
of law than when they review a decided issue of fact. Patent litigation,
however, carves a unique path through the federal judiciary. Initially patent
cases are tried before federal district court judges, just like all other federal
causes of action. But appeals of those cases are heard not before one of the
geographic federal appellate courts, but rather before the Federal Circuit.\textsuperscript{143}
The uniqueness of a patent case’s path through the federal court system has led
to confusion about the deference that the specialized Federal Circuit should
afford to decisions of generalist district courts.

This Part examines the arguments in favor of reduced deference from
specialized courts. In particular, the Federal Circuit has recently upheld more
stringent review of patent cases than traditional appellate practice would
suggest. The Supreme Court has pushed back against the Federal Circuit’s
expansion of its own review powers, but with some trepidation. This Part
examines specialization’s impact on deference by looking at two recent debates
over deference at the Federal Circuit.

A. Discretionary Decisions: Review of Attorney Fee Awards

Whether the Federal Circuit’s expertise and specialization in patent law
allows the court to be less deferential is an issue that has caught the Supreme
Court’s interest. Last term, the Court decided two companion cases regarding
(1) the basis for awarding attorney fees in patent cases and (2) the standard of
review to be applied in reviewing such awards. In \textit{Highmark v. Allcare}, a
patent-assertion company obtained a patent for a computerized “health
management system” and subsequently sued Highmark, a health insurance
provider, for infringement.\textsuperscript{144} After securing summary judgment of non-
infringement, Highmark moved for fees under Section 285 of the Patent Act.\textsuperscript{145}
Section 285 provides that “a court in exceptional cases may award reasonable

\textsuperscript{142} Highmark, Inc. v. Allcare Health Mgmt. Sys., Inc., 687 F.3d 1300, 1320 (Fed. Cir.
\textsuperscript{145} \textit{Id.}
attorney fees to the prevailing party."146 The district court found that had Allcare properly investigated its infringement claim before filing, it would have discovered that there was no case for infringement and therefore found the case to be "objectively baseless."147 In a fifty-five page fee-shifting opinion, the district court declared that "Allcare had not done its homework when it began trolling for dollars and threatening litigation."148 The court awarded Highmark $4,694,727.40 in attorney fees, as well as over $500,000 in expenses and expert fees.149

On appeal, the Federal Circuit reversed the district court’s fee award in part.150 In doing so, the Federal Circuit considered the objectively baseless decision to be "a question of law based on underlying mixed questions of law and fact" which was "subject to de novo review."151 Highmark asked the Federal Circuit to reconsider its reversal en banc, a request that was denied over a five judge dissent.152

The Supreme Court subsequently granted certiorari.153 In Highmark, the court addressed a single question: "Whether a district court’s exceptional-case finding under 35 U.S.C. § 285, based on its judgment that a suit is objectively baseless, is entitled to deference."154 The Court also granted certiorari in a companion case, Octane Fitness v. ICON, in which the Court reviewed (and ultimately reversed) the Federal Circuit’s rule for determining exceptional cases.155

Both cases were argued on the same day at the Supreme Court, with overlapping questions about rules and standards of review percolating between both cases. During oral argument in the Octane case, Justice Alito suggested that the Federal Circuit is uniquely positioned to analyze exceptionality in patent cases.

[O]ne party wins, the other party loses and the party that wins says, “This was an exceptional case and you should award fees in my favor under [Section] 285.”

And the district judge says, “How can I tell if this is exceptional? If I had twenty-five patent cases, I could make some comparisons. But I don’t have a

147. Highmark, 134 S.Ct. at 1743.
149. Id.
151. Id. at 1320–21.
154. Id.
basis for doing that.” Now, the Federal Circuit has a basis for doing that.156

Justice Alito’s position that the Federal Circuit’s expertise allows the court to apply a less deferential review standard did not go unchallenged by the other justices.157 During the Highmark oral argument, Chief Justice Roberts suggested that the Federal Circuit’s expertise had no bearing on the standard of review the court should employ.158 Roberts suggested that for standard of review purposes, “the Federal Circuit’s expertise in patent law actually isn’t the relevant expertise.”159

In a brief opinion, the Supreme Court in Highmark reversed the Federal Circuit and held that “an appellate court should apply an abuse-of-discretion standard in reviewing all aspects of a district court’s [section] 285 determination.”160 Relying on its previous opinion in Pierce v. Underwood, the Court emphasized that the text of section 285 “suggests” deference to the district court’s decision, the district court is better positioned to decide which cases are exceptional due to the length of time a district court hears each case, and the issue is “multifarious and novel” and therefore not susceptible to the “generalization” that de novo review provides.161 The reference to the district court being “better positioned” to make determinations of exceptionality reflects the Court’s opinion that the Federal Circuit is not uniquely positioned among the federal circuit courts to judge litigation conduct. But the oral argument suggests that the Federal Circuit’s expertise could trump traditional standard of review principles if the court’s expertise were relevant in informing its review.

B. “Mongrel” Questions of Fact and Law: Claim Construction

Less than a week before the oral argument in the Highmark case, the Federal Circuit issued an en banc opinion in a long-awaited case reviewing its controversial de novo standard of review for claim construction cases. In that case, Lighting Ballast v. Philips, the en banc court explicitly reconsidered its

157. Transcript of Oral Argument at 19, Octane Fitness v. ICON Health & Fitness, 134 S. Ct. 1744 (2014) (No. 12-1163) (“I frankly think [the Federal Circuit’s expertise is] the strongest argument [for maintaining de novo review].”); id. (arguing that when it comes to evaluating the reasonableness of a litigation position, “the Federal Circuit’s expertise in patent law actually isn’t the relevant expertise.”); id. at 29 (Roberts, C.J.) (pointing out that litigation misconduct is “an issue that [district courts] see all the time, so maybe they are more expert than the Federal Circuit.”); id. at 31 (Ginsburg, J.) (“Two of the items you mentioned, one was venue and the other was . . . issue preclusion; the Federal Circuit is no more expert in those areas than a district court would be.”).
158. Id.
159. Id.
160. Highmark, 134 S. Ct. at 1747.
fifteen-year-old holding in *Cybor* that district court claim construction decisions were to be reviewed *de novo*. The initial panel decision had overturned a district court ruling that a claim for a “voltage source means” is a means-plus-function term, and held the claims invalid for indefiniteness. As mandated by the court’s *Cybor* decision, the panel afforded no deference to the district court’s decision.

Claim construction involves a complicated mixture of factual and legal issues. Courts must closely examine the patent document to determine the meets and bounds of the patent right, but they must do so through the eyes of one skilled in the art of the patent. Because most district judges are not experts in the area of the particular patent at issue, judges must turn to experts and secondary materials in order to properly determine the meaning that an ordinary artisan would prescribe for the patent’s claims. This mishmash of legal and factual questions is what the Supreme Court was referring to when it called claim construction a “mongrel practice” in the *Markman* case.

Rather than review its *de novo* standard from a historical and utilitarian standpoint, the Federal Circuit relied largely on the doctrine of stare decisis. Having found that claim construction was “a purely legal question” in *Cybor*, the court found that no intervening legislative or judicial decision had overturned that decision. Likewise, *de novo* review had not proved “unworkable” in the almost twenty years. Therefore, the majority held that traditional *stare decisis* principles precluded the court from overturning its ruling in *Cybor*.

In addition, the court found that *de novo* review was needed in order to assure “interjurisdictional uniformity.” This uniformity argument is a traditional one in favor of *de novo* review. Appellate courts are tasked with maintaining uniformity in the law, because of their expertise in legal issues and the amount of time and discussion they can engage in on legal issue.

Lastly, the court noted that none of the various amicus briefs had

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164. Id.
166. See *Rai*, supra note 4, at 1046–47 (“Because the typical judge is not likely to be a person of ordinary skill in the relevant scientific or technological art, she is not likely to be endowed with the appropriate technical knowledge.”).
169. *Cybor*, 138 F.3d at 1456.
170. Lighting Ballast, 744 F.3d at 1283.
171. *Id.* at 1280 (quoting *Markman*, 517 U.S. at 391).
172. See *Rai*, supra note 4, at 1088 (“[D]e novo review of strictly legal determinations is necessary for uniformity.”).
173. *Id.; see also Lee, supra note 46, at 251.*
demonstrated that deferential review would be “more likely to achieve the correct claim construction.”174 In essence, the court was suggesting that a less-than-de-novo standard would introduce no uncertainties into claim construction practice. As the court put it, changing the standard would “engender peripheral litigation.”175

The Supreme Court decided not to wait for a certiorari petition in Lighting Ballast to review the Federal Circuit’s approach to claim construction. Instead, the Court granted certiorari in another Federal Circuit claim construction decision. In that case, Teva Pharmaceuticals v. Sandoz, the Federal Circuit had to interpret the term “average molecular weight.”176 Sandoz argued that the term was “insolubly ambiguous,” a finding which would render the patent invalid as indefinite.177 The district court disagreed and construed the term to mean “peak molecular weight.”178 In so finding, the district court afforded great weight to the testimony of Teva’s expert, Dr. Gregory Grant, who testified that an expert would understand average molecular weight to be synonymous with peak molecular weight.179 On appeal, the Federal Circuit reversed, holding that the term was indefinite.180 The panel expressly stated that Dr. Grant’s testimony would not be reviewed deferentially: “On de novo review of the district court’s indefiniteness holding, we conclude that Dr. Grant’s testimony does not save [the] claims from indefiniteness.”181

In response, the Supreme Court reversed.182 In so holding, the Court found that the Federal Circuit “must apply a ‘clear error,’ and not a de novo, standard of review.”183 The Court looked at the text of Rule 52(a) for support for its ruling. Ultimately, the court held that the text of the rule did not allow for “exceptions or purport to exclude certain categories of factual findings from the obligation of the court of appeals to accept a district court’s findings unless clearly erroneous.”184

The Supreme Court distinguished the holding in the Markman case, finding that Markman did not create an exception to Rule 52(a). The Court found that although it had determined that the “ultimate question of the proper construction of the patent” is a question of law, the legal nature of the inquiry did not give rise to an exception to Rule 52(a).185 Lastly, the Court found that “practical considerations,” such as the expertise of trial and appellate courts,

174. Lighting Ballast, 744 F.3d at 1284.
175. Id. at 1285.
177. Id. at 1367.
178. Id.
179. Id.
180. Id. at 1369.
181. Id.
183. Id.
184. Id. at 837 (quoting Pullman-Standard v. Swint, 456 U.S. 273, 287 (1982)).
185. Id. at 838.
C. Mixed Question Review at Specialized Courts

The Supreme Court is clearly interested in specialization’s impact on standard of review. During oral argument in *Octane* and *Highmark*, numerous justices posed questions about whether the Federal Circuit’s unique position in the federal judiciary indicated a need for reduced deference to district court decisionmakers. In *Highmark*, the Court concluded that the Federal Circuit’s expertise in patent law did not compel a lower standard of review for discretionary awards of attorney fees. But the Court did not indicate whether the Federal Circuit’s expertise might carry the day in a different case with a different set of facts. Because *Highmark* involved the discretionary decision of whether to award attorney fees, it remains to be seen whether a mixed fact/law case, such as claim construction, will be treated in a similar manner.

Ultimately, the Federal Circuit’s “expertise” in relation to district judges looks very similar to the expertise of other appellate courts. The court is an expert on patent law, not on the application of evidentiary rules, trial practice, or scientific facts. Although district court judges rarely possess specialized scientific training, this is equally true of the majority of the judges on the Federal Circuit. Even for those Federal Circuit judges that do have scientific backgrounds, it makes little sense to prefer the scientific conclusions of those judges over district judges except for the exceedingly rare (likely non-existent) case in which the scientific background of the judge perfectly overlaps with the skill of the art in the patent at issue. Thus, there is little reason to suppose that Rule 52’s requirement to defer to district courts on factual issues should bend in light of the Federal Circuit’s specialization.

As for uniformity, the Federal Circuit possesses a unique mandate to clarify and monitor the progress of national patent law. The court has suggested numerous times that this mandate implies more thorough review of district court decisions. But the desire for uniform legal rules is no less urgent for the geographic circuit courts than it is for the Federal Circuit. Just as deference improves the legal process in generalist circuits, so too can it improve the process of patent litigation. While deference does introduce the potential for similar cases to be decided differently, our legal system has collectively determined that such a price is one worth paying for the efficiency and clarity benefits that deference provides. Furthermore, mixed deferential review

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186. *Id.* at 838.
187. *See supra* note 156-159 and accompanying text.
188. Part II.A, *supra*.
provides a mechanism for increasing legal uniformity.\textsuperscript{191}

Thus, for all of the reasons that the common law imposes limits on circuit courts’ ability to review district courts (efficiency, expertise, judicial respectability), the Federal Circuit should abide by the same restraints. The court’s undeniable expertise with patent law suggests that the court should review legal decisions of trial courts with minimal deference—just as the geographic circuit courts review such issues \textit{de novo}. District courts’ familiarity, exposure, and expertise with trial practices and fact-finding suggest that the court should afford deference to lower courts’ factual and discretionary decisions—just as such issues are reviewed by the geographic circuits for “abuse of discretion” and “clear error,” respectively.\textsuperscript{192}

As for mixed questions, no consensus standard exists among the various circuits.\textsuperscript{193} The Federal Circuit’s mandate to unify patent law suggests that the court might lean towards treating all mixed questions \textit{de novo}. But such an approach ignores the individual competencies of district and appellate courts. A better approach—not just for the Federal Circuit, but appellate courts as a whole—would be to tease out those issues that are factual from those that are legal, reserving the ultimate legal conclusion to be reviewed \textit{de novo}.\textsuperscript{194} Such an approach maximizes the fact-finding role of the district court while maintaining uniform treatment in the ultimate application of those facts to law.\textsuperscript{195} The following Part more fully explores this approach to mixed question review for specialized courts.

\section*{III. The Ultimate Mixed Question: Claim Construction}

How and when should specialized appellate courts defer to non-specialized trial courts? In answering that question, this Part examines what is perhaps the ultimate mixed question of fact and law in the specialized field of patent law: claim construction. Claim construction requires technical knowledge of the patented technology, expertise in reading and interpreting patent documents, and knowledge of the skill in the art at the time of the invention.\textsuperscript{196} Despite the undeniable factual features of claim construction, the Federal Circuit continued to review claim construction \textit{de novo} until a few months ago. This Part offers a critique of the Federal Circuit’s \textit{de novo} review practice based on the past fifteen years of claim construction cases. First, this Part addresses the costs of \textit{de novo} review in a fact-intensive area like claim construction. The costs of \textit{de novo} review include high reversal rates, demoralized trial judges, and

\textsuperscript{191} See Part III.A, infra.

\textsuperscript{192} See Part I.A, supra.

\textsuperscript{193} See Part I.A.3, supra.

\textsuperscript{194} See Childress & Davis, supra note 49, at § 2.19, 2-115 (“[P]erhaps the clearest way to approach mixed law-fact questions is to allow free review of legal conclusions and legal effects while deferring to determinations of underlying facts and even factual inferences.”).

\textsuperscript{195} Id.

\textsuperscript{196} See Rai, supra note 4, at 1046–47.
disincentives to review all of the evidence during claim construction proceedings. Because the Federal Circuit court reviews every claim construction appeal without deference, district courts are reluctant to rely on extrinsic evidence, evidence that may be vital to the proper construction of a claim term.\textsuperscript{197}

Next, this Part sketches out an improved method for the court to approach claim construction. Because the Federal Circuit’s expertise is of the same type as the expertise of other circuit courts, there is no reason to think that the Federal Circuit should afford less deference than the geographic circuits. Instead, the court should adopt traditional appellate practices of mixed question review. Review of contractual interpretation provides a workable example for the Federal Circuit’s review of claim construction.

Finally, this Part addresses the Federal Circuit’s claim in \textit{Lighting Ballast} that stare decisis principles require the court to maintain \textit{de novo} review. Because the Supreme Court granted certiorari in \textit{Teva} rather than in \textit{Lighting Ballast}, this line of reasoning remains unrebutted. Because stare decisis is less relevant when deciding standards of review than in perhaps any other area of law, courts of appeal should not feel bound to their prior, incorrect standard of review decisions. Whether the court should maintain its own precedents is virtually irrelevant to the question of what the proper standard of review is.

A. \textit{De Novo} Review of Claim Construction

Although the Federal Circuit’s 2004 decision in \textit{Phillips v. AWH Corp}.\textsuperscript{198} afforded trial judges greater leeway to gather extrinsic evidence, district judges have long since abandoned formal evidentiary proceedings as part of the claim construction process and steered clear of explaining claim construction rulings as based on any fact-finding. They did so, of course, because formal fact-finding is not afforded any deference by the Federal Circuit.\textsuperscript{199} In research examining the effect of the \textit{Phillips} decision on reversal rates and other aspects of patent claim construction, Peter Menell and I have shown that claim construction reversals have declined quite significantly in the decade since \textit{Phillips}.\textsuperscript{200} The figure below updates that research through January 1, 2014.

\textbf{FIGURE 1 – CLAIM CONSTRUCTION REVERSAL RATES: 2000-2014 (100 CASE ROLLING AVERAGE)}
In *Lighting Ballast*, the Federal Circuit cited our research as demonstrating that *de novo* review was working, because reversal rates had dropped since their peak in 2004.201 Ironically, the dissent cited our research for the exact opposite conclusion: that *de novo* review had led to the high reversal rates in the first place—it was not the balm claimed by the majority.202

Our view is that the dissent in *Lighting Ballast* got it right: *de novo* review is the cause of the high reversal rates (nearly 50 percent at one point), not the solution. The fact that reversal rates have dropped to around 30 percent is an indication of changes in the Federal Circuit’s internal review processes, not of improved decisionmaking brought about by tough plenary oversight.203 We have referred to this seemingly deferential *de novo* standard as “informal deference.”204 To the contrary of the majority’s reading of our research, the shadow of formal *de novo* review continues to cast doubt on the predictability of patent litigation, discourage settlements following claim construction and trial, delay resolution of patent disputes, and run up the overall costs of patent litigation.205 Although informal deference may well be an improvement over pure *de novo* review, it falls short of the proper division of responsibility between district and appellate courts and represents, at best, an entirely discretionary and panel-dependent regime.

*De novo* review of claim construction deprives the patent system of the evidentiary record required for the system to function properly. Because of the standard of review, district judges lack motivation to look beyond the intrinsic record. For a district court judge, relying on extrinsic evidence in claim construction rulings could be grounds for reversal, a possibility of which judges are cognizant.206 Indeed, a particular district court judge has found claim construction like “throwing darts” due to *de novo* review.207 As a result, the skilled artisan’s perspective is rarely relied upon by trial judges.

Indeed, Menell and I have found that the Federal Circuit makes nearly all of its claim construction decisions without consulting the perspective of someone of ordinary skill.208 Further, the *de novo* review practiced by the Federal Circuit

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201. *Lighting Ballast*, 744 F.3d at 1290; id. at 1295 (Lourie, J., concurring).
202. Id. at 1300–01, 1310, 1311 n.6 (O’Malley, J., dissenting).
203. Anderson & Menell, supra note 200.
204. Id.
205. Id.
208. See Anderson & Menell, supra note 200, at 55–56 (finding that only 13 of the 778 (1.7%) claim construction appellate opinions issued from 2000 to 2010 identify the applicable skilled artisan).
SPECIALIZED STANDARDS OF REVIEW

weakens the appeal process. An appellate court that lacks a well-developed trial record is incapable of considering a host of viewpoints. Trial records lack the expert opinion that allows judges to make well-reasoned decisions.

Many of the social costs of de novo arise from the doctrine’s re-review of cases. The cost of an appeal is minor when compared to the costs of litigating a case through trial. Consequently, parties are more likely to pursue an appeal when they are given a second bite at the apple. Overall, the de novo standard has raised the cost of patent litigation while offering less-thorough decisionmaking.

B. Improving Claim Construction through Deference

Given the problems associated with de novo review of claim construction, how should the Federal Circuit review such decisions? As discussed above in Subpart II.C, the Federal Circuit is specialized in precisely the same area as geographical courts: both are specialists with respect to questions of law. The Federal Circuit is “expert” in patent law (and other areas within its jurisdiction), while the generalist courts are “specialists” in legal determinations generally. Therefore, specialized appellate courts, like the Federal Circuit, ought to grant the same level of deference to district court factual determinations as the geographical appellate courts.

The Federal Circuit’s decision to maintain de novo review of claim construction follows the court’s previous practice of narrowly defining “fact.” Despite the court’s insistence that claim construction is a “pure matter of law,” claim construction is a highly fact-intensive process—it involves interpreting a legal document as a skilled professional would interpret that document. The Supreme Court in Markman described claim construction as a “mongrel” practice, somewhere between a pristine legal question and a historical one. In Teva, the Court clarified what it meant, stating that “sometimes courts may have to resolve subsidiary factual disputes.”

The Teva court recognized that it was proper to treat claim construction as a question of law in much the same way that other questions of document interpretation are treated as questions of law. In defending its decision to treat claim construction as a question of law, the Federal Circuit’s Lighting Ballast decision cites a number of instances in which the interpretative lens a judge must apply failed to transform the issue from one of law to one of fact. But all of those decisions involve the interpretation of statutes, which are

209. See Part II.B.1, supra.
210. See supra notes 165-167 and accompanying text.
211. 135 S. Ct. at 838.
212. Id.
213. Lighting Ballast, 744 F.3d at 1284–86.
always reviewed \textit{de novo}. Claim construction, however, is very different than statutory interpretation. For one thing, claims are written \textit{ex parte} by patentees with no opposition whereas statutory language is debated and modified by legislative committees and members.\footnote{See generally Mark A. Lemley, \textit{Rational Ignorance at the Patent Office}, 95 NW. U. L. REV. 1495 (2000).} The \textit{ex parte} nature of patent drafting and prosecution permits applicants to intentionally obfuscate the meaning of their terms in an effort to capture as much innovative activity as possible within the patent’s scope.\footnote{Mark A. Lemley, \textit{Software Patents and the Return of Functional Claiming}, 2013 WISC. L. REV. 905 (2013).} Congressional statutes, on the other hand, are ostensibly drafted to be clear and understandable, although at times they fail to achieve this goal.

Further, patentees can modify claim language in ways that legislators cannot modify statutes.\footnote{Mark A. Lemley & Kimberly A. Moore, \textit{Ending Abuse of Patent Continuations}, 84 B.U. L. Rev. 63, 71–83 (2004) (discussing the abuses of patent continuations).} The rule that “a patentee can be his own lexicographer” allows patent drafters to define claims in ways that are particular to his invention.\footnote{Phillips v. AWH Corp., 416 F.3d 1303 (Fed. Cir. 2005) (en banc) (“[T]he inventor’s lexicography governs.”).} Statutes, on the other hand, generally are interpreted by the plain meaning of the words used in the statute—the point of a statute is that one need not look to extrinsic sources for interpretation.\footnote{See generally Arthur W. Murphy, \textit{Old Maxims Never Die: The ‘Plain-Meaning Rule’ and Statutory Interpretation in the ‘Modern’ Federal Courts}, 75 COLUM. L. REV. 1299 (1975).} Thus, the Federal Circuit’s reliance on statutory interpretation to sustain \textit{de novo} review of claim construction is misplaced.

The better analogy for patent interpretation would be interpretation of contractual language. Scholars have debated whether patent claims are better analogized to statutes, contracts, or neither.\footnote{Kristen Osenga, \textit{Linguistics and Patent Claim Construction}, 38 RUTGERS L.J. 61, 70 (2006) (arguing that claim construction is akin to statutory and contract interpretation); Jeffrey A. Lefstin, \textit{Claim Construction, Appeal, and the Predictability of Interpretive Regimes}, 61 U. MIAMI L. REV. 1033, 1051 n.76 (noting that prosecution history is considered “intrinsic” evidence in patent law, but would be considered “extrinsic” in statutory or contract interpretation).} But that debate has focused on whether the process of interpretation should follow the well-established interpretation methodology associated with statutes or contracts or maintain the unique interpretive methodology the Federal Circuit currently employs.\footnote{Id.} For standard of review purposes, the contractual analogy is simply superior. This is so because of the evidentiary similarities in interpreting patents and contracts.

Contracts are generally reviewed as legal documents with no reference to outside or extrinsic evidence.\footnote{Although nearly all courts review contract interpretation as a legal question, there} Similarly, patent claims consist of a legal
document that can be examined by a court to determine meaning. The examination of legal documents (statutes, contracts, patents) is generally regarded as a task that is legal in nature and is subject to de novo review. However, when contracts are ambiguous, courts may be forced to look to extrinsic evidence (such as the intent of the contracting parties) to understand the meaning of a contractual term. Similarly, Federal Circuit law dictates that extrinsic evidence such as dictionaries and expert testimony may be needed in some cases in order to properly understand a claim term.\footnote{223}

While it is standard for a court to say that contract language is generally reviewed de novo,\footnote{224} nearly all courts afford deference to factual issues that may arise in contract cases, such as extrinsic evidence of parties’ intent.\footnote{225} The Supreme Court, before implementation of Rule 52(a), stated that if a contract’s meaning hinges “not merely on its construction and meaning, but also upon extrinsic facts and circumstances—the inferences to be drawn from it are inferences of fact and not of law.”\footnote{226} All of this is to suggest that patent documents are like contracts when it comes to interpretive sources: they are legal documents that, at times, require extrinsic sources in order to determine meaning. Like contracts, patents should be reviewed de novo if the meaning is unambiguous from the language of the document, and reviewed for “clear error” when extrinsic evidence is required to determine meaning.

In practice, this standard would maintain de novo review of the ultimate question of claim interpretation, yet require the Federal Circuit to defer to evidentiary findings of the district court that look more like fact than the overall interpretive process. These factual components might include the weighing of testimony of conflicting experts, determining the skill in the art at the time of invention, or choosing between possible definitional resources like dictionaries and scientific publications.\footnote{227} Despite the Federal Circuit’s claim in \textit{Lighting}...
Ballast that “no one . . . proposes a workable replacement for the” de novo standard.\textsuperscript{228} Every other appellate circuit court has been applying a mixed-deferential review to contractual interpretation for decades.\textsuperscript{229} For example, the Ninth Circuit treats contract interpretation as a legal question, reviewed without deference,\textsuperscript{230} yet explicitly recognizes that the interpretive process is a mixed question, with facts reviewed with deference.\textsuperscript{231}

Such a mixed standard has not only proven workable in other circuits, has also worked well within the Federal Circuit itself. The court reviews obviousness determinations in precisely this manner.\textsuperscript{232} Numerous other issues of patent law are reviewed under this hybrid mixed law/fact manner.\textsuperscript{233} This mixed standard of review would also lessen the Federal Circuit’s concern that a weakened review standard would endanger the uniformity of patent enforcement.\textsuperscript{234} Since the Federal Circuit would ultimately maintain de novo review of the ultimate question of claim meaning, the odds of a patent claim receiving disparate interpretations in different cases would be very remote indeed.

Ultimately, a mixed deferential standard for patent claim construction aligns the Federal Circuit’s claim construction jurisprudence with that of all of the other circuit courts’ contractual interpretation jurisprudence. By deferring to the extrinsic factual findings that undergird the ultimate legal conclusion of claim meaning, the court would leverage the fact-finding acumen of district court judges while maintaining the national uniformity of patent scope.

C. \textit{Stare Decisis Concerns}

One last point should be made about the Federal Circuit’s decision to uphold de novo review. The court held in \textit{Lighting Ballast} that it was bound by principles of stare decisis to maintain its review standard.\textsuperscript{235} In so concluding, the court placed too great an emphasis on stare decisis and its application to

\textsuperscript{228} \textit{Lighting Ballast}, 744 F.3d at 1284.
\textsuperscript{229} Childress & Davis, \textit{supra} note 49.
\textsuperscript{231} See Miller v. Safeco Title Ins. Co., 758 F.2d 364, 367 (9th Cir. 1985); Martin v. United States, 649 F.2d 701 (9th Cir. 1981); Kittitas Reclamation Dist. v. Sunnyside Valley Irrigation Dist., 626 F.2d 95, 98 (9th Cir. 1980).
\textsuperscript{232} See Part I.B, \textit{supra}.
\textsuperscript{233} For instance, the “on sale bar” to patenting is a question of law, with underlying facts that are reviewed for clear error. Ferag AG v. Quipp Inc., 45 F.3d 1562, 1566 (Fed. Cir. 1995).
\textsuperscript{234} \textit{Lighting Ballast}, 744 F.3d at 1286 (“Because differing claim constructions [resulting from deferential review] can lead to different results for infringement and validity, the possibility of disparate district court constructions unravels the uniformity in the treatment of a given patent that the Court sought to achieve in \textit{Markman II}.”)
\textsuperscript{235} \textit{Id.} at 1276–77.
previous standard of review decisions. While the contours of stare decisis have been fluid over time (to say the least), the Supreme Court’s recent caselaw suggests that the doctrine carries less weight in standard of review contexts than in other areas of the law.

The doctrine of stare decisis, or precedent, is fundamental to the American legal system. It has many variations, but in its simplest form, stare decisis holds that a prior decision provides a reason to continue to resolve that same question in that same manner, regardless of the correctness of that decision. Stare decisis has always been a part of the American legal system, but its application has meandered in and out of favor. A vast legal and political science literature examines that history, only a small part of which can be discussed here.

Stare decisis takes many forms, but can generally be separated into two types: vertical and horizontal. The principle of vertical stare decisis holds that courts must follow decisions of courts above them. For example, all district courts must adhere to the decisions of the court of appeal of the circuit in which the district sits as well as to decisions of the U.S. Supreme Court. Vertical stare decisis is rarely challenged or questioned.

Horizontal stare decisis, on the other hand, is much more complex. Three-judge appellate panels in all of the courts of appeals generally treat prior panel decisions as binding. Thus, when a prior panel interprets a statute, that interpretation is binding on judges of the same court sitting in later cases. If a court wants to reverse panel precedent, it generally must sit en banc to do so.

But even en banc courts are limited in what they can do. Stare decisis principles often limit what decisions en banc courts can overrule. The Supreme Court and courts of appeals will only overrule established precedent if there is “special justification” to do so. “Special justification” must be more

238. Id.
239. See Cooper, supra note 236.
241. Id.
245. Id.
246. Id.
than a mere error in judgment—the rule to be overturned must also be "unworkable." 248 When overturning prior precedent, stare decisis demands that the new rule should not tarnish the public's opinion of the judiciary or upset established reliance interests. 249 In a sense, vertical stare decisis acts as a form of deference to one's own previous decisions.

The Supreme Court has discussed in some depth the purpose of stare decisis and provided lower courts with a host of considerations that should be taken into account in deciding whether to overrule prior precedent. Ultimately, however, the decision is a pragmatic one, weighing the benefit of altering the law with the cost of doing so. In Planned Parenthood v. Casey, the Court outlined what it looks for when it reexamines one of its holdings:

Rather, when this Court reexamines a prior holding, its judgment is customarily informed by a series of prudential and pragmatic considerations designed to test the consistency of overruling a prior decision with the ideal of the rule of law, and to gauge the respective costs of reaffirming and overruling a prior case. 250

Among the "prudential and pragmatic considerations" that the Court enumerated are whether the rule has defied "practical workability," whether the old rule is relied upon to such an extent as to "add inequity" to overruling it, whether intervening legal changes have eliminated the rule's usefulness, or whether other changes have "robbed the rule of significant . . . justification." 251 In Casey, the Court held that these considerations required the Court to maintain its central holding in Roe v. Wade that a woman has a constitutional right to choose to have an abortion prior to fetal viability. 252

While stare decisis is a fundamental principle of American jurisprudence, its value is at its nadir in cases involving procedural rules. The Supreme Court has said that "[c]onsiderations of stare decisis are at their acme in cases involving property and contract rights, where reliance interests are involved . . .; the opposite is true in cases . . . involving procedural and evidentiary rules." 253 Although stare decisis applies to procedural decisions, the policies underlying the doctrine have much less import when addressing prior procedural rulings, such as standard of review rulings.

Scholars and courts have suggested a number of policies that undergird stare decisis. First, stare decisis has its roots in constitutional separation of

248. See Planned Parenthood of Se. Penn. v. Casey, 508 U.S. 833, 854–55 (1992) (considering whether a prior ruling was "unworkable").
249. Id. at 855–57.
250. Id. at 854.
251. Id.
252. Id.
powers doctrine, at least when it comes to interpreting statutes. The Supreme Court and scholars who have examined the Court’s rulings find that stare decisis honors the legislature’s supremacy in crafting laws in two ways. First, silence from Congress following a statutory interpretation by the Court infers that Congress has acquiesced to that decision. Thus, by refusing to revisit the previously decided issue of statutory interpretation, the Court acknowledges Congress’ acceptance of the Court’s prior ruling. Second, and relatedly, by refusing to revisit a prior precedent on statutory interpretation, the Court allows the legislature to alter the interpretation through the lawmaking process.

But concerns about separation of powers hold virtually no explanatory power when considering reexamination of a standard of review. Standards of review are rarely legislatively mandated. Instead, appellate courts are forced to adopt a standard of review with little or no guidance from the legislature. Given the dearth of statutorily mandated standards of review, courts can hardly hope that Congress will change the standard in response to an incorrect decision by the Supreme Court or an appellate court. Standards of review are largely court-created doctrines and thus are rightly seen by many legislators as the province of the court. It is not an infringement of the principles of separation of powers to suggest that courts should not wait for the legislature to instruct courts on how to perform their duties.

Furthermore, many of the separation of powers explanations for stare decisis are directed at interpretation of statutes, precisely because statute creation is the province of the legislature. Neither scholars nor courts have suggested that separation of powers militates against altering prior rulings on standard of review decisions.

A second line of reasoning proposes that stare decisis is a form of judicial restraint. Some scholars have proposed that stare decisis was developed as a means of legitimating the judicial role in a democracy. This theory suggests that by voluntarily limiting its own review powers, the Supreme Court signals its intention to be a mediator rather than a lawmaker. Indeed, the Court in *Casey* makes much of the potential negative public reaction to the Court’s overturning its own prior decisions. In *Casey*, the Court notes that to reverse its prior holding in the incredibly controversial *Roe* case would harm the Court’s

255. Id.
256. Id. See also Marshall, supra note 240.
257. Id.
258. Supra notes 32-33 and accompanying text.
259. Id.
260. Timothy Johnson et al., *New Directions in Judicial Politics* 167–169 (edited by Kevin T. McGuire); Caleb Nelson, Stare decisis and Demonstrably Erroneous Precedents, 87 VA. L. REV. 1, 8 (2001) (arguing that stare decisis developed as a means of restraining the discretion “that legal indeterminacy would otherwise give judges”).
“legitimacy” with the public. It is the perception that if a court overturns its own controversial ruling after a few years the public will not be able to trust in the stability of the court’s future decisions.

While the concern of judicial legitimacy may hold sway in nationally controversial constitutional cases, it is much less salient in the esoteric world of appellate standards of review, debates about which are usually confined to the dusty pages of law reviews. It can hardly be said that the judiciary’s legitimacy would be called into question if the court were to limit its own powers by reversing its prior holding. Indeed, numerous courts have overturned previously held standards with little comment.

Lastly, and most commonly, scholars and courts have noted that stare decisis is a means of protecting reliance interests. By refusing, or at the very least hesitating to overturn prior decisions, courts permit the public to trust that their rulings will retain the force of law unless legislatively overturned. If this were not the case, the public would have little reason to heed court decisions. Thus, stare decisis allows citizens and businesses to have confidence that the law will remain relatively static, permitting future planning and investment.

The reliance basis of stare decisis best highlights the doctrine’s uneasy application in standard of review cases, because the only people who can be said to “rely” on a standard of review are the appellate judges themselves. The only expectation interest that would have been upset by a reversal of the Federal Circuit’s de novo standard would have been that of the Federal Circuit judges themselves. No corporation or individual makes decisions based on what standard an appellate court might apply to some future case. Indeed, even litigants in a case pay little attention to the standard until the time for appeal arises. Standards of review are not relied upon by any non-judicial actors, thus the reliance protection function of stare decisis is inapplicable.

Appellate courts are not constrained by the doctrine of stare decisis in determining the proper standard of review for specific cases. Standard of review cases do not implicate the traditional concerns protected by stare decisis, namely, reliance, separation of powers, and judicial legitimacy. The
Federal Circuit’s claim that stare decisis “operate[s] with full force” when reviewing standard of review holdings simply misunderstands the nature of stare decisis.\textsuperscript{267} In nearly all standard of review contexts, the advantages of adopting the correct standard of review will always outweigh the cost, if any, of reversing course.

\textbf{CONCLUSION}

The Supreme Court’s interest in the Federal Circuit shows no signs of abating. The federal court system’s uneasy experiment with a specialized appellate court has entered its third decade, but fundamental questions of procedure and practice remain. Over the past year, the Supreme Court has issued rulings with the potential to fundamentally alter the Federal Circuit’s power. The question the Supreme Court has grappled with is: “are specialized courts special when it comes to standards of review?”

This Article argues that the answer to that question is “no.” Fundamental principles of appellate practice demonstrate that the amount of deference owed to district court decisions turns on practical and pragmatic concerns. Essentially, appellate courts should defer on questions of fact and on mixed questions of fact and law in which factual questions predominate or substantially dictate a legal outcome. Conversely, appellate courts should review legal issues and mixed questions that are primarily legal in nature \textit{de novo}. The Federal Circuit’s expertise does not alter this framework, despite the court’s own decisions to the contrary.

Lastly, when it comes to the ultimate mixed question in patent law—claim construction—the Supreme Court has granted district courts the deference owed to them under the FRCP. Claim construction cases now will be reviewed by the Federal Circuit with the same standard applied by circuit courts in contract interpretation cases. By retaining \textit{de novo} review of the ultimate question of interpretation, while deferring to findings based on extrinsic evidence unless “clearly erroneous,” the Supreme Court has aligned the Federal Circuit’s standard of review jurisprudence with general appellate practice norms. Most importantly, requiring the Federal Circuit to grant deference to district court claim construction decisions will have salutary effects for the entire patent system.

\textsuperscript{267} Lighting Ballast, 744 F.3d at 1282 (“The principles and policies of stare decisis operate with full force where, as here, the en banc court is considering overturning its own en banc precedent.”).