



Patent Claim Construction

Ha Kung Wong and John P. Dillon, Fitzpatrick, Cella, Harper & Scinto, with ^{PLC}Intellectual Property & Technology

This Note sets out claim construction law and discusses the types of evidence that may be used to properly interpret claims, specifically intrinsic and extrinsic evidence, for infringement and validity determinations. This Note also discusses *Markman* brief content and the conduct of *Markman* hearings. This Note also considers concurrent district court patent litigation and USPTO proceedings where the same patent claims may be construed in these different forums.

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Claim construction is a fundamental issue in any patent infringement litigation, in both federal court and International Trade Commission (ITC) Section 337 proceedings. It is the process by which a court or other tribunal determines the scope and meaning of a patent's claims.

In the litigation context, a patent infringement determination requires a two-step process:

- The court must construe the patent claims.
- The fact finder must evaluate the construed claims against the allegedly infringing device or process.

Likewise, patent validity determinations are based on the construed patent claims.

Claim construction is also a key issue in certain US Patent and Trademark Office (USPTO) proceedings concerning the patentability of a claimed invention, for example, in post-grant and *inter partes* review proceedings.

This Note focuses on claim construction in the context of patent litigation in federal court and provides an overview of:

- Key case law.
- The proper evidence required, specifically:
 - intrinsic evidence, which includes the claim terms, the specification and the prosecution history; and
 - extrinsic evidence, such as treatises, dictionaries and expert testimony.
- *Markman* briefs and hearings.
- Issues concerning concurrent district court litigation and proceedings at the USPTO.

For information on patents generally, see *Practice Note, Patent: Overview* (<http://us.practicallaw.com/8-509-4160>). For information on key patent infringement claims and defenses, see *Practice Note, Patent Infringement Claims and Defenses* (<http://us.practicallaw.com/0-507-2685>).

CLAIM CONSTRUCTION'S LEGAL FOUNDATION

The Supreme Court in *Markman v. Westview Instruments Inc.* held that claim construction is a question of law reserved for the court and not a question of fact left to the fact finder (*517 U.S. 370 (1996)*).

Following the Supreme Court's decision in *Markman*, the Court of Appeals for the Federal Circuit (Federal Circuit) held that proper claim construction requires a review of the patent's intrinsic evidence and, when appropriate, extrinsic evidence (see *Phillips v. AWH Corp.*, *415 F.3d 1303 (Fed. Cir. 2005) (en banc)*). Courts must review this evidence to:

- Give the claims the meaning they would have to a person of ordinary skill in the art (POSA) at the time of the invention (see *Innova/Pura Water, Inc. v. Safari Water Filtration Sys., Inc.*, *381 F.3d 1111, 1116 (Fed. Cir. 2004)*). A POSA is a fictional, objective person who has the average knowledge, skill and expertise in the claimed invention's specific technical or scientific field (see *Phillips*, *415 F.3d at 1313 - 14*).
- Interpret the claims so they cover what was actually invented and what the inventor intended them to cover (see *Renishaw PLC v. Marposs Societa'per Azioni*, *158 F.3d 1243 (Fed. Cir. 1998)*).
- Preserve the claims' validity, except where the invalidating claim construction is consistent with the claim language and the specification (see *Marine Polymer Techs., Inc. v. Hemcon, Inc.*, *672 F.3d 1350, 1368 (Fed. Cir. 2012)* and *Rhine v. Casio, Inc.*, *183 F.3d 1342, 1345 (Fed. Cir. 1999)*). This guideline is based on a patent's presumption of validity (*35 U.S.C. § 282*). This is in contrast with the claim construction rule in USPTO proceedings, which applies the broadest reasonable interpretation to the claims (see *In re Yamamoto*, *740 F.2d 1569, 1571 (Fed. Cir. 1984)* and *USPTO Director's Forum: A Status Update on Use of Third Party Prior Art Submissions and Post-Grant Reviews*).

The ITC follows these same claim construction rules in Section 337 proceedings involving patent infringement (see *Alloc, Inc. v. Int'l Trade Com'n*, 342 F.3d 1361 (Fed. Cir. 2003)).

On appeal, the Federal Circuit generally reviews federal district, ITC and USPTO claim determinations *de novo*. In the case of a district court claim construction, the Federal Circuit gives no deference to the district court's factual determinations (see *Laryngeal Mask Co. Ltd. v. Ambu A/S*, 618 F.3d 1367, 1370 (Fed. Cir. 2010) and *Pass & Seymour, Inc. v. Int'l Trade Com'n*, 617 F.3d 1319, 1323 (Fed. Cir. 2010)). It reviews a USPTO claim construction decision by determining whether the claim construction is reasonable (see *In re NTP, Inc.*, 654 F.3d 1279, 1287 (Fed. Cir. 2011)).

PROPER CLAIM CONSTRUCTION EVIDENCE

Because proper claim construction begins with an analysis of the intrinsic evidence, claim construction is case-specific. An interpretation of a claim term in one case may be completely different from the interpretation of that same term in another case, especially where the fields of technology are different.

Intrinsic Evidence

Intrinsic evidence includes:

- The claims.
- The specification.
- The prosecution history.

(See *Phillips*, 415 F.3d at 1314.)

Reviewing the disputed claim terms in light of the intrinsic evidence is necessary because a POSA is deemed to read the claim term in the context of:

- The particular claim in which the disputed term appears in a way that makes sense in light of the overall claim language.
- The entire patent, including the specification.

(See *Phillips*, 415 F.3d at 1313.)

Claims

Patent claim terms are generally given their ordinary and customary meaning as understood by a POSA, if possible (see *Vitronics Corp. v. Conceptor, Inc.*, 90 F.3d 1576 (Fed. Cir. 1996)). Additional guidelines support this general claim construction rule to help the court determine the correct claim construction. For example:

- The context in which the terms appear in the claim as a whole is an important consideration in claim construction. If the patentee uses different terms to identify similar claim limitations, those terms should have different meanings (see *Bancorp Servs., L.L.C. v. Hartford Life Ins. Co.*, 359 F.3d 1367, 1373 (Fed. Cir. 2004)). Therefore, the context in which a term appears in the claim may often result in the claim term having a different meaning from its ordinary and customary meaning.

- The court may also consider the part of the claim in which the disputed term appears. Claims are comprised of three separate parts:
 - the preamble, which may identify the type of invention to which the claim relates and limits the claimed invention in certain situations, for example, where the preamble term recites essential structure or steps or if it is necessary to give life, meaning and vitality to the claim (see *In re Cruciferous Sprout Litigation*, 301 F.3d 1343 (Fed. Cir. 2002), citing *Catalina Mktg. Int'l Inc. v. Coolsavings.com*, 289 F.3d 801, 808 (Fed. Cir. 2002));
 - a transitional phrase, usually “comprising,” which does not generally limit the claim to the specific limitations recited in the claim, or “consisting of,” which does limit the claim to the specific limitations recited in the claim; and
 - one or more limitations.
- The court generally will attach different meanings and scope to different words or phrases used in separate claims (see *Anderson Corp. v. Fiber Composites, LLC*, 474 F.3d 1361, 1370 (Fed. Cir. 2007), *In re Rembrandt Techs., LP*, 2012 WL 4017470, *8 (Fed. Cir. 2012) (internal citations omitted) and *Seachange Int'l, Inc. v. C-COR Inc.*, 413 F.3d 1361, 1368-1269 (Fed. Cir. 2005)). However, this claim differentiation doctrine only creates a presumption that the terms have different meanings, which can be overcome by the specification and prosecution history (see *Kraft Foods, Inc. v. Int'l Trading Co.*, 203 F.3d 1362, 1365-69 (Fed. Cir. 2000)).

Specification

The specification is always highly relevant to the claim construction analysis. It is usually dispositive when the proposed construction most naturally aligns with the patent's description of the invention in the specification (see *Phillips*, 415 F.3d at 1316). For example, the specification may aid in claim construction where it does any of the following:

- Describes the invention's preferred or sole embodiment or specifically excludes an embodiment from the invention.
- Distinguishes prior art or cites particular advantages over prior art.
- Defines certain terms.

However, a fine line exists between construing the claims in light of the specification and improperly importing a limitation from the specification into the claims. In reviewing the intrinsic record to construe the claims, the proper claim construction should capture the scope of the actual invention. It should not:

- Limit the scope of the claims to the disclosed embodiment.
- Allow the claim language to become divorced from what the specification conveys is the invention.

(See *Retractable Techs., Inc. v. Becton, Dickinson & Co.*, 653 F.3d 1296, 1305 (Fed. Cir. 2011).)

The specification may also distinguish the invention from prior art or cite particular advantages over the prior art. The court may look to these distinguishing aspects to ensure that its construction reflects them (see *Inpro II Licensing, S.A.R.L. v. T-Mobile USA, Inc.*, 450 F.3d 1350, 1354-55 (Fed. Cir. 2006)). For example, if the specification distinguishes the invention from prior art on the basis that the invention does not contain certain components that the prior art contains, the court might construe the claims to avoid encompassing the distinguished features.

The patentee may act as his own lexicographer. Therefore, a patentee is free to provide any definition for a claim term, often in the specification, regardless of the term's ordinary meaning (see *Phillips*, 415 F.3d at 1316). However, the Federal Circuit has stated that the inventor must clearly indicate in the specification or file history the desired definition to overcome the presumption that the term's ordinary and customary meaning applies. The inventor may provide this indication by, for example, using quotation marks around the terms in question (*Vitronics*, 90 F.3d at 1582).

Prosecution History

A USPTO patent examiner evaluates a patent application to determine whether the claimed invention meets the statutory requirements of patentability. Often there is significant correspondence between the patentee, or its agents or attorneys, and the USPTO examiners during this examination. The prosecution history, which is the written record of this correspondence, can provide helpful information in determining proper claim scope.

For example, the patentee may have disclaimed a broad definition of a claim during prosecution to overcome prior art, which the courts should take into account when construing the claim terms (see *Typhoon Touch Techs., Inc. v. Dell, Inc.*, 659 F.3d 1376 (Fed. Cir. 2011)). However, the court requires a clear and unambiguous disclaimer of the subject matter by the patentee (see *Omega Eng'g, Inc. v. Raytek Corp.*, 334 F.3d 1314 (Fed. Cir. 2003)).

The prosecution history is often considered less helpful as intrinsic evidence than the specification. It often lacks the clarity provided in the specification because the prosecution history represents an ongoing negotiation between the applicant and the USPTO (see *Phillips*, 415 F.3d at 1317 and *AIA Eng'g Ltd. v. Magotteaux Int'l S/A*, 657 F.3d 1264 (Fed. Cir. 2011)).

Extrinsic Evidence

When the intrinsic evidence does not provide a clear claim construction, courts may look to extrinsic evidence to help in claim interpretation, for example, by considering evidence concerning:

- Relevant scientific principles.
- The meaning of technical terms.
- The state of the art.

Extrinsic evidence that provides this type of information can include anything not within the patent or associated prosecution history, including:

- Dictionaries.
- Treatises.
- Expert testimony.

(See *Phillips*, 415 F.3d at 1314.)

The court has no obligation to consider extrinsic evidence. Instead, the court may use extrinsic evidence if it believes it would be helpful. However, the court may not use extrinsic evidence to vary or contradict any intrinsic evidence (see *Phillips*, 415 F.3d at 1318-19 and 1324).

Dictionaries and Treatises

The Federal Circuit has given dictionaries and treatises more weight than other forms of extrinsic evidence (see *Vitronics*, 90 F.3d at 1583 n.6). Because claims are interpreted by using the definition known to a POSA at the time of the invention, the dictionary or treatise the party seeks to use should also include a definition from the time of the invention (see *Symantec Corp. v. Computer Assocs. Int'l Inc.*, 522 F.3d 1279, 1291 (Fed. Cir. 2008)).

Expert Testimony

In *Phillips*, the Federal Circuit explained that expert testimony can be used to:

- Provide the background of the technology at issue.
- Explain how an invention works.
- Ensure that the court's understanding of the patent's technical aspects is consistent with that of a POSA.
- Establish that a particular term in the patent or the prior art has a particular meaning in the pertinent field.

(*Phillips*, 415 F.3d at 1319.)

However, the Federal Circuit has held that only in rare instances is it proper for the court to rely on expert testimony to construe claim terms, for example, where the intrinsic evidence, taken as a whole, does not enable the court to construe the claims (see *Vitronics*, 90 F.3d at 1585).

MARKMAN BRIEFS AND HEARINGS

The Supreme Court's ruling in *Markman* led district courts to:

- Use specific hearings, known as *Markman* hearings, to address claim construction disputes.
- Issue claim construction rulings after the *Markman* hearing to resolve claim construction disputes.

Because patent infringement and validity depend on the determination of the proper patent claim scope, both patent owners and alleged infringers typically expend significant resources addressing claim construction. In most patent infringement litigations, the parties focus on one or more claim terms and assign different meanings to the terms to support their respective positions. Typically the parties have significant disputes concerning the appropriate claim construction because many times the claim construction ruling determines the patent infringement litigation outcome.

At the litigation's outset, the parties, often with the aid of the court, set a pre-trial case scheduling order at or shortly after a Rule 16 conference that may outline the deadlines for filings. The scheduling order may impact claim construction by including deadlines for:

- Identifying claim terms necessary for construction.
- Identifying infringement and validity contentions.
- Proposing initial constructions of identified terms.
- Submitting claim construction briefs.
- Holding the claim construction hearing.

Identifying Claim Terms for Construction

Before identifying the key claim terms the court needs to construe and submitting their claim construction briefs, litigants should:

- Carefully consider their infringement and validity positions.
- Identify the intrinsic and extrinsic evidence that supports a claim construction aligned with the infringement and validity positions.
- Carefully consider their claim construction strategy.

Local patent rules or a judge's own rules may limit the terms available for claim construction preventing a litigant from disputing every claim term in the patent. For example, the US District Court for the Northern District of California's local patent rules provide that the parties attempt to agree to identify the terms having constructions that will be the most significant to resolving the case, up to a maximum of ten (*N.D. Cal. Loc. Pat. R. 4-3(c)*). Litigants should also minimize the number of claim terms for interpretation because disputing too many or insignificant claim terms can dilute the importance of the claim terms that directly impact the key infringement and validity issues.

Courts often require parties to meet and confer regarding disputed claim terms before submitting their claim construction briefs. Often parties differ on which terms they believe the court should construe.

Markman Briefs

Markman briefs are organized in typical brief fashion and usually contain these sections:

- Introduction.
- Background, which should address:
 - the technology of the patented invention;

- the patents in suit; and
- the asserted claims and claim terms at issue.
- Argument, which should:
 - discuss relevant claim construction law, including the use of both intrinsic and extrinsic evidence;
 - describe a POSA in the particular field of the invention; and
 - set out the proposed claim construction for each term in dispute and the arguments in favor of the proposed construction based on the intrinsic evidence and any extrinsic evidence.
- Conclusion.

An expert declaration or a prerecorded technology tutorial sometimes may accompany the brief. The district court's local rules and the judges' own rules should always be considered before brief drafting, as requirements may differ by court.

Markman Hearings

A litigant should consider both the timing and the conduct of a *Markman* hearing.

Timing of Markman Hearings

There is no requirement that a court conduct a *Markman* hearing at a certain point in the litigation. A district court can perform a *Markman* hearing at any point before charging the jury. Therefore, these hearings can occur at almost any point in a case, including:

- Before, during or after fact or expert discovery.
- During the trial before providing instructions to the jury.

Some district courts have local patent rules, which, among other things, govern the timing of *Markman* hearings. For example, the US District Court for the District of New Jersey has local patent rules that require litigants to complete claim construction before the end of fact discovery. Consistent with this, many local patent rules increasingly advocate earlier claim construction hearings. For example, the Northern District of California's local patent rules require that claim construction briefs be filed before the completion of full discovery (*N.D. Cal. Loc. Pat. R. 8-10*).

The timing of the *Markman* hearing may be an advantage or disadvantage, depending on the actual timing. If the hearing takes place before the close of fact discovery:

- Litigation costs may be lower because the parties will learn the court's construction early in the litigation. This can narrow the scope and focus of discovery. However, it is also possible that the court may construe the claims broadly, requiring significantly greater discovery than expected
- Settlement discussions may occur earlier.

If the hearing takes place after the close of fact discovery, all parties may be able to fully develop their arguments and theory of the case. However, a later *Markman* hearing may force experts to provide opinions concerning infringement or validity based on the parties' different proposed constructions and not just the court's construction.

Conduct of *Markman* Hearings

In many cases, a *Markman* hearing is comprised of two parts:

- A tutorial dedicated to instructing the court on the scientific background of the patent. Certain judges prefer live tutorials during the hearing. Other judges prefer tutorials with the briefing. The parties may file the briefs separately or jointly. District courts do not always allow tutorials. If the court does not allow a tutorial, litigants should be prepared to have their expert available to answer any of the court's questions concerning the invention's scientific background.
- Oral arguments for claim construction, which may also include live witness testimony. For example, the inventor may provide testimony concerning the invention and how the claims encompass the invention. Alternatively, and more commonly, experts offer testimony addressing how a POSA would interpret the intrinsic or extrinsic evidence. An expert may also provide further scientific background to aid the court.

It is generally important for litigants to:

- Know the details of the intrinsic evidence and be prepared for the court's questions concerning the intrinsic evidence.
- Use demonstrative evidence because claim construction often involves complex scientific issues that the court must understand to reach a proper claim construction. The demonstrative evidence can include either:
 - presentations using projectors that distill complex scientific issues into a readily understandable form, to explain the extrinsic evidence in a meaningful way and highlight the most important evidence; or
 - physical boards, which can provide the same evidentiary benefit as a presentation but have the advantage of being more permanent as compared to a video presentation because the boards remain in the courtroom, and if properly positioned, will remain in the judge's view throughout the hearing.
- Understand the court's local patent rules, if any, addressing the conduct of claim construction hearings. As with timing considerations, no federal procedural requirements govern the conduct of the hearing.

Additional Considerations

The goal of a successful claim construction ruling may be the filing of a summary judgment motion based on a favorable construction, which can often determine the outcome because the court's claim construction rulings are often the basis for:

- Jury instructions.
- Infringement and validity determinations.

A court's *Markman* ruling is not final and therefore is not appealable. If the ruling determines the outcome, the parties may often stipulate to the unresolved issues, for example, infringement or validity, to make the decision final and allow a party to bring the appeal more quickly to the Federal Circuit.

CLAIM CONSTRUCTION AND CONCURRENT LITIGATION AND USPTO PROCEEDINGS

In certain circumstances, a party challenging a patent in a pending district court litigation may also seek to file a petition with the USPTO for an *inter partes* review or post-grant review for the patent-in-suit (see *Practice Note, Leahy-Smith America Invents Act: Overview: USPTO Procedures for Patent Challenges* (<http://us.practicallaw.com/6-508-1601>)). This may be desirable for the patent challenger because of the different claim construction standards in federal district courts and the USPTO (see *Claim Construction's Legal Foundation*).

Where concurrent district court litigation and proceedings before the USPTO are pending, a party to the district court litigation can move the district court to stay its proceedings pending resolution of the concurrent USPTO proceeding. The court may grant the motion to stay because a USPTO decision may affect the outcome of the district court proceedings.

Before passage of the Leahy-Smith America Invents Act (AIA), many courts did not grant stays because the previously available USPTO proceedings were typically time-consuming. However, the new *inter partes* and post-grant review proceedings impose strict time limits on the USPTO for completion. This may make district courts more inclined to grant stays.

If business method patents are involved, the AIA sets out a four-part test for granting stays during the transitional program for covered business method patent review. On a request for a stay when there are concurrent district court and USPTO proceedings, the district court can consider staying its proceeding pending resolution of the covered business method patent review after evaluating whether:

- A stay may simplify issues for trial.
- Discovery is complete and a trial date is set.
- A stay presents a clear tactical advantage for the party moving for the stay and prejudices the nonmoving party.
- A stay or denial of a stay may reduce the burden of litigation on the parties and the court.

For more information on the transitional procedure for covered business method patents review, see *Practice Note, Leahy-Smith America Invents Act: Overview: Transitional Program For Covered Business Method Patent Review* (<http://us.practicallaw.com/6-508-1601>).

For the links to the documents referenced in this note, please visit our online version at <http://us.practicallaw.com/6-524-1100>

HA KUNG WONG

Fitzpatrick, Cella, Harper & Scinto



T + 212 218 2571
F + 212 218 2200
E hwong@fchs.com
W www.fitzpatrickcella.com

Professional qualifications. New York, US;

Areas of practice. Ha Kung Wong practices general intellectual property law with an emphasis on complex patent and trade secret litigation in pharmaceuticals, biologics and chemistry. Cases Mr. Wong has litigated include those related to proton pump inhibitors, anti-epileptic drugs, anti-tussives and other pharmaceuticals. Mr. Wong also has extensive experience with intellectual property counseling, pre-suit investigations, licensing and due diligence.

JOHN P. DILLON

Fitzpatrick, Cella, Harper & Scinto



T + 212 218 2376
F + 212 218 2200
E jdillon@fchs.com
W www.fitzpatrickcella.com

Professional qualifications. New York, US

Areas of practice. Mr. Dillon practices general intellectual property law with an emphasis on complex pharmaceutical patent litigation.

While in law school, Mr. Dillon was an Associate Managing Editor of the Brooklyn Journal of International Law.

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