

***Edward H. Phillips
v.
AWH Corporation, et al.***

Ken Bass

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ATTORNEYS AT LAW

The July 21, 2004 *En Banc* Order

- The Patent (US 4,677,798) covered steel shell panels that could be used to form vandalism-resistant walls.
- Judges Lourie and Newman voted to uphold the District Court's claim construction that "baffle" meant an intervening structure that was not at a 90° angle to the exterior wall.
- Judge Dyk dissented.
- The Court voted to hear the case en banc and issued an order directing the parties to brief 7 questions.

The Questions Posed: #1

- Is the public notice function of patent claims better served by referencing primarily to technical and general purpose dictionaries and similar sources to interpret a claim term or by looking primarily to the patentee's use of the term in the specification?
- If both sources are to be consulted, in what order?

The Questions Posed: #2

- If dictionaries should serve as the primary source for claim interpretation, should the specification limit the full scope of claim language (as defined by the dictionaries) only when the patentee has acted as his own lexicographer or when the specification reflects a clear disclaimer of claim scope?

The Questions Posed: #2 (cont.)

- If so, what language in the specification will satisfy those conditions?
- What use should be made of general as opposed to technical dictionaries?
- How does the concept of ordinary meaning apply if there are multiple potentially applicable definitions for a term?
- Is it appropriate to look to the specification to determine what definition or definitions should apply?

The Questions Posed: #3

- If the primary source for claim construction should be the specification, what use should be made of dictionaries?
- Should the range of the ordinary meaning be limited to the scope of the invention disclosed in the specification, for example, when only a single embodiment is disclosed and no other indications of breadth are disclosed?

The Questions Posed: #4

- Instead of viewing the claim construction methodologies in the majority and dissent of the now-vacated panel decision as alternative, conflicting approaches, should the two approaches be treated as *complementary methodologies* such that there is a dual restriction on claim scope, and a patentee must satisfy both limiting methodologies in order to establish the claim coverage it seeks?

The Questions Posed: #5

- When, if ever, should claim language be narrowly construed for the sole purpose of avoiding invalidity under, *e.g.*, 35 U.S.C. §§102, 103, and 112?

The Questions Posed: #6

- What role should prosecution history and expert testimony by one of ordinary skill in the art play in determining the meaning of disputed claim terms?

The Questions Posed: #7

- Consistent with the Supreme Court's decision in *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996), and our *en banc* decision in *Cybor Corp. v. FAS Technologies, Inc.*, 138 F.3d 1448 (Fed. Cir. 1998), is it appropriate for this court to accord any deference to any aspect of trial court claim construction rulings?
- If so, on what aspects, in what circumstances, and to what extent?

Judge Mayer's Dissent

- Then Chief Judge Mayer dissented from the *en banc* order because he felt the Court's 1998 *en banc* decision in **Cybor** made no sense and that it was pointless to argue about the rules of construction as long as the Court adhered to the "fiction" that the issues were entirely matters of law without factual underpinnings.

The *En Banc* Briefs

- The Appellant and the Appellees filed simultaneous briefs.
 - The Appellant focused on the facts of the case
 - The Appellees focused on the 7 questions
- More than 30 amicus briefs were filed.

February 8, 2005 Oral Argument

- Counsel for the two parties and the PTO Solicitor presented arguments
- Surprisingly the Court focused on the facts – not the 7 questions
 - Despite the Court's evident dissatisfaction at the *Knorr-Bremse* en banc when counsel focused on the facts.
- The moral: Ya can't rely on the past as an unchangeable guide to the future!

The Post-Argument Conference

- According to Judge Rader's Comments to his George Washington Law School class that evening, the Court conferred for several hours and decided to answer 4 of the 7 questions.
- Judge Rader said the opinion would be out "shortly" and there would be one or more dissents.

The Pre-Decision Hints

- Despite the pendency of the decision, the Court continued to issue claim construction opinions.
- On at least two occasions in June, 2005, Judge Rader told groups of lawyers that “if you read the Court’s last 10 claim construction opinions, you’ll see where we are likely to go in *Phillips*.”
 - Most of the recent decisions had emphasized reliance on a “holistic” consideration of the intrinsic evidence and did not discuss lay dictionary meanings of disputed terms.
- At the FCBA Bench/Bar meeting in late June, Judge Rader suggested we would see the *Phillips* decision in “two to three weeks.”
- That same week the Court issued an opinion authored by Judge Dyk that relied on Webster’s to define “pot.” (*Prima Tek II, L.L.C., et al. v. Polypap, et al.*, June 22, 2005)

Decision Day!

- The Court's Decision was released on July 12, 2005.
- Judge Bryson wrote the majority decision.
- The Court answered questions 1 through 6 unanimously.
 - The answers were more or less clear and complete.
- Judges Mayer, Newman and Lourie dissented because of the Court's decision not to answer the 7th question -- they would defer to ??.

What Did They Decide?

- Some commentators say they didn't decide anything, or as Judge Mayer put it:
- The majority “merely restate[d] what has become the practice over the last ten years — that [the CAFC] will decide cases according to whatever mode or method results in the outcome we desire, or at least allows us a seemingly plausible way out of the case.”

Others Say That -

- The Court interred *Texas Digital* with dignity but without an obituary.
- The Court put primary emphasis on the *entire* patent, including significantly the specification, as the foremost guide to claim construction.
- The Court re-emphasized the significance of the intrinsic evidence.
- The Court said trial judges always have discretion to consider extrinsic evidence – including testimony from technical experts.
- The Court put lay dictionaries at the very bottom rung of the ladder.

OK, But What Did *The Court Say*?

- Question #1:
 - Claims are primary. Consult the spec first, dictionaries later if at all
- Question #2:
 - Dictionaries Are Not Primary Source
- Question #3:
 - If the Spec is unclear, and experts don't resolve it, consult a technical dictionary to resolve ambiguity.

OK, But What Did *The Court* Say?

- Question #4:
 - There are not 2 methodologies. It's not a matter of 1-2-3 logic, but weighing of all the evidence and application of judgment.
- Question #5:
 - Never
 - Well, probably never

OK, But What Did *The Court* Say?

- Question #6:
 - Significant
- Question #7:
 - Ask us again later, we're not ready to decide that today.

What Might It Mean for Future Patent Trials and Appeals?

- Increased use of technical experts to testify as to what the claim terms meant at the time of the application to one of ordinary skill in the art.
- Judicial reliance on that evidence, when it is not contradicted by the intrinsic evidence.
- Trial judges making “findings of fact” as to what a disputed claim meant to one of ordinary skill.

What Might It Mean for Future Patent Trials and Appeals?

- Affirmance of trial court decisions where the trial judge has made factual findings as to the meaning of disputed terms, based on weighing the extrinsic evidence.
 - (as long as it is not contradicted by the intrinsic record)
- Appellees should argue that *Cybor* should be re-considered and overruled.
 - There are at least 5 votes there for a change

What Does It Surely Mean for Future Patent Trials and Appeals?

Continued unpredictability of CAFC decisions on claim construction decisions.

Does it Make A Difference?

Compare:

Nystrom v. Trex, 374 F.3d 1105 (June 28, 2004)
("board" is not limited to boards made of wood)

With:

Nystrom v. Trex, ___ F.3d ___ (September 14, 2005)
("board" is limited to boards made of wood)

Solely because of the *Phillips* decision Judges Linn and Mayer changed their votes and agreed with Gajarsa

What's Next ?

- Supreme Court review?
 - A Petition for Cert is pending.
 - Merck v. Teva (CAFC Jan. 2005)
 - AWH has asked for an extension of time to file its own petition.
- A CAFC order setting the deference issue down for *en banc* consideration.