by Ryan M. Schultz

Standard of Review for Claim Construction: A Look at the Past and Possible Concerns for the Future

The Federal Circuit is reconsidering its 1998 *Cybor Corp. v. FAS Techs. en banc* decision that district court claim constructions are reviewed *de novo*. In *Lighting Ballast Control LLC v. Philips Electronics*, the *en banc* court will decide whether claim construction decisions by the district court are entitled to any deference, and if so, to what extent. This article discusses what led to the Federal Circuit's decision in *Cybor* and raises issues that the court should consider before changing the process for appellate review of claim construction orders.

After the creation of the Federal Circuit in 1982, the court held that claim construction is an issue of law reviewed *de novo*.[1] The court based its decision on the 1853 Supreme Court precedent set forth in *Winans v. Denmead*, which said that determining "what is the thing patented" is a question of law. The Federal Circuit then issued a line of cases confirming a *de novo* standard of review for claim construction orders.[2]

Around that time, several Federal Circuit panels held that when extrinsic evidence, such as expert testimony, was relied upon to determine the meaning of the claims, the appellate review of the patent's construction was clear error.[3] These panels recognized that factual questions might come up during the claim construction process. They suggested courts should review these fact disputes for clear error on appeal, giving some deference to lower courts' fact-finding efforts.[4] However, other Federal Circuit panels continued to apply a *de novo* review of claim construction orders regardless of whether factual questions were raised.[5]

To resolve the growing internal circuit split, the Federal Circuit, sitting *en banc*, held in *Cybor* that claim construction was an issue of law and subject to *de novo* review.[6] The court acknowledged that it was a "mongrel practice," as recognized by the Supreme Court, because of the intricate nature between factual and legal issue involved in rendering claim constructions.[7] However, the *Cybor* court reasoned that because a patent is a complete written document, there is no need for factual determinations of its scope or meaning. Instead, determination was properly subject to *de novo* review.[8] Of note, the Federal Circuit also relied on the Supreme Court's rational that expert testimony in claim construction would be of little value such that the likelihood of any credibility determination occurring would be "doubtful."[9]

After 18 years of applying the *de novo* standard to claim construction, the Federal Circuit is revisiting the appropriate standard of review. Because it has decided to take this issue up *en banc*, it seems likely that the court will change the standard of review for claim construction. But any change should not be taken lightly, and there are several issues for the court to consider.

First, will any increased deference apply to all claim terms when only some of them required the consideration of extrinsic evidence? If the answer is yes, then the Federal Circuit will be applying different levels of review to different parts of the order. This split review standard may be difficult to apply in practice, given that many terms in the patents relate to each other. Drawing the line between where extrinsic evidence was used and where it was not may be more challenging than expected. Further, it would seem to create a new battleground between the parties with respect to whether extrinsic evidence was used and to what extent, creating additional issues that would have to be addressed by the appellate court.

Second, will district courts be more willing to receive and consider extrinsic evidence when making claim construction determinations to insulate the claim construction order in a higher standard of review? It is well known that many district courts are frustrated by spending extensive time and effort to construe claims, only to have their decisions reviewed without any deference by the Federal Circuit. Parties may spend more time and effort attempting to demonstrate to the district court that extrinsic evidence is needed to construe the terms to further insulate the claim construction order on appellate review, and district courts may be willing to go along with them to protect their decisions. Providing the parties and district courts with an incentive to seek and utilize extrinsic evidence seems contrary to the Federal Circuit's *en banc* rational in *Phillips* that extrinsic evidence is "less significant than the intrinsic record in determining 'the legally operative meaning of claim language.'"[10]

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Third, a change in the appellate review may create more disputes regarding the determination of the qualifications of the hypothetical person of ordinary skill in the art. Claim terms are to be construed as the "meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention…."[11] The district court would need to resolve the fact question of determination. This would likely require the submission of expert testimony. This issue has the potential to cause the entire claim construction order to be reviewed under a clear error standard as all claim constructions are determined from the eyes of one of ordinary skill. Guidance from the Federal Circuit as to whether the determination of the qualifications of one of ordinary skill would be subject to a heightened review standard and the impact on the review standard for the claim construction order would be prudent.

While it is uncertain if the Federal Circuit will change the standard of review for claim construction orders, any proposed change should be taken with care. These orders provide a unique situation wherein the resulting order is a complex interweaving of factual and legal issues. Thus, the appropriate standard of review becomes challenging when trying to balance the need for unfettered review of legal issues with a level of deference when factual issues are decided. ⊙

Endnotes

[1]*SSIH Equip. S.A. v. United States Int'l Trade Comm'n*, 718 F.2d 365, 376 (Fed. Cir. 1983).

[2]*Kalman v. Kimberly-Clark Corp.*, 713 F.2d 760, 770-71 (Fed. Cir. 1983); *Fromson v. Advance Offset Plate, Inc.*, 720 F.2d 1565, 1569-71 (Fed. Cir. 1983); *SRI Int'l v. Matsushita Elec. Corp. of America*, 775 F.2d 1107, 1118-22, 1138-40 (Fed. Cir. 1985) (*en banc*).

[3]*McGill Inc. v. John Zink Co.*, 736 F.2d 666, 672 (Fed. Cir. 1984); *Bio-Rad Labs, Inc. v. Nicolet Instrument Corp.*, 739 F.2d 604, 614 (Fed. Cir. 1984); *Palumbo v. Don-Joy Co.*, 762 F.2d 969, 974 (Fed. Cir. 1985); *Moeller v. Ionetics, Inc.*, 794 F.2d 653, 657 (Fed. Cir. 1986).

[4]*See Eastman Kodak Co. v. Goodyear Tire & Rubber Co.,* 114 F.3d 1547, 1555-56 (Fed. Cir. 1997); *Wiener v. NEC Elecs. Inc.*, 102 F.3d 534, 539 (Fed. Cir. 1996); *Metaullics Sys. Co. v. Cooper*, 100 F.3d 938, 939 (Fed. Cir. 1996).

[5]*Serrano v. Telular Corp.,* 111 F.3d 1578 (Fed. Cir. 1997); *Alpex Computer Corp. v. Nintendo Co.*, 102 F.3d 1214 (Fed. Cir. 1996); *Insituform Techs., Inc. v. Cat Contracting, Inc.*, 99 F.3d 1098 (Fed. Cir. 1996).

[6]*Cybor Corp. v. FAS Techs.,* 138 F.3d 1448, 1451 (Fed. Cir. 1996) (*en banc*).

[7]*Id.* at 1455.

[8]*Id.*

[9]*Id.*

[10]*Phillips v. AWH Corp.*, 415 F.3d 1303, 1317 (Fed. Cir. 2005) (*en banc*) (internal citations omitted).

[11]*Id.* at 1313.