Mastering Patent Claim Construction in the Brave New Patent World

A Patent Special Master's Perspective

BY **ROBERT J. RANDO**

The recent changes to the U.S. patent laws and the evolution of patent law practice represent a response to the rapidly expanding information and technology-based world in which we live. The most radical changes have occurred over the last five years and include congressional action, with the full support of the Executive, effecting historic changes to the patent law with the America Invents Act; the Supreme Court's increased vigilance in granting certiorari for patent cases at a remarkable rate; the Federal Circuit's continued attempts to formulate clearly defined "black letter" law for nuanced patent law issues; and the latest proposed patent law reforms related to nonpracticing entities.

One fundamental aspect of patent law is the determination of patent infringement and validity. At the heart of each of these determinations is the patent claim construction. In this article, I will discuss the beneficial use of special masters in the claim construction process and provide tips and suggestions for successful patent claim construction.

Appointment of a Patent Special Master

Authority for appointment of a special master is found in Rule 53 of the Federal Rules of Civil Procedure.[1] The special master is a quasi-judicial officer with authority and functions similar to that of a U.S. magistrate judge with respect to civil matters.[2] Like a magistrate judge, a special master provides a recommendation to the court. A special master's recommendation is reviewed de novo, unless the parties agree to a more deferential standard of review. The parties pay for the services of the special master, in amounts allocated by the court.

Why appoint a special master? Any number of reasons may motivate the court to appoint a special master. In patent cases, often the decision whether or not to appoint a patent special master is connected with the complexity of the science or technology or the intricacies, breadth, and depth of materials associated with large patent families, the number of patents, or the number of patent claims at issue in the case. The complexities associated with the technical or scientific subject matter may convince a judge that a special master is necessary. Cases with multiple parties and multiple patents with a large number of asserted claims from each patent or an unwieldy intrinsic record including voluminous file histories and families of patents or foreign patents, filings, or proceedings may be good candidates for appointment of a special master. It may be that there are a number of nuanced issues of patent law present in the case, which could compel a court to appoint a special master. Alternatively, a party, or the parties jointly, may make a request to the judge for appointment of a special master in the case.

How is a special master appointed? A special master may be appointed in a case in one of several ways. The district court judge may make a finding, based on any of the reasons discussed above, that efficiencies dictate the appointment of a special master to preside over particular matters. These matters can include summary judgment on discrete issues in the case, discovery proceedings and disputes, and most often, patent claim interpretation.[3]

How is a special master selected? The judge may suggest to the parties that they find an individual that they agree upon to serve as the special master, the judge may select a specific individual, or the court may suggest a number of individuals for the parties to agree upon.

What are the advantages of appointing a patent special master? For the parties, the advantages of appointing a special master in a patent case include the ability to flesh out the claim interpretation issues through a process that is not constrained by a court's docketing pressures; the perspective on the claim construction issues from a knowledgeable and experienced nonparty; and a thorough analysis of the disputed claim terms (assuming that is desired by all parties) resulting from the special master's focused patent litigation experience and understanding of the science or technology covered by the patent(s) at issue.

For the court, the advantages of appointing a special master in a patent case include more efficient case management of the patent case; greater efficiency in allocating limited judicial resources; and the benefit of understanding the science or technology involved in the case and how it applies to the metes and bounds of the patent(s) at issue from the perspective of a disinterested and objective source (i.e., the patent special master).

Of course, one consideration for the parties regarding the patent special master services is the cost that is shared among the parties for his or her services. However, that cost may often be de minimis when compared to the savings that can be realized from a claim construction that enables the parties to avoid the much greater costs and expenses of protracted litigation. Indeed, each of the cases in which I have been appointed as a patent special master has settled post-*Markman* proceedings or after the court's adoption of my report and recommendation on claim construction.[4]

Overview of *Markman* Claim Construction Considerations When Using a Special Master

When a special master is appointed, the matters that need to be considered by the master (as with the court) and the parties are whether a hearing will be necessary and the timing and length of briefing. In my own practice, I tend to be very liberal with the parties and permit them to operate without the imposition of any artificial page limitations (within reason). I find that allowing the parties to provide a more comprehensive presentation enables me to do a better job in rendering the report and recommendation to the court.

Another issue that the special master (again, like the court) must consider is the number of claim terms in dispute. Often, a dispute involving a large number of claim terms is unavoidable, but it is in the best interest of all involved to focus in on the most determinative claim terms. Many judges, individually or by local patent rule, will limit the number of disputed claim terms that they will consider. Under those circumstances, part of the strategy depends upon the parties' ability to sort out which of those claim terms really make the difference in the particular case. A consequence of the limitation on the number of claim terms to be interpreted by the court can result in parties seeking creative ways to include more than one disputed claim term in a lengthy phrase. However, if the claim term is presented as part of a long phrase, it can complicate the interpretation and, thus, the meaning of a significant disputed claim term can be lost. It can obfuscate the real claim term that may be decisive.

As with briefing limitations, subject to a particular judge's order or preference, a special master can often entertain more disputed claim terms than might normally be allowed by the court. For example, in one of the cases in which I was appointed as a special master, I set procedures for claim construction of 56 disputed terms from 122 claims in five different patents in dispute, and I presided over a seven-day *Markman* hearing.

Another issue to be decided is whether, and what kind of, extrinsic evidence may be relied upon and to what extent. A decision must be made as to whether there will be expert opinions and whether live testimony will be provided at the hearing. Like a court, a special master can hold a full claim construction hearing, complete with witness testimony.

Advice for Effective *Markman* Claim Construction Briefing Before a Special Master

When it comes to *Markman* claim construction briefing before a special master, it is not very different from litigation briefing in general. As noted above, however, because the special master may not have the time constraints of the court, the parties may be permitted to advance more terms or use more pages than might be permitted in court.

As with all briefing, consistency, where not impossible, is key and should be the goal. Consistency in this context means being cognizant of the presentation one will be making at the hearing. Counsel should make sure that the brief will not be at odds with the presentation. Also, it is important to ensure the accuracy of evidentiary support so that the opposing party will not be able to argue a mistake or questionable credibility.

> Counsel should avoid outrageously unsupported arguments. No matter how critical the issue may be, one extreme argument may very well diminish the value and credibility of other more cogent and realistic arguments.

Counsel should also avoid outrageously unsupported arguments. No matter how critical the issue may be, an excursion into another dimension well beyond reality will be obvious to the special master. One extreme argument may very well diminish the value and credibility of other more cogent and realistic arguments.

Tips for Setting the Stage for the Patent and the Patented Technology with the Special Master

One issue relevant to the presentation of the patented technology is the special master's technology background. The selected special master—probably unlike the judge—may have a technical background that is relevant to the technology in dispute. It is valuable to determine whether the special master is an expert in a particular science or technology[5] and craft a presentation accordingly.

It is important to construe the disputed claim terms within the context of the patented invention and technology.[5] In addition, the presentation in the brief and at the hearing should be harmonized within the setting of the technology. By providing the accused device, a general discussion of the technology, or the background of the technology, the presentation will resonate with the special master throughout the claim interpretation process and during the preparation of the special master's report and recommendation. (Of course, the same applies to a judge in cases without a special master.)

Another useful tool is a joint tutorial. As part of the presentation of the patent or the patented technology, use of a joint tutorial serves several purposes. It instills the concepts in the special master, provides context, and, more importantly, it is often the first time during the course of a litigation that the parties, or their attorneys, remove their adversarial hats and engage in a substantive cooperative endeavor.

The benefits of the cooperative nature of the exercise cannot be overstated. It serves a meaningful purpose for the parties. I try to encourage the parties not only to work together on a joint tutorial but also to find their common ground on the disputed terms and bridge their differences. One of the valuable advocacy lessons that I have learned from being on the other side of the bench is the adverse impact and negative impression on the court that occurs when advocates become trapped in "sandbox" disputes. The joint tutorial represents a good "timeout" for advocates that have a tendency to engage in such sandbox arguments.

Conclusion

As more attention is directed to the U.S. patent laws and patent system by the various components of our tripartite government, as well as the business community and the public in general, the issues surrounding patent claim construction or claim interpretation take on increasingly greater significance. Because claim construction is often outcome determinative in patent disputes, the extent to which the claim interpretation process is implemented in a consistent, predictable, and reliable manner will dictate the level of confidence attributable to the integrity of our patent system. Utilization of a special master in complex patent litigation can go a long way toward achieving that goal. ⊙

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Endnotes

[1]Fed. R. Civ. P. 53 (2009).

[2]*Id.*

[3]*Id.*

[4]*See* also David R. Cohen, *Special Masters Versus Magistrate Judges: No Contest,* Fed. Law., Sept. 2014, at 73.

[5]*Phillips v. AWH Corp.,* 415 F.3d 1303, 1315-19 (Fed. Cir. 2005).