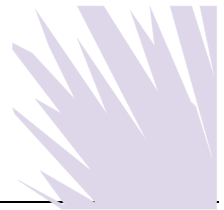


Markman Determinations

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MARKMAN DETERMINATIONS*

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The single most important motion in a patent case involves a *Markman*² hearing. Since the Supreme Court has mandated that claim interpretation is a matter of law to be decided by the court,³ the trial judge, at least in jury cases, must render a claim interpretation sometime before the case is sent to the jury. Claim interpretation issues can arise in a number of different contexts. The trial court can hold a separate proceeding to determine the appropriate claim interpretation, which can be held early in the case, on the eve of trial, or at some intermediate time. Claim interpretation can be decided on written submissions, usually accompanied by oral argument, or after a hearing with live witnesses. A court can issue a claim interpretation in other contexts, such as in a ruling on a motion for summary judgment or on a motion for preliminary injunction. Once again, the trial court may render its decision on the basis of written submissions alone, or after receiving testimony from live witnesses. Finally, a court can wait until it hears the evidence at trial and then render its claim interpretation and instruct the jury accordingly.

MARKMAN IN GENERAL

In *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 38 USPQ2d 1461 (1996), the Supreme Court affirmed the decision of the Federal Circuit that claim interpretation is a matter of law to be carried out by the judge, not the jury. The Supreme Court explained:

The construction of written instruments is one of those things that judges often do and are likely to do better than jurors unburdened by training in exegesis. Patent construction in particular is a special occupation, requiring, like all others, special training and practice. The judge, from his training and discipline, is more likely to give a proper interpretation to such instruments than a jury; and he is, therefore, more likely to be right in performing such a duty than a jury can be expected to be.⁴

Prior to *Markman*, the construction of patent claims, which often involved highly technical and complex issues, were typically decided by juries. The Supreme Court captured the sentiment of many that juries were often confused, thus leading to inconsistent and unpredictable results. Trial judges, the Court felt, were simply better suited to make these determinations. It is, however, less than certain that *Markman* has led to better and more predictable results. In his dissent in *Cybor Corp. v. FAS Technologies, Inc.*,⁵ Judge Radar made reference to a study which found that the Federal Circuit reversed in whole or in part 40% of the claim interpretations adopted by the district court.⁶ It can be debated whether a 40

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2 *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 38 USPQ2d 1461 (1996).

3 *Id.*

4 517 U.S. at 388-89.

5 138 F.3d 1448, 1476 (Fed. Cir. 1998) (en banc).

6 *Id.*

percent reversal rate is “better” than would occur if juries interpreted the claims. But as Judge Radar observed, a reversal rate “hovering near 50%, is the worst possible” because it provides virtually no certainty, at least until the Federal Circuit has issued the “correct” interpretation.⁷

WHEN IT IS NECESSARY TO HAVE A *MARKMAN* DETERMINATION

The right to a jury trial established by the Seventh Amendment applies to patent infringement actions. The need for a court to issue a pretrial ruling on the meaning of the patent terms, however, arises only where a party requests a jury trial. If no jury trial is requested, the court can issue its claim interpretation after the trial as a part of its findings of fact and conclusions of law.

A *Markman* proceeding need only occur when the meaning of one or more of the patent terms are at issue. A corollary to this is that a court need only interpret the patent terms that are at issue and about which the parties disagree.⁸ Not only would it be a waste of judicial time to interpret terms that are not at issue, an abstract determination of the meaning of patent terms not truly at issue may run afoul of the case and controversy limitation arising from Article III of the Constitution.⁹

Following the Federal Circuit’s lead,¹⁰ district courts have interpreted claims without considering the consequences as to validity.¹¹ Courts, however, have struggled with determining which issues are properly considered at a *Markman* hearing. For example, the Central District of California has stated that proper items for consideration at a *Markman* hearing include the meaning and scope of the specific claim language, the general scope of the claims, the broadening of claims during reexamination, and the comparison of the original patent claims against reissued patent claims. The court, however, refused to consider issues such as file-wrapper estoppel, intervening rights, the doctrine of equivalents and the reverse doctrine of equivalents.¹²

On the other hand, it is a maxim of claim interpretation that claims should be construed to maintain their validity if possible.¹³ If two or more interpretations are possible, a court should give preference to the interpretation that preserves validity.¹⁴ Thus, while a *Markman* hearing is not the proper forum for deciding validity issues, it may be appropriate to consider validity issues (particularly the prior art) to help ensure that the court renders the correct interpretation.

PROCEDURAL CONTEXTS IN WHICH CLAIM INTERPRETATION ARISES

Claim interpretation can arise in a wide variety of contexts. Most often, the interpretation of disputed terms is decided in the context of a separate *Markman* hearing held at some point before trial. A *Markman* hearing can be held early in the case, after some or all discovery, on the eve of trial, or even after testimony at the trial. The hearing can involve lay and expert witnesses, or be limited to oral arguments, or the court can dispense with a hearing and decide interpretation claims based on written submissions only.

⁷ *Id.*

⁸ The parties may not be able to identify all of the terms that are truly in issue early in the case. This is one of the arguments advanced to delay a *Markman* hearing until later in a case.

⁹ *MediaCom Corp. v. Rates Tech., Inc.*, 4 F. Supp. 2d 17 (D. Mass. 1998).

¹⁰ *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 986 (Fed. Cir. 1995), *aff’d*, 517 U.S. 370, 38 USPQ2d 1461 (1996).

¹¹ *See, e.g., Stairmaster Sports/Medical Prods., Inc. v. Groupe Procycle, Inc.*, No. Civ. A. 97-396 MMS, 1998 WL 290296 (D. Del. May 20, 1998);

Genenech, Inc. v. Boehringer Mannheim GmbH, 989 F. Supp. 359, 367 (D. Mass. 1997) (the determination whether the interpretation meets the requirements of 35 U.S.C. section 112 “is not appropriate for a *Markman* hearing”).

¹² *En Liung Huang v. Auto Shade, Inc.*, 945 F. Supp. 1307, 1308 (C.D. Cal. 1996).

¹³ *See Harris Corp. v. IXYS Corp.*, 114 F.3d 1149, 1153, 43 USPQ2d 1018, (Fed. Cir. 1997) (“claims should be read in a way that avoids ensnaring prior art if it is possible to do so”).

¹⁴ *See, e.g., Eastman Kodak Co. v. Goodyear Tire & Rubber Co.*, 114 F.3d 1547, 1556 (Fed. Cir. 1997).

Claim interpretation issues can also arise in the course of regular motions practices, usually in the context of a motion for preliminary injunction¹⁵ or for summary judgment.¹⁶ In either situation, the court may need to interpret the claim language to render a decision. As in a separate *Markman* hearing, the trial court can conduct a hearing with live witnesses, or make a claim interpretation based on written submissions with or without oral argument.

While a court may interpret claim language on a motion for preliminary injunction, the trial court is not obligated to interpret the claims conclusively at an early stage in the case.¹⁷ The claim interpretation can be tentative and the trial court has the discretion to interpret the claims later in the case after the evidence is more fully developed.¹⁸ The Federal Circuit has specifically approved this practice where “discovery was ongoing and the material presented to the district court judge pertaining to claim interpretation was incomplete.”¹⁹ On the other hand, a court can consider its claim interpretation issued on preliminary injunction to be final, particularly if it is accompanied by a full-blown hearing.²⁰

The nonconclusive nature of a claim interpretation issued on preliminary injunction can lead to some practical problems. In *CVI/Beta Ventures, Inc. v. Custom Optical Frames, Inc.*,²¹ a district court interpreted the patent claims on a motion for preliminary injunction. The Federal Circuit upheld the claim interpretation on appeal from the preliminary injunction order.²² A second district court, in a separate infringement action on the same patent, adopted the same interpretation.²³ But on appeal from a final judgment in the second case, the Federal Circuit reversed the claim interpretation it had approved in the first case.²⁴ Thus, even though claim interpretation is a “matter of law,” that legal ruling, issued in deciding a motion for preliminary injunction, remains open to attack in subsequent cases.²⁵

There can be strategic advantages in seeking a claim interpretation in the context of a motion for summary judgment. For example, it may serve as a method to obtain an early claim interpretation. Most courts hold a *Markman* hearing fairly late in the case, after most, if not all, discovery has taken place. A summary judgment motion, on the other hand, can be brought at any time. If there is no dispute over the nature and operation of the accused device, a decision on the legal issue of claim interpretation can end the case at an early stage because there would be no genuine issues of material fact for the jury to decide.²⁶ Even if there is a factual dispute, the trial judge may still decide to render an interpretation of critical claim language. This claim construction may give the parties significant guidance and often will help the parties reach a settlement.

Although claim construction theoretically should be decided without reference to the accused device, it may be helpful for the trial court to understand the accused device and potential invalidating prior art. A summary judgment motion may be an effective vehicle to

15 See, e.g., *CVI/Beta Ventures, Inc. v. Tura LP*, 112 F.3d 1146, 1160 n.7 (Fed. Cir. 1997), cert. denied, 522 U.S. 1109 (1998); *Sofamor Danek Group, Inc. v. Del'Puy-Motecb, Inc.*, 74 F.3d 1216, 37 USPQ2d 1529 (Fed. Cir. 1996); *Boehringer Ingelheim Animal Health, Inc. v. Schering-Plough Corp.*, 984 F. Supp. 239 (D.N.J. 1997).

16 See, e.g., *Ethicon Endo-Surgery, Inc. v. United States Surgical Corp.*, 93 F.3d 1572, 40 USPQ2d 1019 (Fed. Cir. 1996); *Utah Med. Prods., Inc. v. Clinical Innovations Assocs., Inc.*, 79 F. Supp. 2d 1290 (D. Utah 1999).

17 *Sofamor Danek Group*, 74 F.3d at 1221.

18 *Id.*; *International Communication Materials, Inc. v. Ricoh Co.*, 108 F.3d 316, 318 (Fed. Cir. 1997); *Illinois Tool Works, Inc. v. Grip-Pak, Inc.*, 906 F.2d 679, 681, 15 USPQ2d 1307, 1309 (Fed. Cir. 1990).

19 *International Communication Materials*, 108 F.3d at 318-19.

20 *Boehringer Ingelheim Animal Health, Inc. v. Schering-Plough Corp.*, 984 F. Supp. 239, 245-55 (D.N.J. 1997) (D.N.J. 1998).

21 893 F. Supp. 508 (D. Md. 1995), aff'd without op., 92 F.3d 1203 (Fed. Cir. 1996).

22 *CVI/Beta Ventures, Inc. v. Custom Optical Frames, Inc.*, 92 F.3d 1203 (table), 1996 WL 338388 (Fed. Cir. June 19, 1996).

23 *CVI/Beta Ventures, Inc. v. Tura LP*, 905 F. Supp. 1171 (E.D.N.Y. 1995), *rev'd in part, vacated in part*, 112 F.3d 1146, 42 USPQ2d 1577 (Fed. Cir. 1997), cert. denied, 522 U.S. 1109 (1998).

24 *CVI/Beta Ventures, Inc. v. Tura LP*, 112 F.3d 1146, 42 USPQ2d 1577 (Fed. Cir. 1997).

25 The rule that a claim interpretation issued in connection with a motion for preliminary injunction is tentative is somewhat at odds with the Federal Circuit's decision in *Vitronics Corp. v. Concepttron, Inc.*, 90 F.3d 1576, 39 USPQ2d 1573 (Fed. Cir. 1996), where the Federal Circuit held that, in most cases, the interpretation should be based on intrinsic evidence only, that is, the claims, the specification, and the prosecution history. Intrinsic evidence is publicly available and will not change. Thus, in most cases, there should be nothing tentative about a claim interpretation issued early in a case, particularly if it is affirmed by the Federal Circuit.

26 See Fed. R. Civ. P. 56 (summary judgment is appropriate where no genuine issues of material fact are in dispute).

identify the truly disputed claim language and aid the court in rendering an interpretation that has practical significance to specific circumstances involved in the case. One court has gone so far as to suggest that a *Markman* hearing should only take place in the context of conventional motions practice where legal rules are applied to discrete factual circumstances.²⁷ As that court stated:

Otherwise, the Court risks crafting elegant, but ultimately useless, statements of claim construction that fail to address the particular controversy before it. Free-standing *Markman* hearings are of little use in actual litigation and may, indeed, run afoul of the “case and controversy” limitation on judicial power expressed in the Constitution.²⁸

EVIDENCE CONSIDERED IN DETERMINING CLAIM CONSTRUCTION

In *Markman*, the Federal Circuit established two categories of evidence relevant to claim interpretation issues — intrinsic evidence and extrinsic evidence.²⁹ Intrinsic evidence consists of the claims, specification and prosecution history. It is the public record which allows competitors “to ascertain to a reasonable degree the scope of the patentee’s right to exclude.” Extrinsic evidence is everything else.³⁰

The intrinsic evidence includes all the documents in the prosecution history of the patent-in-suit. This includes the prior art cited in the prosecution history as well as statements made and publications disclosed in an Information Disclosure Statement.³¹ Affidavits by the inventor entered in the prosecution history, and positions offered by or on behalf of the inventor in the patent or file history, are also considered intrinsic evidence.³²

Other statements by the inventor are considered extrinsic evidence, including inventor testimony about the state of the art and testimony on the inventor’s subjective understanding of what the claim means and what a claim covers.³³ Other types of extrinsic evidence include expert testimony, dictionaries, technical treatises, and articles and statements in related United States patent applications or foreign prosecution histories.³⁴

In *Vitronics Corp. v. Conceptronic, Inc.*,³⁵ the Federal Circuit held that “the court should look first to the intrinsic evidence of record [because] such evidence is the most significant source of the legally operative meaning of disputed claim language.”³⁶ The Federal Circuit explained that the trial judge must first look to the words of the claims, both asserted and unasserted. Second, the specification must always be consulted “to determine whether the inventor has used long terms in a manner inconsistent with their ordinary meaning.”³⁷ The *Vitronics* court explained that the specification “is the single best guide to the meaning of a disputed term” and that the specification is usually “dispositive” of claim interpretation issues.³⁸ The prosecution history, if in evidence, also should be consulted. It contains the complete record of the proceedings before the Patent and Trademark Office, including “express representations made by the applicant regarding the scope of the claims.”³⁹

²⁷ *MediaCom Corp. v. Rates Tech., Inc.*, 4 F. Supp. 2d 17 (D. Mass. 1998).

²⁸ *Id.*

²⁹ *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 978 (Fed. Cir. 1995).

³⁰ See *Vitronics Corp v. Conceptronic, Inc.*, 90 F.3d 1576, 1538, 39 (Fed. Cir. 1996); *Ekichian v. Home Depot, Inc.*, 104 F.3d 1299, 1303-04 (Fed. Cir. 1997).

³¹ *Id.*

³² See *Vitronics*, 90 F.3d at 1582-83; *J.T. Eaton & Co. v. Atlantic Paste & Glue Co.* 106 F.3d 1563, 1568, 1570 (Fed. Cir. 1997).

³³ *Markman*, 52 F.3d at 980, 985.

³⁴ *Vitronics*, 90 F.3d at 1584; *Intellectual Prop. Dev., Inc. v. UA-Columbia Cablevision, Inc.*, No. 94 Civ. 6296(SS), 1998 WL 142346 (S.D.N.Y. Mar. 26, 1998); *Cordis Corp. v. SciMed Life Sys., Inc.*, 982 F. Supp. 1358 (D. Minn. 1997).

³⁵ 90 F.3d 1576, 39 USPQ2d 1573 (Fed. Cir. 1996).

³⁶ *Id.*

³⁷ *Id.* at 1582.

³⁸ *Id.*; see also *Digital Biometrics, Inc. v. Identix, Inc.*, 149 F.3d 1335., 1344 (Fed.Cir. 1998) (“the actual words of the claim are the controlling focus”).

³⁹ *Vitronics*, 90 F.3d at 1582.

The *Vitronics* court held that in most cases the intrinsic evidence will resolve any ambiguity and that it is improper to rely on extrinsic evidence. The Federal Circuit explained that the public's right to rely on the public record and the established rules of claim construction to ascertain the scope of the patentee's invention would be rendered meaningless if the public record could be altered by extrinsic evidence.⁴⁰ The *Vitronics* court explained that extrinsic evidence regarding the meaning of the claim "is entitled to no weight" where the intrinsic evidence is unambiguous. While the trial court can consider extrinsic evidence to help understand the technology, the extrinsic evidence "may not be used to vary or contradict claim language."⁴¹

The breadth of *Vitronics* has been questioned by some judges within the Federal Circuit. For example, Judge Radar has observed:

[T]his court instructs trial judges that they may use experts to understand, but not to interpret, the claim terms. As a matter of logic, this instruction is difficult to grasp.⁴²

Judges Newman and Mayer more explicitly described the Federal Circuit's restriction on extrinsic evidence as "an unnecessary restraint on potentially useful evidence."⁴³

ROLE OF WITNESSES

There is a distinction between admitting extrinsic evidence in the form of live testimony and relying on it when the court renders its claim interpretation. Many courts admit the testimony, but then construe the claims based only on the intrinsic record. According to some courts, there is no harm in admitting the evidence and then deciding whether or not to use it.⁴⁴ Moreover, if the evidence were excluded, and the Federal Circuit on appeal found the claim to be ambiguous, a remand would be necessary to fully develop the record. If, however, the trial court had admitted the extrinsic evidence, the Federal Circuit could issue a claim interpretation based on a full record. Thus, admitting the evidence is often a more efficient use of judicial resources.⁴⁵ Courts that actually rely on the extrinsic evidence usually follow *Vitronics Corp. Conceptronic, Inc.*⁴⁶ carefully and first find the disputed terms to be ambiguous based on the intrinsic record.⁴⁷

The witnesses at a *Markman* hearing (or at trial if the court defers the decision of claim interpretation until trial) can consist of both lay and expert witnesses. The lay testimony principally is testimony from the inventors or others involved in the patent prosecution process. While an inventor is entitled to testify about the state of the art, the inventor's subjective understanding of what a claim means is improper.⁴⁸ On the other hand, the accused infringer should be entitled to introduce evidence that the inventor or the patentee offered a contrary interpretation of a disputed term either in related prosecution or prior litigation.

If the court finds a term to be ambiguous after a review of the intrinsic evidence, the court can rely on extrinsic evidence, including expert opinion testimony, in making its

⁴⁰ *Id.* at 1582-83.

⁴¹ *Id.* at 1583.

⁴² *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1474 (Fed. Cir. 1998) (en banc) (Radar, J., dissenting in part).

⁴³ *Id.* at 1480.

⁴⁴ *Töter v. City of Visalia*, 1997 WL715459, at *3 (E.D. Cal. July 16, 1997); see also *Tridelta Indus. v. Frymaster Corp.*, 6 F. Supp. 2d (N.D. Ohio 1998); *Home Shopping Network, Inc. v. Coupco, Inc.*, No. 95 Civ. 5048 (LBS), 1998 WL 85740 (S.D.N.Y. Feb. 27, 1998); *Wytenbach v. Atoma Int'l, Inc.*, 997 F.Supp. 1037 (N.D. Ill. 1998), *aff'd without op.*, 185 F.3d 881 (Fed. Cir. 1999).

⁴⁵ See *Thomson Consumer Electronics, Inc. v. Innovation, S.A.*, 2 F. Supp. 2d 49 (D.D.C. 1998), where a similar hypothetical was discussed.

⁴⁶ 90 F.3d 1576, 39 USPQ2d 1573 (Fed.Cir. 1996).

⁴⁷ See, e.g., *Genentech, Inc. v. Boehringer Mannheim GmbH*, 989 F. Supp. 359, 364-66 (D. Mass. 1997); *Quality Semiconductor, Inc. v. Pericom Semiconductor, Inc.*, No. C-95-01785 MHP, 1998 WL 118186, at *6 (N.D. Cal. Mar. 2, 1998); *Eastman Kodak Co. v. Goodyear Tire & Rubber Co.*, 114 F.3d 1547, 1555 (Fed. Cir. 1997); *Key Pharms v. Hercon Labs. Corp.*, 161 F.3d 709, 718 (Fed. Cir. 1998).

⁴⁸ See *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 980, 985 (Fed. Cir. 1995).

claim interpretation. In *Vitronics*, however, the Federal Circuit cautioned that expert testimony on the meaning of the claims “should be treated with the utmost caution, for it is no better than opinion testimony on the meaning of statutory terms.”⁴⁹ Moreover, expert testimony cannot be used to alter or change the meaning of the term as revealed in the claims, specification, or prosecution history.⁵⁰ The *Vitronics* court expressed a preference for prior art documents and dictionaries to resolve any ambiguity because those sources “are more objective and reliable guides” than expert testimony.⁵¹

Expert testimony is always admissible to aid the court in understanding the underlying technology. Such testimony from a technical expert can “aid the court in coming to a correct conclusion as to the true meaning of the language employed in the patent.”⁵² As a result, the vast majority of courts admit testimony from a technical expert at a *Markman* hearing.⁵³

Testimony from a legal expert stands on different footing. It follows from *Vitronics* that testimony from a legal expert should play no role when the claim language is unambiguous in light of the intrinsic evidence because a legal expert cannot help the court understand the underlying technology.⁵⁴ Nonetheless, many courts still admit testimony from a legal expert when it is proffered.⁵⁵ Like other types of intrinsic evidence, the court can admit the testimony, but choose to ignore it if the court finds the claim language to be unambiguous after reviewing the intrinsic evidence.

NECESSITY OF A HEARING TO DECIDE CLAIM CONSTRUCTION

There is no requirement that a court hold a hearing before it interprets the claims and the trial judge has wide discretion in deciding whether to hold one. A decision on written submissions alone, however, should be restricted to those circumstances where the trial judge is convinced that there is no ambiguity in the disputed patent terms.⁵⁶ The written submissions, however, may attach extrinsic evidence (such as affidavits, dictionaries, deposition transcripts, and treatises) that the trial court may consider under the rules of interpretation established by the Federal Circuit.

Most courts, however, opt for a hearing in light of the technical complexity of most patent cases. While hearings can be limited to argument from counsel, in most instances the trial court will listen to live testimony to obtain a better understanding of the technology involved in the case. In addition, the court typically requires written submission in conjunction with the hearing. The time allocated to a hearing also varies widely. Some hearings are as short as a couple of hours, while others can be full-blown minitrials lasting a week or more.

TIMING OF MARKMAN HEARINGS

In the *Markman* cases, neither the Supreme Court nor the Federal Circuit instructed the district courts at what point in the proceedings they should interpret claim language. Unless the issues are decided in traditional motion practice, most courts have opted to decide these issues in a separate proceeding — dubbed a *Markman* hearing — held at some point before the case is submitted to the jury. Courts are given wide discretion in

49 *Vitronics*, 90 F.3d at 1585.

50 *Id.* at 1584; see also *Markman*, 52 F.3d at 981.

51 *Vitronics*, 90 F.3d at 1585.

52 *Markman*, 52 F.3d at 985.

53 See American Bar Association 1999 *Markman* Survey at 14, where it is reported that courts admitted technical expert testimony 80% of the time.

54 *Vitronics*, 90 F.3d at 1584.

55 The American Bar Association 1999 *Markman* Survey (at 14) reports that legal expert testimony was admitted in almost half the cases in which it was offered. In a large number of cases, however, such testimony was not offered by any party.

56 See *Moll v. Northern Telecom, Inc.*, 37 USPQ2d 1839 (E.D. Pa. 1995), *aff'd without op.*, 119 F.3d 17 (Fed.Cir. 1997).

determining when to hold the hearing.⁵⁷ The hearing can occur before discovery, during discovery, between discovery and the commencement of trial, or during trial. According to a 1999 survey by the American Bar Association, the most common time for a hearing is between the close of discovery and trial (58%). Another 22% held the hearing during discovery, 12% during trial, and 8% before discovery.⁵⁸

There are pros and cons to all of these approaches, and those pros and cons may vary from case to case. Since the vast majority of courts have not established rules governing the timing of a *Markman* hearing, a practitioner can attempt to use the timing of a *Markman* hearing for a tactical advantage. A principal advantage of an early *Markman* hearing is costs. In many cases, the issues are crystallized early and the only or most important issue involves claim interpretation. An early claim interpretation can offer significant guidance to the parties and lead to an early settlement. In other cases, an early claim construction can help the parties streamline discovery and more clearly focus on the issues in the case.

The Federal Circuit recently approved the holding of an early *Markman* hearing in *Vivid Technologies, Inc. v. American Science & Engineering, Inc.*⁵⁹ The district court had stayed all discovery in a declaratory judgment lawsuit while it decided the claim interpretation issues at an early *Markman* hearing.⁶⁰ On appeal (after the district court granted summary judgment of non-infringement), the defendant-patentee argued that it was error to stay all discovery until there was sufficient discovery of the accused device to understand which claim limitations and what aspects of their interpretation were at issue.⁶¹ The Federal Circuit rejected the defendant's request for a uniform rule that claim construction be done no earlier than the end of discovery, stating:

We see no need for such a rule, for the stage at which the claims are construed may vary with the issues, their complexity, the potentially dispositive nature of the construction, and other considerations of the particular case It is routine case management to require litigants to identify the aspects of their case that are material to the dispute. In the case at bar the parties and the court knew with reasonable certainty which claim terms were at issue with respect to infringement; discovery was not needed for this purpose Thus the court's management of discovery at the claim construction stage may serve the salutary goals of speed and economy, and is appropriate in cases in which the dispute may be resolved at this stage without compromise of justice.⁶²

There may also be tactical reasons, particularly for a defendant, to want a *Markman* hearing either before discovery or after only limited discovery. If the plaintiff is not fully aware of the nature and operation of the accused device, an early claim construction can force the plaintiff to adopt a position without tailoring it to the accused device. Likewise, a plaintiff, for these same reasons, may be forced to urge a broad claim construction that can lead to significant validity concerns later in the case.

To date, however, most courts opt against any early *Markman* hearing with a stay of discovery. As reported in the ABA 1999 *Markman* Survey, 70 percent of claim construction proceedings were held sometime after the close of discovery.⁶³ These courts observe that a

⁵⁷ See, e.g., *Sofamor Danek Group, Inc. v. DePuy-Motech, Inc.*, 74 F.3d 1216, 1221 (Fed. Cir. 1996).

⁵⁸ American Bar Association Section of Intellectual Property Law 1999 *Markman* Survey at 12.

⁵⁹ 200 F.3d 795, 53 USPQ2d 1289 (Fed. Cir. 1999).

⁶⁰ *Id.* at 803.

⁶¹ *Id.* at 803-04.

⁶² *Id.*

⁶³ ABA 1999 *Markman* Survey at 13. Even in those cases where the hearing took place before the close of discovery, the vast majority were not accompanied by a limitation on discovery. *Id.*

claim construction issued too early is more likely to be wrong because all the necessary evidence may not be properly considered. There may be gaps in the intrinsic evidence, such as statements about the relevant terms in related patent applications that are not yet publicly available. Extrinsic evidence, such as expert testimony and the prior art, may not be fully developed. Thus, there is a significant chance that a follow-up *Markman* hearing will be needed if the hearing is held too early.

Equally as important, a *Markman* hearing held too early may be a waste of time. The parties may not fully understand which terms in the patent claims are truly in dispute. Thus, the court may construe terms that ultimately are not at issue and fail to construe terms that ultimately are in dispute. Once again, an additional *Markman* hearing may become necessary.

As stated above, a few courts render a decision of claim construction during the trial. This method offers the advantage that the determination is made based on all the evidence that the parties have to offer and ensures that the decision is made in the context of the issues in the case.⁶⁴ There are, however, significant disadvantages to this approach. The jury may be forced to wait while the trial judge examines the testimony and the briefs and entertains argument from counsel.⁶⁵ This approach also removes the possibility of a pretrial appeal and the avoidance of a long trial based on an erroneous interpretation. Finally, this approach makes it difficult for the parties to prepare their case. The parties will present evidence with nothing more than a guess on how the court will construe the claims. If a party guesses wrong, it may not present the “correct” evidence to support its contention on the infringement issues under the interpretation ultimately adopted by the court.⁶⁶

Finally, it has been suggested that the court can submit the claim construction issues to the jury by special interrogatories. The court would treat the jury’s answers as an advisory opinion only and decide the claim construction as a matter of law in posttrial motions. On appeal, the Federal Circuit would know the exact construction found by the jury. If the Federal Circuit finds that the jury’s construction was the correct one, the Federal Circuit could simply reinstate the jury’s verdict. To date, however, courts have not adopted this approach.

TIMING ESTABLISHED BY LOCAL RULES

Most courts have not adopted local rules governing the timing of a *Markman* hearing. The Northern District of California is a notable exception. That court’s rule provides the following timetable:

- a. 45 days after filing, the patentee must disclose the asserted claims, allegedly infringing product or process, and the date of conception and reduction to practice of each asserted claim. At this time the patentee must produce all documents relating to offers to sell the claimed invention before the filing date of the application for the asserted patent, and all documents relating to the research, design and development of each claimed invention.
- b. 100 days after filing, each opposing party must disclose each item of prior art which anticipates the claim or renders it obvious. When a declaratory judgment is sought the party seeking it must initiate the disclosure process by serving this same prior art disclosure within 45 days after filing its pleading.

⁶⁴ See, e.g., *Lucas Aerospace, Ltd. v. Unison Indus., L.P.*, 890 F. Supp. 329, 332 n.3 (D. Del. 1995) (in denying summary judgment, court held that it would not be in a position to undertake claim construction until after hearing all evidence at trial).

⁶⁵ *Elf Atochem N. Am., Inc. v. Libbey-Owens-Ford Co.*, 894 F. Supp. 844, 857 (D. Del. 1995).

⁶⁶ See, e.g., *Precision Shooting Equip., Inc. v. High Country Archery*, 1998 WL 180310, at *1 (D. Ariz. Mar. 11, 1998).

- c. 170 days after filing, the patentee must serve a claim chart and proposed claim construction, which includes any extrinsic evidence that supports the proposed construction.
- d. 230 days after filing, the opposing parties must serve a responsive claim chart and claim construction.
- e. 251 days after filing, the parties must meet and confer to prepare a “Joint Claim Construction Statement.”
- f. 266 days after filing, the parties must file a Joint Claim Construction Statement.
- g. 296 days after filing, the court will send a notice of the date and time of a *Markman* hearing.
- h. 35 days before the hearing, claim construction briefing begins, with the final reply brief due 14 days before the hearing.

While other courts have not adopted formal local rules, some courts have used the Northern District of California rules as a guide.⁶⁷ Individual judges may have adopted their own rules governing the timing of a *Markman* hearing. It is also a topic that the parties or the court may address at an initial pretrial conference under Fed. R. Civ. P. 16.

APPEAL OF CLAIM CONSTRUCTION DECISIONS

When the trial court issues a pretrial claim construction after a *Markman* hearing, it is an interlocutory decision generally and is not immediately appealable. As a result, courts may have to conduct a trial and if the claim construction is reversed on appeal, a second trial may be required.⁶⁸ A party receiving an unfavorable claim construction must endure a trial, or at least an unfavorable summary judgment decision, before gaining access to an appeal.

A patentee that receives an unfavorable claim construction should consider asking the court to enter an adverse judgment so that it can appeal immediately and save the costs of having to endure a trial it believes it will lose. A patentee following this strategy will be forfeiting the right to argue that there is infringement (including by operation of the doctrine of equivalents) under the interpretation adopted by the court. Thus, the patentee should only consider this strategy if it is certain that the court’s ruling on claim construction can only result in a finding of non-infringement.

This option may not be available if there are other claims pending in the case because there still will not be a final judgment on all claims. If, however, the only additional claims are declaratory judgment claims relating to invalidity or patent misuse, the patentee can move to dismiss those claims as moot. This strategy was successfully pursued in one case. The patentee convinced the court that prompt appellate review would save resources of both parties and the court because the need for an unnecessary trial that the patentee conceded it would lose would be obviated.⁶⁹ Alternatively, the patentee could move the

⁶⁷ See, e.g., *Precision Shooting Equip., Inc. v. High Country Archery*, 1 F. Supp. 2d 1041 (D. Ariz. 1998).

⁶⁸ See *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1479 (Fed. Cir. 1998) (en banc) (additional view of Newman, J. and Mayer, J.).

⁶⁹ *Schering Corp. v. Amgen, Inc.*, 35 F. Supp. 2d 375, 50 USPQ 2d 1051 (D. Del. 1999), *aff’d in part*, 222 F.3d 1347, 55 USPQ2d 1650 (Fed. Cir. 2000).

court to enter a separate final judgment on the conceded patent infringement claim under Fed. R. Civ. P. 54(b). If the motion is granted, the patentee could appeal the patent infringement claim immediately while the case proceeds on the remaining claims.⁷⁰

There are circumstances where a pretrial claim interpretation decision is appealable without delay. Orders granting or denying preliminary injunctive relief are immediately appealable.⁷¹ Thus, the losing party can appeal a claim interpretation contained in an order issued on a motion for preliminary injunction. As discussed above, however, the claim interpretation approved by the Federal Circuit in these circumstances may still be subject to further review in that case or a second case because it is not based on a complete record.⁷²

A claim interpretation issued in an order granting a motion for summary judgment will be immediately appealable if the order disposes of all the issues and claims in the case.⁷³ An immediate appeal is not available, however, if other claims remain pending, unless the court agrees to enter a separate final judgment under Rule 54(b). If summary judgment is denied, this appellate option is also not available.

A motion to certify a *Markman* opinion for interlocutory appeal is another method that can lead to an early appeal. A court can certify an order if it finds that there is a “controlling question of law as to which there is a substantial difference of opinion and that an appeal from the order may materially advance the ultimate termination of the litigation.”⁷⁴ This is a difficult standard to establish. The court is unlikely to find “a substantial ground for difference of opinion”; presumably, the court will believe its interpretation is correct. Moreover, a court may find that an immediate appeal of a *Markman* order would be likely to delay, rather than advance the termination of the litigation. Even if the district court certifies the order, the Federal Circuit must also accept the appeal.⁷⁵ To date, the Federal Circuit has yet to accept an appeal pursuant to this rule. Accordingly, the avenue to an early appeal does not appear to be a useful one.

Because claim interpretation is a matter of law, the Federal Circuit engages in a de novo review of the district court’s interpretation.⁷⁶ There was some confusion about whether the Federal Circuit would give some deference to subsidiary fact findings made by the district court in rendering its claim construction. In *Cybor*, the Federal Circuit resolved the confusion, holding that the district court’s subsidiary factual findings are entitled to no deference.⁷⁷ In performing its de novo review, the Federal Circuit can adopt and has adopted a construction neither advocated by any of the parties nor found by the trial judge.⁷⁸ In such a situation, the case may have to be retried based on the claim interpretation first adopted by the Federal Circuit on appeal.

70 A court can grant a Rule 54(b) motion “only upon an express determination that there is no just reason for delay and upon the express direction for the entry of judgment.” Fed. R. Civ. P. 54(b).

71 28 U.S.C. section 1291(a).

72 See *CVI/Beta Ventures, Inc. v. Tura LP*, 112 F.3d 1146, 42 USPQ2d 1577 (Fed. Cir. 1997).

73 See MOORE’S FEDERAL PRACTICE section 56.41[1] (3d ed. 1999).

74 28 U.S.C. section 1292(b).

75 *Id.*

76 [cite to be added].

77 *Cybor*, 138 F.3d at 1456.

78 See *J.T. Eaton & Co. v. Atlantic Paste & Glue Co.*, 106 F.3d 1563, 41 USPQ 2d 1641 (Fed. Cir. 1997).