Does *Teva* Matter?

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Pre-*Teva*: Federal Circuit En Banc Decisions

Weil

- *Markman v. Westview Instruments*, 52 F.3d 967 (Fed. Cir. 1995) (en banc)
  - "Because claim construction is a matter of law, the construction given the claims is reviewed de novo on appeal."
  - Dissent: "Commentators have remarked on the temptation of appellate courts to redefine questions of fact as questions of law in order to impose the court's policy viewpoint on the decision.... The subject matter that the majority now designates as 'law'—the disputed meaning and scope of technologic terms and words of art as used in particular inventions—is not law, but fact." (Newman)

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- *Cybor Corp. v. FAS Technologies, Inc.*, 138 F.3d 1448, 1456, 1474 (Fed. Cir. 1998) (en banc)
  - "[W]e therefore reaffirm that, as a purely legal question, we review claim construction *de novo* on appeal including any allegedly fact-based questions relating to claim construction."
  - Dissent: "When confronted with sophisticated technology, district court judges often seek testimony from experts to help them understand and interpret the claim. Under the guise of setting standards for claim construction, this court instructs experienced 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." (Rader)

Pre-*Teva*: Federal Circuit En Banc Decisions

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- *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005)(en banc)
  - "[I]s it appropriate for this Court to accord any deference to any aspect of trial court claim construction rulings? …. After consideration of the matter, we have decided not to address that issue at this time."
  - Dissent: "Now more than ever I am convinced of the futility, indeed the absurdity, of this court's persistence in adhering to the falsehood that claim construction is a matter of law devoid of any factual component." (Mayer and Newman)

Pre-*Teva*: Federal Circuit En Banc Decisions

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- *Amgen v. Hoechst Marion Roussel*, 469 F3d 1039 (Fed. Cir. 2006) (en banc)
  - "In an appropriate case we would be willing to reconsider limited aspects of the *Cybor* decision. In our view an appropriate case would be the atypical case in which the language of the claims, the written description, and the prosecution history on their face did not resolve the question of claim interpretation, and the district court found it necessary to resolve conflicting expert evidence to interpret particular claim terms in the field of the art. (Gajarsa, Linn and Dyk).
  - Dissent (from denial of rehearing en banc): "It seems to me that the claim construction question often cannot be answered without assessing, at least implicitly, what the average artisan knew and how she thought about the particular technology when the patent claims were written. (Michel and Rader).

Pre-*Teva*: Federal Circuit En Banc Decisions

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- *Retractable Tech. v. Becton, Dickinson and Co.*, 659 F3d 1369 (Fed. Cir. 2011)(en banc)
  - "It is time we stop talking about whether we should reconsider the standard of review we employ when reviewing claim construction decisions from district courts; it is time we do so." (O'Malley)
  - Dissent (from denial of rehearing en banc): "We have waited five years (since *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 469 F.3d 1039 (Fed.Cir.2006), where six judges claimed a willingness to review *Cybor*) for that ever-elusive perfect vehicle to review the issue of deference to the district court's claim construction…. It is time to rethink the deference we give to district court claim constructions and the fallacy that the entire process is one of law." (Moore and Rader)

Pre-*Teva*: Federal Circuit En Banc Decisions

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- *Lighting Ballast Control LLC v. Philips Electronics North* America Corp., 744 F.3d 1272 (Fed. Cir. 2014)(en banc)
  - Dissent: "Both parties, the PTO, and most amici agree that there are factual components to claim construction…. In sum, it is hard to understand how either the majority in *Cybor* or the majority here can dispute that claim construction sometimes requires a district court to resolve contested factual issues. *Cybor* is, thus, based on a faulty premise—that claim construction is a purely legal exercise." (O'Malley, Rader, Reyna and Wallach)

Teva Pharmaceuticals USA, Inc. v. Sandoz, Inc.

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- District court rejected an indefiniteness challenge
- Considered expert declarations
- No live testimony
- The issue: Is it definite what method to use to calculate "molecular weight"
- The Federal Circuit reviewed *de novo* and reversed

Teva: Supeme Court Finds FRCP 52(a) Applies To Claim Construction

Weil

- "Today's case involves claim construction with 'evidentiary underpinnings.'"

Teva Pharmaceuticals USA, Inc. v. Sandoz, Inc., 135 S. Ct. 831, 835 (2015).

- Holding: FRCP 52(a) applies to claim construction.

- Pursuant to Rule 52, clear error review applies to "a district court's resolution of subsidiary factual matters made in the course of its construction of a patent claim."

Id. at 836.

Teva's Reliance on FRCP 52

Weil

- "When describing claim construction we concluded that it was proper to treat the ultimate question of the proper construction of the patent as a question of law in the way that we treat document construction as a question of law. But this does not imply an exception to ***Rule 52(a)*** for underlying factual disputes."

  Teva at 837.

- "Our opinion in *Markman* neither created, nor argued for, an exception to ***Rule 52(a).***"

  Teva at 837 (citations omitted).

- "A conclusion that an issue is for the judge does not indicate that ***Rule 52(a)*** is inapplicable."

  Id. at 838.

Teva's Reliance on FRCP 52

Weil

- Rule 52. Findings and Conclusions by the Court; Judgment on Partial Findings.
  - (a) Findings and Conclusions.
    - (1) *In General.* In an action tried on the facts without a jury or with an advisory jury, the court must find the facts specially and state its conclusions of law separately. The findings and conclusions may be stated on the record after the close of the evidence or may appear in an opinion or a memorandum of decision filed by the court. Judgment must be entered under Rule 58.
    - (6) *Setting Aside the Findings.* Findings of fact, whether based on oral or other evidence, must not be set aside unless clearly erroneous, and the reviewing court must give due regard to the trial court's opportunity to judge the witnesses' credibility.

FRCP 52(a)(1): Issuance of Findings of Fact

Weil

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Application of FRCP 52(a)'s Clear Error Standard Where Only Written Evidence Is Considered

Weil

- "Rule 52(a) now requires appellate courts to apply the clearly erroneous standard to all findings of fact, 'whether based on oral or documentary evidence.'"

American Home Products Corp. v. Barr Laboratories, Inc., 834 F.2d 368, 370 (3d Cir. 1987); *see also Shire US Inc. v. Barr Laboratories, Inc.*, 329 F.3d 348, 352 n.10 (3d Cir. 2003).

- We conclude that Rule 52(a) applies to the findings of fact of the District Judge in the present case notwithstanding that he heard no live testimony at the trial."

U.S. Steel Corp. v. Fuhrman, 407 F.2d 1143, 1146 (6th Cir. 1969).

- "[A] district court's factual determinations are subject to clear error review even where no live testimony was heard."

U.S. v. Roxworthy, 457 F.3d 590, 593 (6th Cir. 2006).

Rule 52 Findings and Conclusions are Required

Weil

- "The lower court also failed to make pertinent factual findings regarding the extent of GTE's use of the patented invention, or legal conclusions regarding the limits of the 'shop rights' doctrine. Lacking the necessary findings regarding the alleged infringing sales, we cannot properly review the district court's judgment, and a remand for further development of the record is necessary."

  Beriont v. GTE Laboratories, Inc., 535 Fed.Appx. 919, 924 (Fed. Cir. 2013) (citing FRCP 52(a)(1)'s requirement that the court must find facts specially and state conclusions of law separately).

- "Sufficient factual findings on the material issues are necessary to allow this court to have a basis for meaningful review."

  Nutrition 21 v. U.S., 930 F.2d 867, 869 *Fed. Cir. 1991).

Insufficient Fact Development By District Court Precludes Rule 52 Review

Weil

- "As a result, the record before us is not sufficiently developed to discern the skilled artisan's understanding of the relevant aspect of a video signal in a 'display format'. . . . We therefore remand to the district court with instructions to further develop the record and to determine the meaning of the 'display format' to one of skill in the art at the effective filing date of the patents-in-suit, whether by further examination of the prosecution history, evaluation of direct and cross-examination testimony from experts showing and explaining usage in the field, or consultation of other relevant sources as set forth in *Phillips*."

Virginia Innovation Sciences, Inc. v. Samsung Electronics Co., 614 Fed.Appx. 503, 511 (Fed. Cir. June 9, 2015).

Application of *Teva* by the Federal Circuit

Weil

- *Eon Corp. IP Holdings LLC v. AT&T Mobility LLC*, 785 F.3d 616 (Fed. Cir. 2015)
  - "Because the indefiniteness inquiry here is intertwined with claim construction . . . we review these subsidiary factual determinations for clear error." *Id.* at 620 (citing *Teva*).
  - "The district court made explicit factual findings, based on expert testimony, that each of the eight claim terms at issue recited complicated, customized computer software. We see no clear error in any of the district court's factual findings, nor any error in the district court's ultimate conclusion of indefiniteness." *Id.* at 624

Application of *Teva* by the Federal Circuit

Weil

- *Cephalon, Inc. v. Abraxis Bioscience, LLC*, 618 Fed.Appx.663 (Fed. Cir. 2015)
  - "Technical words 'may give rise to a factual dispute' that, 'like all other factual determinations, must be reviewed for clear error.' The terms 'microparticles' and 'nanoparticles' are technical words, and how the relevant scientific community understands them is therefore a question of fact reviewable for clear error." *Id.* at 665 (citing *Teva*).
  - No clear error where the district court's finding as to how the art understood the terms "nanoparticles" and "microparticles" was "widely accepted" and expert's declaration stated that the ordinary meanings of these terms is directed to particle size (nm for nanoparticles and µm for microparticles). *Id.*

Application of *Teva* by the Federal Circuit

Weil

- *Prolitec, Inc. v. Scentair Technologies, Inc.*, Case No. 2015-1020 (Fed. Cir. Dec. 4, 2015) (review of IPR decision)
  - "Pursuant to *Teva's* framework and our review of Board determinations, we review the Board's ultimate claim constructions de novo and its underlying factual determinations involving extrinsic evidence for substantial evidence." *Id*. at 5 (citing *Teva*).
    - Under the APA, the Federal Circuit reviews factual findings by ITC and PTAB under a substantial evidence standard.
  - "The Board quoted Prolitec's expert for conceding that bonding by '[a]n adhesive can be permanent or non-permanent. This subsidiary factual determination regarding the nature of adhesive bonding was supported by substantial evidence." *Id.* at 6 (citations omitted).

Potential Questions of Fact

Weil

- Meaning of "technical words or phrases not commonly understood" *Teva* at 837-838, 843.
- Meaning of standard English words that have industry meaning. *Key Pharmaceuticals, 161 F.3d at 718* (pharmaceutically effective amount)
- Whether a construction would exclude the preferred embodiment

  Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1583 (Fed. Cir. 1996)

Potential Questions of Fact

Weil

- Whether § 112(6) applies
  - "If skilled artisans understood 'voltage source means' to refer to a defined structure, it would not be considered a means-plus-function limitation. The specification and prosecution history, however, did not resolve the question. Thus, it became necessary and appropriate to look outside the intrinsic record and to consider the testimony of Lighting Ballast's expert, Dr. Roberts."

    Lighting Ballast Control LLC v. Philips Electronics North America Corp., 744 F.3d 1272, 1306 (Fed. Cir. 2014).
- Corresponding Structure
  - "Atmel specifically directs us to the testimony of its expert, Michael Callahan, that the mere mention of the title of the Dickson article in the specification is sufficient for one skilled in the art to envision the structures disclosed in that article."

    Atmel Corp. v. Information Storage Devices, Inc., 198 F.3d 1374, 1382 (Fed. Cir. 1999).

Potential Questions of Fact

Weil

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- Validity Considerations
  - "Claim construction should not, of course, be blind to validity issues: claims should be so construed, if possible, as to sustain their validity. A claim that is interpreted too broadly will run into validity issues, providing motivation for the construing court to choose a narrower interpretation if possible."

MBO Laboratories, Inc. v. Becton, Dickinson & Co., 474 F.3d 1323, 1332 (Fed. Cir. 2007)(internal citation omitted).

Potential Questions of Fact

Weil

- Teachings in disclaimed prior art
  - "Here in the course of prosecution, Pall stated that the claims did not cover the subject matter disclosed in the brochure, thereby excluding any claim interpretation that includes that subject matter. The question then is—what did the brochure disclose? We must determine what one of ordinary skill in the art would believe to have been disclosed by the brochure…. On remand both parties should be given a further opportunity to submit evidence directed to the extent of the disclosure of the brochure to one of ordinary skill in the art.

Pall Corp. v. PTI Technologies Inc., 259 F.3d 1383, 1393-1394 (Fed. Cir. 2001) (internal citation omitted).

Questions of Fact

Weil

- Method of determining whether a claim term is met.
  - "Nothing in the intrinsic evidence of record suggests that one method of determining parallelism is correct over the other. The claims simply recite 'a plurality of generally parallel connecting elements,' providing no indication of the frame of reference in which the connecting elements should be parallel to each other…. On remand, the district court may consider extrinsic evidence, 'such as expert testimony, inventor testimony, dictionaries, and technical treatises and articles,' in order to determine in what manner the connecting elements should be 'generally parallel' to each other."

Advanced Cardiovascular Systems, Inc. v. Scimed Life Sys., 261 F.3d 1329, 1344 (2001) (internal citation omitted).

BJ Services: Indefiniteness Can Be a Jury Issue

Weil

- "The definiteness inquiry focuses on whether those skilled in the art would understand the scope of the claim when the claim is read in light of the rest of the specification. Like enablement, definiteness, too, is amenable to resolution by the jury where the issues are factual in nature."

  BJ Services Co. v. Halliburton Energy Services Inc., 338 F.3d 1368, 1372 (Fed. Cir. 2003).

Cases Following *BJ Services*

Weil

- "Although it may generally behoove the Court to address indefiniteness as a legal matter in the context of claim construction, there may arise cases where genuine issues of fact simply preclude such a treatment. In these circumstances, the question of indefiniteness must be addressed by the trier of fact."

  Dow Chem. Co. v. NOVA Chems. Corp. (Canada), 629 F. Supp. 2d 397, 403–04 (D. Del. 2009).

- "Summary judgment on the issue of indefiniteness is inappropriate where there are issues of fact underlying the indefiniteness determination."

  American Medical Systems v. Laser Peripherals, 712 F.Supp. 2d 885, 911 (D. Minn. 2010).

- "Though a question of law, if underlying factual findings are necessary to resolve a dispute, then the indefiniteness question is amenable to resolution by the jury."

  Parkervision, Inc. v. Qualcomm Inc., 969 F.Supp.2d 1372, 1378 (M.D. Fl. 2013).