

# Highly Anticipated *Phillips* Decision Unlikely to Bring Predictability to Patent Claim Construction



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IN PATENT LAWSUITS, one of the most important—and frequently dispositive—proceedings involves the court's interpretation of asserted patent claims. Many cases do not turn on the actual operation or structure of a defendant's accused product. Instead, they often turn on the proper meaning of claim terms. Claims are to be construed through the eyes of a hypothetical "person of ordinary skill in the art." However, a clear and concise methodology for determining how such a person would interpret disputed claim language—especially one that makes for predictable outcomes—has proved elusive.

Last July, the Federal Circuit requested *amicus* briefing directed to variety of claim construction questions in *Phillips v. AWH Corp.*<sup>1</sup> The questions primarily concerned the roles that technical and general purpose dictionaries and patent specifications should play in construing the patent claims. Patent holders fre-

quently offer broad dictionary definitions to define disputed claim language, while defendants frequently seek to limit claims to the particular embodiments disclosed in the patent specification. Thus, the relative weights given to dictionaries and the specification in construing claims can be important to the outcome of a claim construction dispute. Because the Court indicated that it may revisit certain of the fundamental canons and methodologies of claim construction, the *Phillips* decision has been highly anticipated by the patent bar.

On July 12, the Federal Circuit issued its *en banc* opinion in *Phillips*.<sup>2</sup> While many had hoped that it would add predictability and certainty to the claim construction process, the *en banc* opinion unfortunately does little to resolve the existing difficulties in construing patent claims.

In *Phillips*, the patent-in-suit was directed to modular, steel-shell panels which are weldable to form vandalism resistant walls. The disputed claim term was "baffle." The claim at issue did not recite a particular angular orientation for the baffle. However, the only examples of a baffle provided in the specification and drawings described the baffle as being oriented at an angle *other than* 90 degrees to the face of a steel shell wall. If baffle were construed to exclude angular orientations of 90 degrees, then the defendant would prevail (as it did in the district court). If baffle were construed to include angular orientations of 90 degrees, then the plaintiff would likely prevail. Based on the limited disclosure, the defendant argued that the term baffle should exclude structures oriented at 90 degrees

from the shell wall. The District Court and the Federal Circuit panel agreed. However, the *en banc* Federal Circuit reversed, holding that baffle should not be so limited.

In construing patent claims, courts may consider the language of the claims, the specification, the prosecution history, general purpose and technical dictionaries, and if necessary, expert testimony. Many times, these various sources support conflicting interpretations of claim terms. In its 1996 decision in *Markman v. Westview Instruments, Inc.*,<sup>3</sup> the U.S. Supreme Court held that the interpretation of patent claims is a matter of law to be decided by the Court. Since that time claim construction decisions of district courts have been subject to *de novo* review by the Court of Appeals for the Federal Circuit. See *Cybor Corp. v. FAS Technologies Inc.*<sup>4</sup> Subsequent to *Markman*, the Federal Circuit also attempted to clarify the proper methodology for construing patent claims in several decisions such as *Vitronics Corp. v. Conceptronic, Inc.*<sup>5</sup>

The treatment of claim construction as a matter of law post-*Markman* was expected to produce uniformity and predictability in claim construction decisions. Unfortunately, the reversal rate of district court claim construction decisions has been significant, possibly as high as 40-to-50-percent. See *Cybor Corp.*<sup>6</sup> The reversal rate is attributable, at least in part, to on-going uncertainties about the proper methodology and the permissible sources of information for construing claims.

In arriving at its holding, the *en banc Phillips* Court dealt extensively with the



relative roles of dictionaries and the patent specifications in construing patent claims. The Court held that following its decision in *Texas Digital Systems, Inc. v. Telegenix, Inc.*,<sup>7</sup> too much reliance has been given to dictionary definitions in construing patent claims. It noted that under the *Texas Digital* methodology, "recourse to the specification is limited to determining whether the specification excludes one of the meanings derived from the dictionary, whether the presumption in favor of dictionary definition of the claim term has been overcome by an 'explicit definition of the term different from its ordinary meaning,' or whether the inventor 'has disavowed or disclaimed scope of coverage, by using words or expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope.'" According to the *en banc* majority, this methodology is inconsistent with the Court's prior rulings that the specification "is the single best guide to the meaning of a disputed claim term" (citations omitted). The majority further explained that the *Texas Digital* claim construction methodology improperly focuses the claim construction inquiry on the abstract meaning of words rather than on the meaning of claim terms within the context of the patent and that it introduces a "risk of systematic overbreadth" in claim construction.

The Court acknowledged that "the distinction between using the specification to interpret the meaning of a claim and importing limitations from the specification into the claim can be a difficult one to apply in practice." However, the Court contended that much of the time it will be clear as to whether the patentee is describing specific examples of his invention or whether "the patentee instead intends for the claims and the embodiments in the specification to be strictly coextensive."

In reversing the panel opinion, the *en banc* majority focused heavily on the

doctrine of claim differentiation. Under this doctrine, dependent claims (*i.e.*, claims that incorporate the limitations of independent claims) are presumed to be of a narrower scope than the claims from which they depend. The Court noted that unlike the asserted independent claim, several of the dependent claims recited limitations wherein the baffles were oriented "at angles." The Court concluded that such limitations would be redundant if the broader independent claim were limited to a specific angular orientation.

The Court also relied on the specification's description of the various objects of the invention. It noted that one of the objects of the invention, deflecting projectiles, would only be served by baffles oriented at angles other than 90 degrees. However, the Court concluded that other objects of the invention would not require such an angular orientation. It further held that the claimed baffles were not required to satisfy every object set forth in the specification, and that as a result, they need not satisfy the angular orientation needed to deflect projectiles.

A concurrence and partial dissent by Judge Lourie underscores the unresolved tension between construing claims in light of the specification and avoiding the importation of limitations from the specification. Judge Lourie concurs in the majority's resolution of the relative weights to be given to dictionary definitions and the specification in interpreting patent claims. However, he dissents from the majority's claim construction holding. According to Judge Lourie, the district court and panel's construction of baffle was adequately supported by the specification's limited disclosure of baffles oriented only at angles other than 90 degrees and its consistent reference to the objective of deflecting bullets, an objective that requires baffles oriented at angles other than 90 degrees.

In a very critical dissent, Judge Mayer contended that the treatment of claim

construction as a purely legal issue devoid of a factual component is a falsehood, and that as a result of such treatment, "any attempt to fashion a coherent standard" for claim construction is "pointless." He further writes that the question of how a person of ordinary skill in the art would interpret patent claims is "inherently factual." Accordingly, he suggested that if the Court persists in treating claim construction as a purely legal issue, all patent cases should be filed in the Federal Circuit to determine if claim construction is necessary and to resolve any disputed claim construction issues, leaving only those cases with disputed factual issues to be heard by the trial court.

The Federal Circuit's solicitation of *amicus* briefs directed to fundamental principles of claim construction and the promise of a clearer, more predictable methodology for construing claims created a "frenzy of expectation" in the patent bar. However, the *en banc* opinion ultimately disappoints and is not likely to reduce the existing confusion and unpredictability in the claim construction process for several reasons.

First, the *Phillips* opinion fails to clarify how the district courts are to determine when a specification *implicitly* limits a claim term to a meaning narrower than that provided by dictionary sources. It remains the law that statements of express definition or disclaimer in the specification will limit claim scope. *Phillips* also reaffirms the rule that claims are not to be limited to the scope of a single embodiment simply because no other embodiments are disclosed. However, in contrast to the methodology of *Texas Digital*, the district courts are now directed to assign a greater role to the specification and determine whether it implicitly limits the meaning of claim terms.

The majority suggests that by reviewing a patent specification, district courts will be able to distinguish situations in which the patentee merely set out specific examples of the invention from those in



which it intended for the “claims and the embodiments in the specification to be strictly coextensive.” However, it is rarely the case that a patentee *intends* for the specification and claims to be “strictly coextensive.” More commonly, patentees would like their claims to be construed as broadly as the prior art will allow, regardless of whether such constructions encompass embodiments that they never contemplated or disclosed in the specification. Yet, district courts will likely ascertain the patentee’s intent by scrutinizing specifications to determine whether they describe embodiments as merely “preferred,” or instead, whether they describe embodiments as “the invention” itself. See *SciMed Life Systems v. Advanced Cardiovascular*.<sup>8</sup> District courts will also likely place heavier emphasis on the doctrine of claim differentiation to determine whether limiting interpretations of claim terms would render dependent claims superfluous. However, the language used to characterize an inventor’s embodiments and the particular sequences of independent and dependent claims are usually the province of the patent drafter, not the inventor. Thus, these considerations reveal more about the sophistication of the patent drafter than they do about the patentee’s intent. Moreover, attempts to discern the patentee’s intent do not address the fundamental question: Is a patentee entitled to claims that are as broad as the prior art will allow, even if they encompass embodiments that are not described or contemplated in the specification? When the Patent Office decided to grant the patent, it did so based on an interpretation of the claims which was as broad as the claim terms reasonably allow. *Manual of Patent Examining Procedure*, § 2111.01.<sup>9</sup> Isn’t this the scope to which the patentee is entitled when it seeks to enforce its patent?

Second, *Phillips* does not address how to resolve conflicting indications of the patentee’s intent. The *Phillips* specification characterizes the sole embodiment

as “the invention.” The embodiment is not described as “preferred,” “exemplary,” or in any other way which would suggest that the scope of the invention extends beyond the embodiment itself. Yet, the *en banc* majority gives greater weight to the doctrine of claim differentiation than to the specification’s narrow characterization of the invention. It is noteworthy that the Federal Circuit has previously held that “claim differentiation only creates a *presumption* that each claim in a patent has a different scope; it is not a hard and fast rule of construction.” *Kraft Foods, Inc. v. International Trading Company*.<sup>10</sup> Yet, at least in this instance, claim differentiation appears to trump a narrow disclosure.

Indeed, the conflict between the concurrence and the majority reveals the difficulty in weighing conflicting indications of a patentee’s intent. The majority and concurrence reach contrary conclusions with respect to the significance of the objects of the invention set forth in the specification. The concurrence concludes that bullet deflection is a “constantly stated objective” that requires non-perpendicular baffles, while the majority considers bullet deflection to be one of several objects of the invention, not all of which need be satisfied. In addition, the concurrence gives little weight to claim differentiation and focuses more heavily on lack of disclosure of non-perpendicular baffles. As a result, the concurrence would defer to the district court’s limiting construction of “baffle.”

Third, *Phillips* does not clarify when and to what extent dictionary definitions are to be used in construing claims. The majority indicates that it does “not intend to preclude the appropriate use of dictionaries” and acknowledges that they are “often useful to assist in understanding the commonly understood meaning of words.” However, it further holds that district courts are to focus “at the outset” on the use of claim terms in the claims, specification, and prosecution history, “rather

than starting with a broad [dictionary] definition and whittling it down.” If a district court concludes that the specification does not expressly or implicitly limit the scope of a claim term, is it then free to construe the term based on a dictionary definition? The *Phillips* decision does not resolve the issue, because the *en banc* majority did not actually provide a construction of “baffle,” instead it merely determined whether the term should be limited to particular angular orientations. On remand should the district court construe “baffle” in accordance with its general purpose dictionary definition: “something for deflecting, checking, or otherwise regulating flow?”

Because it directs district courts to more thoroughly consider implicit limitations of claim scope, *Phillips* may ultimately result in claim constructions that are more closely tailored to the embodiments disclosed in patent specifications. To minimize the risk of such limiting constructions, patent drafters should carefully characterize disclosed embodiments as “preferred” or “exemplary” and should avoid characterizing them as “the invention.” Especially where limited numbers of embodiments are disclosed, express definitions of key claim terms should be provided. If possible, broad functional definitions should be used. Also, statements of objects of the invention should be avoided. However, if they are included, they should be described in a non-limiting manner. For example, they could be described as “preferred benefits” or “preferred advantages” of particular embodiments. Comprehensive sets of dependent claims that progressively recite additional features of the disclosed embodiments should also be used so the patent holder will be able to rely on the doctrine of claim differentiation in litigation.

In terms of its impact on patent litigation, *Phillips* seems unlikely to produce any additional certainty or predictability to the claim construction process.

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## Phillips

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Defendants and plaintiffs will continue to scour the specification, file history and dictionary sources for any statements that support their respective positions. If allowed by the district court, they will also likely offer expert testimony in support of their positions. The district courts will continue to sift through the conflicting information provided by both sides in an effort to discern the "ordinary meaning" of disputed terms, knowing that their conclusions will likely be reviewed *de novo* by the Federal Circuit. Given the lack of clarity and number of unresolved questions concerning the proper claim construction methodology, one may rightly wonder if the dissent's suggestion to use the Federal Circuit as a court of first instance for claim construction issues is worth pursuing. ©

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### Endnotes

1. 376 F.3d 1383 (Fed. Cir. 2005).
2. Case Nos. 03-1269 and 03-1286; 2005 U.S. App. LEXIS 13954.
3. 517 U.S. 373, 116 S.Ct. 1384 (1996).
4. 138 F.3d 1448, 1456 (Fed. Cir. 1998).
5. 90 F.3d 1576 (Fed. Cir. 1996).
6. 138 F.3d at 1476 (Rader, J. dissenting).
7. 308 F.3d 1193 (Fed. Cir. 2002).
8. 242 F.3d 1337, 1344 (Fed. Cir. 2001) (limiting the scope of the asserted claims to catheters with coaxial lumens in light of the "many statements in the written description that define 'the invention' as employing a coaxial lumen structure").
9. (8th ed., Rev. 2 May 2004).
10. 203 F.3d 1362, 1368 (Fed. Cir. 2000) (citations omitted).

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