

INTELLECTUAL PROPERTY

In Phillips v. AWH, the En Banc Federal Circuit Refocuses Claim Construction on a Patent's Intrinsic Evidence

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In perhaps its most anticipated decision since *Markman v. Westview Instruments*¹ and *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*,² the U.S. Court of Appeals for the Federal Circuit—the appellate court that hears all appeals in patent cases—recently issued an *en banc* ruling in *Phillips v. AWH Corp.*

At issue in *Phillips* were questions of fundamental importance to the resolution of virtually every patent case, including which sources should be accorded primacy in a court's interpretation of a patent's claims and what level of deference (if any) the Federal Circuit should pay to a trial court's claim construction. In particular, the Court addressed and resolved the controversial issue of how dictionaries should be used in construing patent claims. The court deferred deciding, however, the question of whether deference should be paid to the trial court's determination of how the claims should be construed.

BACKGROUND

By all accounts, *Phillips* began as an unexceptional infringement case, involving neither particularly complex technology, nor seemingly novel questions of law.³

U.S. Patent No. 4,677,798 issued to Phillips in 1987 and claims “[b]uilding modules adapted to fit together for construction of fire, sound and impact resistant security barriers and rooms for use in securing records and persons, comprising in combination, an outer shell . . . , sealant means . . . and further means disposed inside the shell for increasing its load bearing capacity comprising internal steel baffles extending inwardly from the steel shell walls.”

¹ 52 F.3d 967 (Fed. Cir. 1995), *aff'd*, 517 U.S. 370 (1996).

² 344 F.3d 1359 (Fed. Cir. 2003).

³ *Phillips* also involved a trade secret misappropriation claim, which the district court, Federal Circuit panel and *en banc* Court all held was barred by the applicable statute of limitations. See Op. at 38.

At issue in the district court was the construction of the claim term “baffles.”⁴ Because every reference and diagram in the specification showed baffles angled at other than 90°, the district court ruled that the claimed baffles must “extend inward...at an oblique or acute angle to the wall face.”⁵ Under this construction, summary judgment of no infringement was granted to AWH.⁶

On appeal, a panel of the Federal Circuit affirmed, concluding “that the patentee regarded his invention as panels providing impact or projectile resistance and that the baffles must be oriented at angles other than 90°.”⁷ The majority’s approach to claim construction followed the principles of *Vitronics Corp. v. Conceptronic, Inc.*,⁸ and its progeny, in which the patent’s “intrinsic” record—the claims, specification and prosecution history—is given primary importance in the claim construction analysis. In dissent, Judge Timothy Dyk reasoned, based on *Texas Digital Sys. v. Telegenix, Inc.*⁹ and the line of cases following that decision, that claim terms should be given their dictionary definition unless a term was defined differently or claim scope was explicitly disclaimed in the specification.¹⁰ Since the dictionary definition of “baffles” does not limit the term to those oriented at angles other than 90° and the specification does not explicitly redefine the term or disavow claim scope, Judge Dyk would have construed the term more broadly and reversed the summary judgment of no infringement.

The Federal Circuit vacated the panel decision and granted rehearing *en banc* in July 2004,¹¹ inviting both the parties and amici to address issues of fundamental importance to claim construction, including the following:

⁴ *Phillips v. AWH Corp.*, No. 97-MK-212 (CBS), 2002 U.S. Dist. LEXIS 27298, at *31-37 (D. Colo. filed Nov. 22, 2002).

⁵ *Phillips*, No. 97-MK-212 (CBS), 2002 U.S. Dist. LEXIS 27298, at *36. As a preliminary matter, the district court held that the term “baffles” was “means-plus-function” language, under 35 U.S.C. § 112, ¶ 6. *Id.* at *15, 34. Both the Federal Circuit panel and the *en banc* Court disagreed. *See Op.* at 5-7.

⁶ *Phillips v. AWH Corp.*, No. 97-MK-212 (CBS), 2003 U.S. Dist. LEXIS 25199, at *2 (D. Colo. filed Jan. 22, 2003).

⁷ *Phillips v. AWH Corp.*, 363 F.3d 1207, 1213 (Fed. Cir. 2004).

⁸ 90 F.3d 1576, 1582 (Fed. Cir. 1996).

⁹ 308 F.3d 1193 (Fed. Cir. 2002).

¹⁰ *Phillips*, 363 F.3d at 1218-19.

¹¹ 376 F.3d 1382.

1. Is the public notice function of patent claims better served by referencing primarily to technical and general purpose dictionaries and similar sources to interpret a claim term or by looking primarily to the patentee's use of the term in the specification? If both sources are to be consulted, in what order?

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7. Consistent with the Supreme Court's decision in *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996), and our *en banc* decision in *Cybor Corp. v. FAS Technologies, Inc.*, 138 F.3d 1448 (Fed.Cir.1998), is it appropriate for this court to accord any deference to any aspect of trial court claim construction rulings? If so, on what aspects, in what circumstances, and to what extent?

The Court's questions go to issues of fundamental importance to every patent case. What the patent claims mean is the first step in deciding both whether the claims are valid and whether they are infringed.¹² Frequently, the construction of the patent's claims will essentially end the case. Thus, not surprisingly, the patent bar spared no effort in responding to the Federal Circuit's call for recommendations on these fundamental questions. More than 30 amici submitted briefs to the Court, and the *en banc* Court accepted the request of the PTO to be heard at oral argument, in addition to the parties.

THE DECISION

The *en banc* decision, joined in its entirety by nine Judges and in part by Judges Alan Lourie and Pauline Newman, reaffirmed the principles of claim construction elucidated in *Vitronics*.

The Court began its analysis with the "bedrock principle" that the claims define the invention and should be given their ordinary and customary meaning—the "meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention." Op. at 8-9. Further, because "the person of ordinary skill in the art is deemed to read the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent, including the specification," Op. at 10, it is this context that must inform and, indeed, control claim construction. In this regard, the Court reaffirmed the rule of *Vitronics* and its progeny¹³ and

¹² See, e.g., *Markman; Oakley, Inc. v. Sunglass Hut Int'l*, 316 F.3d 1331, 1339 (Fed. Cir. 2003).

¹³ See e.g., *Innova/Pure Water, Inc. v. Safari Water Filtration Systems, Inc.*, 381 F.3d 1111, 1116 (Fed. Cir. 2004).

held that the claims themselves, the specification, and, to a lesser extent, the prosecution history, form the primary tools of claim construction.

First, the claims themselves can provide meaning to the terms, both with respect to the context in which a term is used in the claim-at-issue and with respect to how the term is used in other claims (asserted or unasserted) in the patent. Op. at 12. Second, the Court focused on the specification as the “single best guide to the meaning of a disputed term,” Op. at 13,¹⁴ citing numerous Supreme Court and Federal Circuit decisions emphasizing the importance of the specification in claim construction. See Op. at 13-15. The Court explained that the specification’s significance derives both from its statutory role as the repository of the “full, clear, concise and exact terms” the inventor chose to describe the invention and from its role during patent prosecution, where the PTO accords the claims their broadest reasonable construction “in light of the specification.” Op. at 15-16. Third, the Court explained the value of the prosecution history in informing the meaning of the claims by “demonstrating how the inventor understood the invention and whether the inventor limited the invention in the course of prosecution.” Op. at 17.

Though the Court clearly emphasized the claims, specification and prosecution history as the primary tools of claim construction, the Court took pains to explain that it was not delineating a “rigid algorithm” for claim construction, Op. at 31, and did not disqualify the use of extrinsic evidence, such as dictionaries or expert testimony to “shed useful light on the relevant art” and to help the court “to better understand the underlying technology.” Op. at 18. The Court viewed extrinsic evidence, however, “in general as less reliable than the patent and its prosecution history in determining how to read claim terms.” Op. at 19. Tellingly, the Court underlined that “extrinsic evidence may be useful to the court, but it is unlikely to result in a reliable interpretation of patent claim scope unless considered in the context of the intrinsic evidence.” Op. at 21.

The Court relegated dictionaries to essentially the same status as other extrinsic evidence as a tool to “better understand the underlying technology.” See e.g., Op. at 28. In so doing, the Court abrogated the standard set forth by a Federal Circuit panel in *Texas Digital* and its progeny, which held that dictionaries should be given primacy in determining the ordinary meaning of the claims and that the specification governs only where it clearly defines a claim term in a way different from its dictionary meaning or explicitly disavows claim scope. Op. at 21-22. The Court held that the *Texas Digital* approach “placed too much reliance on extrinsic sources such as dictionaries, treatises, and encyclopedias and too little on intrinsic sources, in particular the specification and prosecution history.” Op. at 23. As the Court explained, “[t]he main problem with elevating the dictionary to such prominence is that it focuses the inquiry on the abstract meaning of words rather than on the meaning of claim terms within the context of the patent.” Op. at 25.

¹⁴ Quoting *Vitronics*, 90 F.3d at 1582.

Applying the refocused rules of claim construction to the claims in *Phillips*, the Court read the claims in context of each other and the entire specification, and found that nothing limited the claim term “baffles” structurally, to those oriented at angles other than 90°, or functionally, as able to deflect projectiles. Op. at 31-37. The Court thus reversed the district court’s decision of no infringement and remanded. Op. at 37.

Finally, the Court specifically decided not to address the question of what, if any, deference is to be accorded a trial court’s claim construction. Op. at 38. In so doing, the Court allowed its prior *en banc* decision in *Cybor Corp. v. FAS Technologies, Inc.*,¹⁵ holding that claim construction is a matter of law subject to *de novo* review, to stand unchanged.

THE CONCURRING AND DISSENTING OPINIONS

Judge Alan Lourie with whom Judge Pauline Newman joined (both in the majority on the panel decision in *Phillips*) concurred in the majority’s reasoning, but would have affirmed the district court decision; because the *en banc* Court agreed with the weight given to the specification by the district court and the majority of the *Phillips* panel, there was no reason to reverse and remand. Lourie Dissent at 2 (“I see no reason for the court, having reaffirmed the principle on which the district judge and the panel originally decided the case, to send it back for further review.”).

Former Chief Judge Haldane Mayer (who dissented from the Court’s order granting rehearing *en banc*), with whom Judge Newman also joined, severely criticized the *en banc* Court for deferring the question of whether claim construction is a question of law subject to *de novo* review, or properly a question of fact subject to review only for clear error. In powerful prose, Judge Mayer likened the *en banc* Court’s decision to “rearranging deck chairs on the Titanic,” Mayer Dissent at 9, suggesting the Court’s focus on the hierarchy of tools for claim construction means little in light of the missed opportunity to solve the real problem with its claim construction jurisprudence.

CONCLUSION

Whether Judge Mayer’s criticism of the *en banc* decision in *Phillips* for failing to defer to the trial court on issues of claim construction is valid remains to be seen. Indeed, the contextual approach to claim construction was widely followed before *Phillips*. See, e.g., *Markman*, *Vitronics*, *Innova*; see also *Medrad, Inc. v. MRI Devices Corp.*¹⁶ As such, *Phillips* represents more a clarification with respect to *Texas Digital*, than a sea change in Federal Circuit jurisprudence.

¹⁵ 138 F.3d 1448 (Fed. Cir. 1998).

¹⁶ 401 F.3d 1313, 1319 (Fed. Cir. 2005) (“We cannot look at the ordinary meaning of the term...in a vacuum. Rather, we must look at the ordinary meaning in the context of the written description and the prosecution history.”).

One thing is all but certain, however. Following *Phillips*, the role of dictionaries in determining the meaning of patent claims will diminish further, in favor of the language of the claims themselves, the specification and the prosecution history. The focus of claim construction will remain the context in which the claims are presented to the public and claims will be interpreted through the prism of intrinsic evidence, not by reference to the pristine—though abstract—pages of the American Heritage or Webster’s dictionaries.

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If you have any questions about the subject matter of this memorandum, or would like further information, please contact Hank Gutman (212-455-3180; hgutman@stblaw.com), Bob Bourque (212-455-3595; rbourque@stblaw.com), Noah Leibowitz (212-455-3098; nleibowitz@stblaw.com) Jeremy Pitcock (212-455-2676; jpitcock@stblaw.com) or Amy Semet (212-455-2402; asetmet@stblaw.com) of the firm’s Intellectual Property Practice Group. Please visit our web site at www.simpsonthacher.com.