No. 13-854

IN THE

Supreme Court of the United States

TEVA PHARMACEUTICALS USA, INC., *et al.*,

Petitioners,

v.

SANDOZ, INC., *et al.*,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF OF *AMICUS CURIAE* INTELLECTUAL PROPERTY OWNERS ASSOCIATION IN SUPPORT OF NEITHER PARTY

Of counsel:

PHILIP S. JOHNSON,
President
KEVIN H. RHODES,
Chair, Amicus Brief Committee
INTELLECTUAL PROPERTY
OWNERS ASSOCIATION
1501 M Street, NW, Suite 1150
Washington, DC 20005
(202) 507-4500

PAUL H. BERGHOFF
Counsel of Record
NICOLE E. GRIMM
MCDONNELL BOEHNEN
HULBERT & BERGHOFF LLP
300 South Wacker Drive
Chicago, Illinois 60606
(312) 913-0001
berghoff@mbhb.com

Counsel for Amicus Curiae

253589

COUNSEL PRESS
(800) 274-3321 • (800) 359-6859

TABLE OF CONTENTS

TABLE OF CITED AUTHORITIES

Page

Cases

Rules

INTEREST OF *AMICUS CURIAE*

Amicus curiae Intellectual Property Owners Association (IPO) is a trade association representing companies and individuals in all industries and fields of technology who own or are interested in intellectual property rights.[1] IPO's membership includes more than 200 companies and over 12,000 individuals who are involved in the association either through their companies or as inventor, author, executive, law firm, or attorney member. Founded in 1972, IPO represents the interests of all owners of intellectual property. IPO regularly represents the interests of its members before Congress and the U.S. Patent and Trademark Office and has filed amicus curiae briefs in this Court and other courts on significant issues of intellectual property law. The filing of this brief was approved by the IPO Board of Directors. A list of the IPO board members can be found in the Appendix.[2]

IPO submits this brief in support of a modified standard of appellate review for patent claim construction.

---

1. No counsel for a party authored this brief in whole or in part, and no such counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than the *Amicus Curiae* or its counsel made a monetary contribution to its preparation or submission. The parties have consented to the filing of this brief.

2. IPO procedures require approval of positions in briefs by a two-thirds majority of directors present and voting.

SUMMARY OF THE ARGUMENT

The Federal Circuit in *Cybor Corp. v. Fas Technologies, Inc.* held that a district court's claim construction, including "any allegedly fact-based questions relating to claim construction," is a pure question of law that is always reviewed *de novo*. 138 F.3d 1448, 1456 (Fed. Cir. 1997). More recently, the Federal Circuit in *Lighting Ballast Control LLC v. Philips Electronics North America Corp.* upheld its decision in *Cybor* on stare decisis grounds. 744 F.3d 1272, 1286 (Fed. Cir. 2014).

This Court made clear in *Markman v. Westview Instruments* that claim construction is a matter "exclusively within the province of the court" while acknowledging that claim construction may involve "evidentiary underpinnings." 517 U.S. 370, 372, 390 (1996). Therefore, the Federal Circuit should continue to treat the ultimate question of what a claim term means as a legal question that is reviewed *de novo* on appeal.

As to the appellate review of evidence that underlies the legal question of claim construction, IPO supports a more nuanced approach. Patent claim interpretation often requires analysis of two evidentiary components: the intrinsic record, i.e., the claims, patent specification, and prosecution history, and extrinsic evidence, such as expert witness testimony. With respect to review of a patent's intrinsic written record, the appellate court sits in exactly the same position as the district court. Appellate judges are just as capable as district court judges of reviewing the language of the claims, the specification, and the prosecution history, and assessing their significance to the ultimate legal conclusion of claim construction.

Therefore, IPO believes that a district court's analysis of claim construction based on the intrinsic record should continue to be reviewed *de novo* by the Federal Circuit

With respect to extrinsic evidence, however, the situation is different. District court judges sit in a better position to weigh the credibility and impact of extrinsic evidence, such as expert testimony, than the appellate court. Therefore, IPO believes that the district court's findings of fact based on properly-considered factual evidence in the extrinsic record should be reviewed under a "clear error" standard in accordance with Federal Rule of Civil Procedure 52(a)(6).

This limited degree of deference to the district court would allow the Federal Circuit to benefit from the district court's superior fact-finding position with respect to extrinsic evidence, while still maintaining consistent application of claim construction law through *de novo* review of the intrinsic record as well as the ultimate legal question of what a claim term means.

ARGUMENT

I. Claim Construction Is a Matter of Law and Should Remain Reviewable *De Novo* by the Federal Circuit

In *Markman v. Westview Instruments,* this Court held that claim construction is a matter "exclusively within the province of the court." 517 U.S. at 372. In so holding, this Court concluded that legal expertise would ensure that the meaning assigned to a claim term will be consistent with the patent's intrinsic record and "preserve the patent's internal coherence." *Id.* at 390. Thus, the IPO

believes that *Cybor*, in holding that the ultimate question of claim construction is a matter of law to be reviewed *de novo*, is consistent with *Markman*.

II. A District Court's Claim Interpretation Relating to the Significance of Statements in the Intrinsic Record Should Remain Reviewable *De Novo* by the Federal Circuit

This Court has also recognized that claim construction may involve "evidentiary underpinnings." *Markman*, 517 U.S. at 390. As noted in *Markman*, courts may be required to resolve issues that "fall somewhere between a pristine legal standard and simple historical fact." *Id.* at 388 (quoting *Miller v. Fenton*, 474 U.S. 104, 114 (1985)). As such, claim construction involves mixed questions of law and fact.

In general, this Court has held that "deferential review of mixed questions of law and fact is warranted when it appears that the district court is 'better positioned' than the appellate court to decide the issue in question or that probing appellate scrutiny will not contribute to the clarity of legal doctrine." *See Salve Regina College v. Russell*, 499 U.S. 225, 233 (1991). With respect to issues on appeal that involve the interpretation of the intrinsic record, however, IPO believes that district court judges are not "better positioned" than the appellate court. Rather, the Federal Circuit sits in exactly the same position as the district court. Importantly, the intrinsic record is both fixed and in writing such that Federal Circuit judges are equally capable of assessing the impact of this evidence on the legal issue of claim construction. Therefore, IPO believes that the district court's analysis of the intrinsic record

should not be accorded deference and should continue to be reviewed *de novo* on appeal.

III. Underlying Factual Determinations Based on Extrinsic Evidence Should be Reviewed For Clear Error by the Federal Circuit

Extrinsic evidence presents a different situation than intrinsic evidence because it is neither fixed in scope nor necessarily in writing. Where the district court hears competing expert testimony, for example, the district court will be in the best position to judge the credibility and impact of any factually disputed evidence.[3] This Court has recognized that district court judges are better positioned to properly consider this evidence and weigh its value in view of the intrinsic record. *See Markman*, 517 U.S. at 390 ("The decisionmaker vested with the task of construing the patent is in the better position to ascertain whether an expert's proposed definition fully comports with the specification and claims and so will preserve the patent's internal coherence."). Therefore, IPO believes that factual findings by the district court

3. Expert testimony is only one example of extrinsic evidence that underlies the legal claim construction determination. Extrinsic evidence includes anything that is outside of the four-corners of the patent and the prosecution history, such as testimony from inventors and experts, dictionary definitions, and treatises. *See Phillips v. AWH Corp.*, 415 F.3d 1303, 1317 (Fed. Cir. 2005). Extrinsic evidence may be useful "to provide background on the technology at issue, to explain how an invention works, to ensure that the court's understanding of the technical aspects of the patent is consistent with that of a person of skill in the art, or to establish that a particular term in the patent or the prior art has a particular meaning in the pertinent field." *Id.* at 1318.

based on extrinsic evidence should be afforded deference on appeal and reviewed under a "clear error" standard. *See* Fed. R. Civ. P. 52(a)(6).

This limited degree of deference should not, however, alter the clear hierarchy of the intrinsic record vis-à-vis extrinsic evidence as set forth in the Federal Circuit's en banc decision in *Phillips v. AWH*. *See* 415 F.3d 1303, 1318 (Fed. Cir. 2005) ("[E]xtrinsic 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."). This hierarchy is consistent with this Court's "standard construction rule that a term can be defined only in a way that comports with the instrument as a whole." *Markman*, 517 U.S. at 389.

This Court explicitly recognized in *Markman* that there will be circumstances in which judges have to make credibility determinations between experts in the course of claim construction, but that those disputes will usually be circumscribed by the intrinsic record.

> It is, of course, true that credibility judgments have to be made about the experts who testify in patent cases, and in theory there could be a case in which a simple credibility judgment would suffice to choose between experts whose testimony was equally consistent with a patent's internal logic. But our own experience with document construction leaves us doubtful that trial courts will run into many cases like that. In the main, we expect, any credibility determinations will be subsumed within the necessarily sophisticated analysis of the

> whole document, required by the standard construction rule that a term can be defined only in a way that comports with the instrument as a whole.

Id. at 389. Thus, while deference should be afforded to extrinsic factual determinations, IPO believes that such facts should remain subsidiary to the intrinsic record for purposes of ultimately assigning meaning to the claim terms.

IV. Maintaining *De Novo* Review by the Federal Circuit of the Intrinsic Record Will Continue to Foster Consistent Claim Construction Rulings

IPO believes that maintaining *de novo* review by the Federal Circuit of the intrinsic record will continue to foster consistent claim construction rulings. Indeed, in deeming all issues of claim construction to be matters for the court in *Markman*, this Court emphasized "the importance of uniformity in the treatment of a given patent." *Markman*, 517 U.S. at 390.

Consistent claim construction rulings are particularly important in instances where the same patent or related patents are litigated before multiple district courts. In addition, consistent application of claim construction jurisprudence is of great value to patent owners and allows them to make informed decisions concerning the scope and value of their own patents and the patents of others. Allowing only limited deference to the district court will permit the Federal Circuit to continue to bring uniformity to claim construction, an issue of central importance in every patent dispute.

CONCLUSION

IPO believes that *Cybor* should be overruled, but only in part. The ultimate conclusion of what a claim term means should remain reviewable *de novo* by the Federal Circuit. In addition, the district court's analysis of the intrinsic record should not be accorded deference and should continue to be reviewed *de novo* on appeal. However, IPO believes that where a district court resolves questions of fact based upon extrinsic evidence, such factual findings should be afforded deference by the Federal Circuit and should be reviewed for clear error. IPO respectfully submits that this framework would continue to promote consistency in claim construction rulings and better align appellate review of claim construction with this Court's precedent and Rule 52(a)(6).

Respectfully submitted,

Of counsel:

PHILIP S. JOHNSON,
President
KEVIN H. RHODES,
Chair, Amicus Brief Committee
INTELLECTUAL PROPERTY
OWNERS ASSOCIATION
1501 M Street, NW, Suite 1150
Washington, DC 20005
(202) 507-4500

PAUL H. BERGHOFF
Counsel of Record
NICOLE E. GRIMM
MCDONNELL BOEHNEN
HULBERT & BERGHOFF LLP
300 South Wacker Drive
Chicago, Illinois 60606
(312) 913-0001
berghoff@mbhb.com

Counsel for Amicus Curiae

APPENDIX

APPENDIX[1]

Members of the Board of Directors
Intellectual Property Owners Association

Edward Blocker
Koninklijke Philips N.V.

Tina M. Chappell
Intel Corp.

William J. Coughlin
Ford Global Technologies LLC

Robert DeBerardine
Sanofi-Aventis

Anthony DiBartolomeo
SAP AG

Louis Foreman
Enventys

Scott M. Frank
AT&T

Darryl P. Frickey
Dow Chemical Co.

Krish Gupta
EMC Corporation

Horacio Gutierrez
Microsoft Corp.

Jennifer M. Hall
Mars Inc.

Alan W. Hammond
Life Technologies Corp.

Dennis R. Hoerner, Jr.
Monsanto Co.

Carl B. Horton
General Electric Co.

Michael Jaro
Medtronic, Inc.

Philip S. Johnson
Johnson & Johnson

Lisa K. Jorgenson
STMicroelectronics, Inc.

Charles M. Kinzig
GlaxoSmithKline

Christopher H. Kirkman
The Travelers Companies, Inc.

David J. Koris
Shell International B.V.

---

1. IPO procedures require approval of positions in briefs by a two-thirds majority of directors present and voting.

Appendix

Allen Lo
Google Inc.

Timothy F. Loomis
Qualcomm, Inc.

Steven W. Miller
Procter & Gamble Co.

Douglas K. Norman
Eli Lilly and Co.

Elizabeth A. O'Brien
Covidien

Sean O'Brien
United Technologies Corp.

Salvatore Pace
Praxair, Inc.

Richard F. Phillips
Exxon Mobil Corp.

Dana Rao
Adobe Systems Inc.

Kevin H. Rhodes
3M Innovative Properties Co.

Mark L. Rodgers
Air Products & Chemicals, Inc.

Curtis Rose
Hewlett-Packard Co.

Matthew Sarboraria
Oracle USA Inc.

Manny Schecter
IBM Corp.

Steven J. Shapiro
Pitney Bowes Inc.

Dennis C. Skarvan
Caterpillar Inc.

Terri H. Smith
Motorola Solutions, Inc.

Daniel J. Staudt
Siemens Corp.

Brian K. Stierwalt
ConocoPhillips

Thierry Sueur
Air Liquide

James J. Trussell
BP America, Inc.

Roy Waldron
Pfizer, Inc.

Michael Walker
DuPont

BJ Watrous
Apple Inc.

Stuart L. Watt
Amgen, Inc.

Michael Young
Roche, Inc.