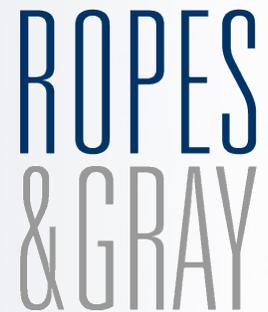


Teva v. Sandoz

Peace at last on claim construction?

Robert J. Goldman
Fordham IP Institute 2015



The Multifaceted Problem of Claim Construction

- Claim construction and appellate review of claim construction decisions have been complicated by:
 - Potential Seventh Amendment issues
 - To what extent does claim construction require findings of fact?
 - Doctrinal developments in how to construe claims
 - The elusive search for uniformity in the application of the methodology

The Federal Circuit's *de novo* approach to review ...

The principal decisions:

- *Markman v. Westview Instruments, Inc.*,
52 F.3d 967 (Fed. Cir. 1995) (“Markman I”)
- *Markman v. Westview Instruments, Inc.*,
517 U.S. 370 (1996) (“Markman II”)
- *Cybor Corp. v. FAS Technologies, Inc.*,
138 F.3d 1448 (Fed. Cir. 1998) (“Cybor”)
- *Phillips v. AWH Corp.*,
415 F.3d 1303 (Fed. Cir. 2005) (“Phillips”)

...was controversial, within the Court and beyond

Everyone had a strong opinion ...

- District Courts and litigants
- Commentators: See Anderson and Menell, *Informal Deference: A Historical, Empirical, and Normative Analysis of Patent Claim Construction*, 108 NW U. L. REV. 1 (2014)

including the Federal Circuit, which had several strong opinions

- *Lighting Ballast Control LLC v. Philips Elec. North America*, 744 F.3d 1272 (Fed. Cir. 2014)

Teva Pharm. USA v. Sandoz

- Disputed claim term: “molecular weight”
- The evidence at trial showed that there were three known methods of measuring molecular weight, which yielded different results
- Sandoz alleged invalidity for indefiniteness
- The District Court credited Teva’s expert and found that one of ordinary skill would know which method to apply
 - 810 F. Supp. 2d 578, 586-596 (S.D.N.Y. 2011)

Teva Pharm. USA v. Sandoz

- Federal Circuit reversed
 - *De novo* review of the intrinsic evidence, which exacerbated the ambiguity, outweighed the trial testimony of Teva's expert
- On *de novo* review of the district court's indefiniteness holding, we conclude that Dr. Grant's testimony does not save Group I claims from indefiniteness. ... Furthermore, as illustrated in the figure below, the peaks of the curves in Figure 1 do not correspond to the values denoted as "average molecular weight" in the figure's legend (Appellants' additions in color). ... Thus, we hold that Group I claims are indefinite.
 - 723 F. 3d 1363, 1369

Teva Pharm. USA v. Sandoz

574 U.S. _____, No. 13-854 (2015)

- The Supreme Court, 7-2, reversed the Federal Circuit and remanded
- Correct standard is
 - “clear error” for subsidiary findings of fact, per Rule 52(a)(6), Fed. R. Civ. P
 - *De novo* for conclusion on construction

Rule 52. Findings and Conclusions by the Court ...

(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.

Teva Pharm. USA v. Sandoz

574 U.S. _____, No. 13-854 (2015)

- Justice Breyer's opinion

- permits *de novo* review where the construction is based on intrinsic evidence *alone*;

- but limits review of other facts, including those relating to technical background and skill in the art

- *Slip Op. at 11-14*

[W]hen the district court reviews only evidence intrinsic to the patent, ...the judge's determination will amount solely to a determination of law, and the Court of Appeals will review that construction *de novo*. ...

In some cases, however, the district court will need to look beyond the patent's intrinsic evidence and to consult extrinsic evidence in order to understand, for example, the background science or the meaning of a term in the relevant art during the relevant time period. ...[T]his subsidiary factfinding must be reviewed for clear error on appeal.

Peace at last? Possibly not ...

- *Enzo Biochem v. Applera Corp.*
 - Appeal No. 2014-1321 (Fed. Cir. March 16, 2015)
- District Court construed claim based on expert testimony, finding infringement
- Federal Circuit reversed
 - Intrinsic evidence alone is sufficient to construe the disputed claim term => *de novo* review
 - Judge Newman dissented