THE (HIDDEN) EFFECTS OF PATENT APPEALS

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1

INTRODUCTION
My Argument

The Unified Patent Court system is likely to (over time) change the substantive law of patents through the interplay between the lower and appellate courts.
Patent Appeals in the United States

- US Supreme Court
- Federal Circuit
- US District Courts
Patent Appeals in the United States

- US Supreme Court
- Federal Circuit (Specialized)
- US District Courts
Patent Appeals in the United States

US Supreme Court

Federal Circuit

US District Courts
Patent Appeals in the United States

- US Supreme Court
- Federal Circuit

Impacts substantive law

US District Courts
## A Few Examples

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Creation of “teaching or suggestion” (legal) rule.</td>
<td>Development/expansion of “legal limitations” on DOE</td>
<td>creation of new ‘written description’ requirement</td>
<td>“de novo” review of patent scope</td>
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<td>“facts” to “law” allows easier review ability</td>
<td>“legal limitations” have essentially swallowed the doctrine</td>
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Aside: “Facts,” “Law,” and Appellate Review

“Facts” found by District Courts are given deferential review. (‘Clear Error’)

“Law” analyzed by District Courts is not given deference. (‘De Novo’)

But there is no universal understanding of what is “fact” and what is “law”.

These categories can be (and are) adjusted (manipulated) by the appellate courts.

( The UPC Convention makes clear that this distinction is in play. )
2
THE CLAIM CONSTRUCTION CASE STUDY
For Nearly Two Decades: The **Markman-Cybor Framework**

**Markman v. Westview Instruments (1996)**

**Cybor v. FAS Techs (Fed. Cir. 1998)**
The Markman-Cybor Framework was built on the Uniformity Thesis.

The Uniformity Thesis:
Allowing judges to review claim construction more rigorously will result in the development of more uniform jurisprudence.
... but ...
The Jurisprudence Was not Uniform!

- Holistic: 35%
- Procedural: 65%

For most of the Markman-Cybor years, the results were deeply split at the Federal Circuit.
The Jurisprudence Was not Uniform!

District Court claim construction Analyses were reversed at exceptionally high rates (20%-50%).
The Jurisprudence Was not Uniform!

This split largely mapped onto individual judges.

So which three-judge panel you drew would often determine your result.
District Courts Responded

US Supreme Court

Federal Circuit

US District Courts
District Courts Responded

First effort was interlocutory appeals.
[ Single-issue appeals, case stayed ]

These were rejected by the Federal Circuit

District Courts responded by granting summary judgment at very high rates.
Impact on the Substantive Law

Claim Construction dominated every case.

Less attention paid to validity issues.

Even infringement questions became subsumed into claim construction.

Very high rates of appeals in patent cases. High costs, long delays.
The interplay between the inherent difficulty of claim construction, the split in approaches at the Federal Circuit, and the intra-court struggles yielded a deeply unsatisfactory situation.

As a result, many patent practitioners have developed a specialized tool for predicting claim construction.
3

In Teva, Supreme Court ruled

The Federal Circuit must give (a little) deference to District Court claim construction.

Deference is accorded along the traditional fact/law distinction.

The line between fact and law is extrinsic to the patent (fact) or intrinsic to the patent (law).
Teva’s analysis will have near-zero impact on results; almost all the time de novo review will apply.

Teva seems likely to change incentives for all the parties involved, which will change the way we do claim construction.
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Federal Circuit will return (over time) to Vitronics-style policing of intrinsic/extrinsic line.

District Courts will evaluate claims accordingly. Evidentiary (Teva) hearings?

Litigants will press towards “factual” components of claim construction.
Why Litigants want Factual Claim Construction

District Courts will want (demand!?) it

Parties’ Confidence in their Case Drives Facts over Law (Extrinsic)

Even Factual Claim Construction Offers Plenty of Options on Appeal
More Factual Claim Construction Changes the Law

Anchors claim meaning into wider context of the technology, language.

Use of objective sources narrows range of disputes over meaning.

Allows for better understanding of claims absent years of litigation.

Generates good incentives for patent drafting, USPTO examination.
The Preceding Assumes Adherence to Spirit of Teva
Will Vitronics return with a vengeance and send us back?
... to be continued ...

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