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Setting the course for claim construction

For its impact on patent owners, *Phillips v AWH Corporation* is one of the most important cases of the past decade. Thankfully, says Irv Feit, the Federal Circuit found a compromise between the competing approaches to claim interpretation.

Claim construction is at the heart of all aspects of patent law. As the Court of Appeals for the Federal Circuit stated in its 1998 decision *In re Hiniker*: “The name of the game is the claim.”

Patent litigation is usually won and lost on the basis of how patent claims are interpreted. But how does one interpret the language of a patent claim? Despite its importance, there were, until July 12, 2005, no definitive and authoritative guidelines. On that day, the Federal Circuit handed down its *en banc* opinion in *Phillips v AWH Corporation*.

Before *Phillips*

Prior to the *en banc Phillips* decision, there were two basic approaches to claim construction. One approach is sometimes referred to as contextual, specification first, or holistic. The other approach is referred to as literal, dictionary first, or procedural. In this article, we will refer to the approaches as being contextual or literal, respectively. The two approaches diverge in the relative weight given to the written description of the invention in the specification, and to the ordinary, dictionary meaning of the claims.

Contextual approach

In the contextual approach, one looks first to the available intrinsic evidence to determine how the inventor(s) defined the scope of the invention. It is especially important to determine whether or not the inventor(s) have introduced any definitions that narrow the invention. Intrinsic evidence includes the specification and, if necessary, the prosecution history.

Extrinsic evidence is considered to be less important than intrinsic evidence in the claim construction hierarchy. Extrinsic evidence includes expert and inventor testimony, dictionaries, treatises and so on.

The leading case advocating the contextual approach is the 1996 Federal Circuit decision in *Vitronics v Conceptorics*. There, the court stated that the specification “is always highly relevant to the claim construction analysis. Usually, it is dispositive; it is the single

best guide to the meaning of a disputed term”.

If carried too far, however, the contextual approach may overemphasize the context in which claim words are used in the specification. Accordingly, a problem with the contextual approach is the temptation to import limitations from the specification into the claims in contradiction to the ordinary meaning of the claim language.

Literal approach

Some Federal Circuit judges became alarmed at a line of contextual approach cases that started to appear in the mid-1990s. They reacted strongly to the perception that their colleagues were, in fact, falling victim to the temptation of the contextual approach - improperly importing limitations from the specification into the claims. To counter this tendency, these judges began emphasizing the importance of using dictionary definitions in determining the meaning of words in a claim.

The leading case advocating this literal approach to claim construction is *Texas Digital Systems v Telegenix*, decided by the Federal Circuit in 2002. According to *Texas Digital*, it is improper to consult the written description and prosecution history before attempting “...to discern the ordinary and customary meanings attributed to the words themselves”. According to *Texas Digital*: “...unless compelled otherwise, a court will give a claim term the full range of its ordinary meaning.”

The principal problem with the literal approach is that dictionary definitions describe a full range of meanings attributed to words by the public, but not necessarily by the inventor(s). Thus an overemphasis on dictionary definitions tends to improperly broaden the scope of claims by ascribing to word meanings the inventors never intended.

The *Phillips* case

The discrepancy in Federal Circuit decisions with respect to the two approaches clearly required resolution. The *Phillips* case presented a good opportunity to resolve the claim construction conundrum,

and the Federal Circuit seized it.

Edward Phillips obtained a patent directed to modular, steel-shell panels that can be welded together to form vandalism-resistant walls. The panels are especially useful in building prisons. An important feature of the claims in the Phillips patent is “internal steel baffles extending inwardly from the steel shell walls”.

Phillips sued AWH for patent infringement in a federal district court. The court granted AWH’s motion for summary judgment of non-infringement. On appeal, a Federal Circuit panel affirmed.

Both the district court and a majority of the Federal Circuit panel interpreted the claims to exclude baffles that form a 90 degree angle with the wall. It is important to note that neither the specification nor the claims explicitly contain such a limitation.

According to the panel majority of Alan Lourie and Pauline Newman, however, the specification repeatedly refers to the ability of the claimed baffles to deflect projectiles, and describes the baffles as being “disposed at such angles that bullets which might penetrate the outer steel panels are deflected”. In other words, at angles at other than 90 degrees. The panel majority further noted that the specification neither describes nor illustrates baffles at 90 degrees with respect to the walls. The majority reasoned that the specification “is intended to support and inform the claims, and it makes it unmistakably clear that the invention involves baffles angled at other than 90°”.

The interpretation of the claims in the Phillips patent as including a limitation that is not found explicitly either in the specification or in the claims is a classic example of the contextual approach to claim interpretation.

The third member of the *Phillips* panel, Timothy Dyk, dissented. Judge Dyk argued that the majority had improperly limited the claims to the particular embodiment of the invention disclosed in the specification.

Judge Dyk noted that the panel majority agreed that the ordinary meaning of baffles is “something for deflecting, checking, or otherwise regulating flow”. In his opinion, the specification did not explicitly redefine the word baffles or clearly disclaim any portion of its ordinary meaning. The dissenting opinion concluded that “there is no reason to supplement the plain meaning of the claim language with a limitation from the preferred embodiment”. Judge Dyk’s unwillingness to interpret a claim term in the context of its use in the specification is a classical example of the literal approach.

The positions were clearly drawn. The Federal Circuit agreed to decide the issue *en banc* once and for all.

The *en banc* decision

The Federal Circuit, sitting *en banc* in *Phillips*, stated the issue directly in Section II of its decision as “... the extent to which we should resort to and rely on a patent’s specification in seeking to ascertain the proper scope of its claims”. In resolving the issue, the court achieved a remarkable consensus, despite the divisive debate regarding the two approaches among the Federal Circuit judges as well as members of the patent bar.

In an unusual show of unity, 11 of the 12 Federal Circuit judges agreed with the basic approach used by the court to decide the case. Nine of the 11 judges who agreed with the basic approach, including the three judges who decided the *Texas Digital* case, Paul Michel, Alvin Schall, and Richard Linn, also agreed with its application to the facts of the case. Two of the 11 judges who agreed with the basic approach, namely the two judges who constituted the majority of the *Phillips* panel decision, noted that the district court and the panel had used the same approach, and stated that it was

unnecessary to remand the case back to the district court. The twelfth judge dissented on procedural grounds, and did not address the merits of the majority opinion.

We will show below how the court achieved this remarkable consensus. We will also show how the *Phillips* decision will affect various aspects of patent law.

Patent litigation is usually won and lost on the basis of how patent claims are interpreted.

The philosophical framework of the *en banc* decision

In Section II(A) of its decision, the Federal Circuit stated the non-controversial general rule that “...the words of a claim are generally given their ordinary and customary meaning”. The court then moved gently in the direction of the contextual approach by stating: “Importantly, 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.”

In Section II(B), the court more clearly advocated the contextual approach. Citing its landmark 1995 *en banc* decision in *Markman v Westview Instruments*, the Federal Circuit stated that “...claims must be read in view of the specification, of which they are a part”.

In discussing the hierarchy of sources to be used in interpreting claims, the court left no doubt that the first source to be consulted is evidence intrinsic to the patent. The first type of intrinsic evidence to be consulted is the language of the claim being interpreted.

The relation of a claim to other claims may also be helpful. For example, the court noted that the presence of a dependent claim that adds a particular limitation gives rise to a presumption that the limitation in question is not present in the independent claim. This rule

Claim interpretation after *Phillips*

The long-awaited *en banc* decision of the Federal Circuit in *Phillips* will govern claim interpretation in future cases authoritatively, in view of the broad consensus achieved by the court. Some guidelines it provides are:

- 1) There is “no rigid algorithm” for interpreting claims. The methodology to be used is determined by how best to achieve “a full understanding of what the inventors actually invented and intended to envelop with the claim”.
- 2) Intrinsic evidence - claim language, limitations in dependent claims, explicit definitions of terms and clear disavowals of scope in the specification, and, to a lesser extent, the prosecution history - is paramount in claim interpretation.
- 3) Extrinsic evidence - dictionaries, treatises, and expert/inventor testimony - is given less weight than intrinsic evidence.
- 4) A limitation of a claim term should not be imported from the specification into the claims unless there is either an explicit, special definition given to the term by the patentee that differs from the meaning it would otherwise possess, or the specification reveals an explicit and clear intentional disclaimer of claim scope by the inventor.

of claim construction, known as the doctrine of claim differentiation, was important in the ultimate decision reached by the court, as we shall see.

The court made clear, however, that the interpretation of a claim does not end with the plain and ordinary meaning of its language. Thus, the court stated: “Ultimately, the interpretation to be given a term can only be determined and confirmed with a full understanding of what the inventors actually invented and intended to envelop with the claim.”

Therefore, according to the court, the specification must be consulted to determine whether it “may reveal a special definition given to a claim term by the patentee that differs from the meaning it would otherwise possess”.

The court further noted that: “In other cases, the specification may reveal an intentional disclaimer, or disavowal, of claim scope by the inventor. In that instance as well, the inventor has dictated the correct claim scope, and the inventor’s intention, as expressed in the specification, is regarded as dispositive.”

Another type of intrinsic evidence a court should consider, if it is in evidence, is the prosecution history of the patent. The court stated that the prosecution history is “less useful (than the specification) for claim construction purposes,” but that it nevertheless “can often inform the meaning of claim language”.

In Section II(C), the court noted that it has “also authorized district courts to rely on extrinsic evidence, which consists of all evidence external to the patent and prosecution history, including expert and inventor testimony, dictionaries, and learned treatises”. The court made clear that it considers extrinsic evidence to be “less significant than the intrinsic record in determining the legally operative meaning of claim language”. Nevertheless, the court observed that “dictionaries and treatises can be useful in claim construction”, though it has “viewed extrinsic evidence in general as less reliable than the patent and its prosecution history in determining how to read claim terms”.

In Section III of its *en banc* decision, the Federal Circuit acknowledged the literal approach in the *Texas Digital* line of cases, “in which the court has given greater emphasis to dictionary definitions of claim terms and has assigned a less prominent role to the specification and the prosecution history”. The court made clear that it rejects the methodology of the literal approach because it “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”. The court’s principal criticism of the *Texas Digital* approach was that “too often that line of cases has been improperly relied upon to condone the adoption of a dictionary definition entirely divorced from the context of the written description”.

Despite the clear disavowal of the literal approach, the court laid the foundation for a compromise with the literalists by acknowledging “that the purpose underlying the *Texas Digital* line of cases - to avoid the danger of reading limitations from the specification into the claim - is sound”. Moreover, the court recognized that “there is sometimes a fine line between reading a claim in light of the specification, and reading a limitation into the claim from the specification”.

The compromise made by the court between the extremes of the contextual and literal approaches can be seen in its admonition to resolve claim interpretation “in the context of the particular patent” in order to avoid the problems with the extremes of both approaches, namely “strictly limiting the scope of the claims to the embodiments disclosed in the specification or divorcing the claim language from the specification”.

Thus, the Federal Circuit established what might be considered a moderated contextual approach. The approach is contextual because it places primary importance on intrinsic evidence, especially the specification, and, to a lesser extent, the prosecution history, to interpret claims.

The approach is moderated by the recognition that a tendency of the contextual approach is, as literalists have often contended, to import limitations from the specification into the claims. In its *en banc Phillips* decision, the Federal Circuit made clear that the importation of implicit limitations from the specification into the claims is outside of a proper claim analysis under the contextual approach.

Application to the facts

Having provided the philosophical framework for interpreting claims, the court, in Section IV(A) of its opinion, then turned its attention to the facts of the case. The court began its analysis by noting that the dictionary meaning of baffles was stipulated by both parties to be “objects that check, impede, or obstruct the flow of something”. The court then found: “The intrinsic evidence confirms that a person of skill in the art would understand that the term ‘baffles,’ as used in the (Phillips) patent would have that generic meaning.”

Therefore, the court refused to exclude baffles disposed at 90 degree angles with respect to the walls.

A word about the methodology used by the court will demonstrate the extent to which the *en banc Phillips* decision was a compromise between two competing philosophies.

One of the tenets of the contextual approach is the lack of a specific formula to apply in a claim determination analysis. Nevertheless, at least under the facts in *Phillips*, the court started with a dictionary definition - literal approach - before turning to the intrinsic evidence - contextual approach. The court found that the intrinsic evidence “confirms that a person of skill in the art would understand that the term ‘baffles,’ as used in the (Phillips) patent would have that generic (dictionary) meaning”.

Thus, although the court philosophically favoured the contextual approach, the approach it used in *Phillips* incorporated decidedly literal characteristics. This merger of the two approaches is likely to have convinced the literalists on the Federal Circuit, includ-

Drafting patent applications after *Phillips*

The *en banc Phillips* decision also provides some guidelines for drafting patent applications.

- 1) Define the scope of each term used in the claims with great care in the specification. It is very important to make absolutely clear whether a claim term is intended to be generic and, if not, precisely how it is to be understood.
- 2) Provide more than one embodiment or species to support a claimed genus. Two embodiments or species are more than twice as good as one. The more the better.
- 3) Draft many dependent claims to confirm a generic interpretation of terms in an independent claim under the doctrine of claim differentiation.
- 4) Make sure any objectives or advantages of the invention mentioned in the specification cannot be interpreted as limitations.

ing all three judges who decided the *Texas Digital* case, to sign on to the *en banc Phillips* decision.

The first piece of intrinsic evidence mentioned by the court was the existence of two dependent claims that require the baffles to be disposed at angles that deflect projectiles. The court noted that these claims would be redundant if the baffles recited in claim 1 were placed at 90 degree angles.

The court then looked to the specification. The court noted that, although the ability of the baffles to deflect projectiles is said to be an important advantage of the claimed panels, it is not the only purpose ascribed to the baffles. The court found that the specification also discusses other purposes served by the baffles, such as providing structural support. At least some of these other purposes did not require excluding 90 degree angles.

For the reasons given above, the Federal Circuit held that the 90 degree limitation was improperly read into the claim by the district court and Federal Circuit panel. Accordingly, the Federal Circuit sitting *en banc* reversed the summary judgment of noninfringement, and remanded the infringement issue to the district court for further proceedings.

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