

**RECENT CASES AFFECTING FREEDOM TO
OPERATE DETERMINATIONS**

DANIEL A. SCOLA, JR.

Partner

Hoffmann & Baron LLP (Parsippany, NJ)

JAMIE M. LARMANN

Associate

Hoffmann & Baron LLP (Parsippany, NJ)

CHRISTINA L. WARRICK

Associate

Hoffmann & Baron LLP (Parsippany, NJ)



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**Daniel A. Scola, Jr., Partner
Jamie M. Larmann, Associate
Christina L. Warrick, Associate
Hoffmann & Baron, LLP**

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Freedom to operate opinions address the clearance of a particular product or process and, therefore, necessarily involve questions of patent validity and/or infringement. Prior to deciding these issues, however, the claims of the patents-in-issue must be interpreted. Claim construction is a threshold issue in any validity or infringement analysis. *See Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995) (*en banc*).

Accordingly, the first step in any freedom to operate analysis is claim construction. Claim construction, however, is a complicated, and often non-linear process. In particular, claims are composed of words or series of words, which often are inherently imprecise. Typically, there is no universal meaning for a word or words used in a claim. For instance, different technologies may adopt different meanings for the same term. This is further complicated by the fact that the law permits the patent draftsman to be their own lexicographer.

Additional complexities lie in the use of some words to communicate minor variations in a claim element, e.g., “about” or “sufficient,” as well as the use of words to describe a property, quality or condition, e.g., “for a time and temperature sufficient to” or “effective amount.” Some claims contain words intended to compare or contrast elements, e.g., “more [or less] flexible than” another element. Other claims may contain words that connect elements, e.g., “adjacent to” or “in contact with.”

Therefore, interpreting the scope and meaning of words used in a claim often is an intricate process. Numerous considerations must be taken into account, including the specific technology and level of skill in the art among others. Moreover, these considerations involve questions of law, fact, and combinations thereof.

Only after one has completed the task of construing the claims, can their validity be analyzed in view of the prior art and infringement be analyzed in view of the accused product or process. In the context of freedom to operate investigations, determinations as to literal infringement, infringement under the doctrine of equivalents, potential design-arounds and invalidity cannot be made without a proper construction of the claim meaning and scope of each relevant patent.

Therefore, claim construction is a vital part of any freedom to operate investigation, regardless of whether or not a formal, written opinion is rendered. Under *Markman* and *Vitronics Corp. v. Conceptoronic, Inc.*, 90 F.3d 1576 (Fed. Cir. 1996), practitioners relied upon evidence intrinsic to the patent, including the claims, the written description, and the relevant prosecution history to interpret patent claims. Extrinsic evidence may be consulted secondarily if necessary. *See id.* at 1582. Dictionaries and treatises were considered extrinsic evidence.

A number of recent Federal Circuit decisions, however, have exhibited increased reliance on dictionary definitions as a source for claim construction. In one case, the Federal Circuit even suggested that it may be legal error not to consult a dictionary. Consequently, the appropriate roles of the specification and dictionaries have become ambiguous. In view thereof, the Federal Circuit recently sat *en banc* for a rehearing of *Phillips v. AWH Corp.*, to address concerns relating to the primacy of the specification as compared to dictionaries in claim construction. A review of the *Phillips* appeal, as well as the divergent caselaw leading up to the *en banc* rehearing, will be presented in this paper. It is hoped that the Federal Circuit's *en banc* decision in *Phillips* will clarify the law and set forth some explicit guidelines. The court is likely to provide a clarification as to intrinsic versus extrinsic evidence and which sources should be given primacy in claim construction. Such guidelines will assist practitioners in analyzing potentially relevant patents uncovered in freedom to operate investigations and rendering legal opinions based thereon.

In some freedom to operate situations, once the claims of the patents-in-issue are properly construed, practitioners must engage in a validity analysis. In addition to considering the typical statutory bases of validity under 35 U.S.C. §§ 102 and 103, the increased importance of the written description requirement under 35 U.S.C. §112, first paragraph indicates the benefits of considering this basis for invalidity, as well. A review of recent caselaw exhibiting the heightened role of the written description requirement also will be presented in this paper.

I. CLAIM CONSTRUCTION

A. Background of *Phillips v. AWH Corp.*

Edward H. Phillips (“Phillips”) is the inventor and owner of U.S. Patent No. 4,677,798 (“the ‘798 Patent”), entitled “Steel Shell Modules for Prisoner Detention Facilities.” The ‘798 Patent is directed to vandalism resistant building modules, which include inner and outer modular steel wall panels and baffles extending inwardly from the steel walls. The modules are suitable, for example, for detention and secured storage facilities because they exhibit sound and fire resistance, impact resistance and load bearing properties.

Phillips entered into a marketing and sales agreement with AWH Corporation, Hopeman Brothers, Inc. and Lofton Corporation (collectively referred to as “AWH”) in 1989 to commercialize his modules. After termination of the agreement, however, Phillips believed that AWH continued to use his technology without his consent. Phillips accordingly sued AWH for infringement of the claims of the ‘798 Patent and trade secret misappropriation in the United States District Court for the District of Colorado.

1. Judgment of Non-infringement of the United States District Court for the District of Colorado

On May 9, 2002, the district court initially denied AWH’s motion for summary judgment on the issue of non-infringement. *Phillips v. AWH Corp.*, No. 97-MK-212, 2002 WL 32627540 (D. Colo. May 9, 2002). The district court subsequently issued its

Markman ruling containing its construction of the '798 Patent claims. The term "baffle" was one of the key claim terms addressed by the district court. In particular, the specification of the '798 Patent did not provide an express definition for the term. The parties stipulated that "baffle" meant a "means for obstructing, impeding, or checking the flow of something." The district court, however, determined that the term contains means-plus-function language, and therefore, is limited by the specification. The district court concluded that a "baffle," in the context of the '798 Patent, must extend inwardly from the shell walls at an angle other than 90° and form an intermediate, interlocking barrier. In view of the *Markman* ruling, Phillips conceded that he could not prove infringement of the claims of the '798 Patent and, consequently, the district court dismissed the infringement claims. *Phillips v. AWH Corp.*, No. 97-MK-212, 2003 WL 23724191 (D. Colo. Jan. 22, 2003).

2. **Federal Circuit Panel Affirms the District Court's Judgment of Non-infringement**

Phillips appealed the district court's grant of summary judgment for non-infringement to the Court of Appeals for the Federal Circuit. In its three judge panel decision (Circuit Judges Pauline Newman, Alan Lourie and Timothy Dyk), the Federal Circuit affirmed the district court's grant of summary judgment. *Phillips v. AWH Corp.*, 363 F.3d 1207, 70 U.S.P.Q.2d 1417 (Fed. Cir. 2004).

More specifically, the court determined that the term "baffle" is a sufficient recitation of structure, and thus, not a means-plus-function limitation. The court cited

Webster's Third new International Dictionary for the ordinary meaning of "baffle" as "something for deflecting, checking, or otherwise regulating flow." The court further held that this ordinary meaning "must be considered in view of the intrinsic evidence: the claims, the specification, and prosecution history." *Phillips*, 363 F.3d at 1213, 70 U.S.P.Q.2d at 1420. Upon consideration of the intrinsic evidence, particularly the specification, the court held that the wall panels must provide impact or projectile resistance and that the baffles must be oriented at angles other than 90°. *Phillips*, 363 F.3d at 1213, 70 U.S.P.Q.2d at 1421. In view of this construction of "baffle," the court affirmed the district court's summary judgment of non-infringement.

In his dissenting opinion, Judge Dyk asserted that the majority's holding "effectively limits the claims to the preferred embodiment" disclosed in the specification. *Id.* at 1423. Judge Dyk argued that the specification of the '798 Patent contains no language that clearly limits the claim scope to a specific structure. According to Judge Dyk's analysis, the specification contains neither a disclaimer of scope, nor an indication that baffles oriented at angles other than 90° are essential to the invention. As such, Judge Dyk stated that "the majority has misconstrued not only the claims, but our precedent as well." *Id.* at 1425.

3. Per Curiam Order to Rehear *En Banc*

Upon petition of Phillips, the Federal Circuit issued a per curiam order agreeing to rehear the appeal *en banc*. *Phillips v. AWH Corp.*, 376 F.3d 1382, 71 U.S.P.Q.2d 1765

(Fed. Cir. 2004). The court vacated the three judge panel decision and granted the petition to rehear the appeal to resolve issues concerning claim construction. The court delineated seven questions relating to claim construction for briefing by the parties, and invited submission of briefs by amicus curiae, as well. The questions primarily focus on establishing the primary source for claim construction: the specification or dictionary definitions. The questions and various responses thereto, will be addressed in further detail below.

Calling the court's present attempt to refine the claim construction process "futile," Chief Judge Mayer dissented from the *en banc* order. *Id.* at 1383. More specifically, Chief Judge Mayer argued that the court must first reconsider its prior holdings that claim construction is purely a question of law. In accordance with Chief Judge Mayer's view, claim construction is based on underlying factual findings that should be given deference by the Federal Circuit on appeal.

Not surprisingly, the court's per curiam order included this issue amongst the specific questions outlined for rehearing *en banc*.

B. Inconsistency in the Application of Claim Construction Law

The central issue in the *Phillips* appeal is whether the district court and Federal Circuit panel construed the term "baffle" too narrowly in view of the specification, rather than adopting the plain and ordinary meaning provided by a dictionary definition. This

appeal highlights the ambiguity that has developed in patent claim construction. More specifically, over the past several years the Federal Circuit has issued a number of decisions in which its claim construction analysis follows one of two seemingly separate methodologies: (1) a plain meaning methodology, which relies primarily upon dictionary definitions; or (2) a contextual, or holistic, methodology, which relies primarily upon the specification. A survey of several of the Federal Circuit's recent, divergent decisions is provided in the following sections.

1. Plain Meaning Cases Rely Heavily on Dictionary Definitions

In *Johnson Worldwide Associates, Inc. v. Zebco Corp.*, 175 F.3d 985 (Fed. Cir. 1999), the court stated that “[t]he general rule is, of course that terms in the claim are to be given their ordinary and accustomed meaning.” The court held that the heavy presumption in favor of ordinary meaning could only be limited in two circumstances: (1) if the patentee is his or her own lexicographer; and (2) where the term so deprives the claim of clarity that there is no means to determine the scope of the claim. *Id.* at 990. As applied to the facts of the case, the claim construction began with the ordinary and accustomed meaning of the terms in dispute: “heading” and “coupled” (as part of a steering control unit). Because the defendant failed to show that the disputed terms either lacked clarity or were given a particular meaning by the patentee, the court refused to narrow the ordinary meaning of the terms. *Id.* at 990-92.

Similarly, the court in *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359 (Fed. Cir. 2002), reiterated the statement that “we indulge a ‘heavy presumption’ that a claim term carries its ordinary and customary meaning.” The court explained that dictionaries may be used to establish such ordinary and customary meanings. In addition to the two circumstances discussed in *Johnson*, above, in which a court may limit the ordinary meaning, the court provided two additional situations: (1) where the patentee distinguished the term from prior art on the basis of a particular embodiment; and (2) where the claim term is a means-plus-function limitation. *Id.* at 1366-67. As applied to the facts of the case, the court began with the ordinary meaning of the term in dispute: “reciprocating member” (as part of an exercise machine). The court first consulted general-usage dictionaries for definitions. Despite the defendant’s arguments, the court held that the ordinary meaning controlled because the intrinsic evidence failed to assign a unique definition or distinguish the term “member” based on prior art, disclaim subject matter or describe a specific “member” as essential to the invention. *Id.* at 1367.

At perhaps the height of its reliance on dictionaries as the starting point in claim construction, the Federal Circuit decided *Texas Digital Systems, Inc. v. Telegenix, Inc.*, 308 F.3d 1193 (Fed. Cir. 2002). Again the court reiterated the “heavy presumption” in favor of the ordinary meaning of claim terms and the usefulness of dictionaries, encyclopedias and treatises in determining such ordinary meanings. In dicta, the court discussed the importance of dictionaries and like sources in claim construction, suggesting that they are “the most meaningful sources of information to aid judges in

better understanding both the technology and the terminology used by those skilled in the art.” *Id.* at 1203. In accordance therewith, the court rejected the characterization of dictionaries as extrinsic evidence. Further, the court suggested that consultation of the specification and prosecution history prior to ascertaining the ordinary meaning may be a violation of the law. *Id.* at 1204.

Following *Texas Digital*, therefore, claim construction should begin with dictionaries or like sources to discern the ordinary meaning of a claim term. Subsequently, the specification and prosecution history should be consulted to determine whether the patentee acted as his or her own lexicographer or disavowed claim scope. *Id.* 1204-05. In view of *Texas Digital*, it appears that the intrinsic evidence should only be considered if it contradicts the ordinary meaning of a term.

A number of recent Federal Circuit decisions have followed *Texas Digital's* heavy reliance on ordinary meaning, consulting dictionaries as the primary source for claim construction. For instance, in *Kumar v. Ovonic Battery Co.*, 351 F.3d 1364 (Fed. Cir. 2003), the court explained that dictionaries are the proper starting point for its analysis of disputed claim terms. Similarly, in *Superguide Corp. v. DirecTV Enterprises, Inc.*, 358 F.3d 870 (Fed. Cir. 2004), the court explained that claim terms have their ordinary meaning unless the patentee demonstrated an intent to deviate therefrom. The court reiterated that dictionaries are helpful in discerning the ordinary meaning of the terms. *Id.* at 875.

In *Golight, Inc. v. Wal-Mart Stores, Inc.*, 355 F.3d 1327 (Fed. Cir. 2004), the court construed the disputed term, “rotating,” in accordance with its ordinary meaning because the defendant failed to rebut the “heavy presumption” in favor thereof. In particular, the court rejected the defendant’s arguments that the patentee asserted a special definition for the disputed term or made a clear disavowal of claim scope in the specification and prosecution history. *Id.* at 1331-33. Accordingly, the court refused to read the requirement urged by the defendant, which would require rotation through 360°, into the claim term.

In another plain meaning decision, *Liquid Dynamics Corp. v. Vaughan Co.*, 355 F.3d 1361 (Fed. Cir. 2004), the court stated that the starting point for any claim term dispute is discerning the ordinary and customary meaning. As such, the court only consults the specification “when the claim language itself lacks sufficient clarity to ascertain the scope of the claims” and “to determine whether the inventor has used any terms in a manner inconsistent with their ordinary meaning.” *Id.* at 1367. In this case, the court held that the plain meaning of the disputed term, “substantial helical flow,” was applicable as it was not contradicted by the specification. *Id.* at 1368-69. Citing *Texas Digital* for support, the court asserted that “[b]ecause the plain language of the claim was clear and uncontradicted by anything in the written description or the figures . . . relying on the written description and prosecution history to reject the ordinary and customary meanings of the words themselves is impermissible.” *Id.* at 1368.

2. Contextual Cases Discern Claim Scope Based on the Intrinsic

Evidence

In contrast to the cases discussed above, other recent Federal Circuit decisions have followed a contextual methodology of claim construction. In these cases, the court relied more heavily on the context of the invention described in the specification and prosecution history to resolve issues of claim construction than on dictionaries or like sources.

For instance, in *Wang Laboratories, Inc. v. Netscape Communications Corp.*, 197 F.3d 1377 (Fed. Cir. 1999), the court rejected an interpretation based on the general usage of the disputed claim term (“frame” for processing and displaying computer-generated data). More specifically, the plaintiff asserted a definition for the term “frame” that was based on general usage, i.e., “frame” includes two specific processing protocols. Both parties agreed to the general usage of the term, but disagreed as to whether or not the claims encompassed both protocols. Upon an in-depth review of the specification and prosecution history, the court held that the claims were not entitled to the broad, general usage of the term. Rather, the court limited the claims to the single protocol described in the specification, stating that it was the only system “described and enabled in the specification and drawings.” *Id.* at 1382.

Similarly, in *Cultor Corp. v. A.E. Staley Manufacturing Co.*, 224 F.3d 1328 (Fed. Cir. 2000), the court limited the scope of the claims based on a reading of the patent's specification. Although the claims contained a broad recitation of "dissolving polydextrose in water," the court narrowed the scope of this element in view of the specification. More specifically, the specification provided that "water-soluble polydextrose" is polydextrose prepared using citric acid as a catalyst. *Id.* at 1330. The court held that the patentee explicitly limited the subject matter of the claimed invention to a citric acid catalyst, thereby constituting a disclaimer of all other prior art acids. *Id.* at 1331. Accordingly, the court refused to construe the claims to cover other prior art acid catalysts.

In *Scimed Life Systems, Inc. v. Advanced Cardiovascular Systems*, 242 F.3d 1337 (Fed. Cir. 2001), the court also limited claim scope based on the description of the invention in the specification. In this case, the parties agreed that two arrangements of "lumens," the disputed term, are commonly known. The court, however, limited the claims to only one of these arrangements. In particular, the court held that the patentee disclaimed the second arrangement, particularly by its description in the specification of one arrangement and subsequent statement that it applies for "all embodiments of the present invention contemplated and disclosed herein." *Id.* at 1343. Therefore, the court narrowed the scope of the claims based on the context of the invention set forth in the specification. As expressed by the court, "[o]ne purpose for examining the specification

is to determine if the patentee has limited the scope of the claims.” *Id.* at 1341 (quoting *Watts v. XL Sys., Inc.*, 232 F.3d 877, 882 (Fed. Cir. 2000)).

In yet another Federal Circuit decision, *Smith & Nephew, Inc. v. Ethicon, Inc.*, 276 F.3d 1304 (Fed. Cir. 2001), the court looked to the intrinsic evidence first to discern the scope of the claims. In this case, the court used the context of the invention described in the specification, prosecution history and expert testimony in support of its decision not to read a limitation into the claims. More specifically, the defendant argued that the term “lodging” (a method step in anchoring a suture in a bone), should be limited to lodging “without any further manipulation or movement.” *Id.* at 1307. Based on its review of the intrinsic and extrinsic evidence, the court disagreed and refused to so limit the claims. *Id.* at 1308-10.

C. **Clarifying the Law of Claim Construction: Issues to be Decided by the Federal Circuit in the *En Banc* Rehearing of *Phillips v. AWH Corp.***

In light of the confusion created by the differing lines of cases discussed above, the law on claim construction is ripe for Federal Circuit review. The *Phillips* appeal poses the appropriate circumstances for the Federal Circuit to address this issue and decide on the primacy of claim construction sources, particularly the specification as compared to dictionary definitions.

As mentioned above, the *en banc* order for rehearing the *Phillips* appeal posed the following seven unresolved questions concerning claim construction:

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?
2. If dictionaries should serve as the primary source for claim interpretation, should the specification limit the full scope of claim language (as defined by the dictionaries) only when the patentee has acted as his own lexicographer or when the specification reflects a clear disclaimer of claim scope? If so, what language in the specification will satisfy those conditions? What use should be made of general as opposed to technical dictionaries? How does the concept of ordinary meaning apply if there are multiple dictionary definitions of the same term? If the dictionary provides multiple potentially applicable definitions for a term, it is appropriate to look to the specification to determine what definition or definitions should apply?
3. If the primary source for claim construction should be the specification, what use should be made of dictionaries? Should the range of the ordinary meaning of claim language be limited to the scope of the invention disclosed in the specification, for example, when only a single embodiment is disclosed and no other indications of breadth are disclosed?
4. Instead of viewing the claim construction methodologies in the majority and dissent of the now-vacated panel decision as alternative, conflicting approaches, should the two approaches be treated as complementary methodologies such that there is a dual restriction on claim scope, and a patentee must satisfy both limiting methodologies in order to establish the claim coverage it seeks?
5. When, if ever, should claim language be narrowly construed for the sole purpose of avoiding invalidity under, e.g., 35 U.S.C. §§102, 103 and 112?

6. What role should prosecution history and expert testimony by one of ordinary skill in the art play in determining the meaning of the disputed claim terms?

7. Consistent with the Supreme Court's decision in *Markham 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), it is 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?

Phillips, 376 F.3d at 1382-83.

The parties, as well as numerous amicus curiae, submitted briefs addressing each of these questions individually. In general, Phillips' position is that dictionaries should have primacy over the specification to set forth the ordinary meaning of disputed terms. In contrast, AWH's general position is that the specification should be the primary source for claim construction. The specific positions espoused by the two opposing parties, as well as several amicus curiae of interest,¹ are illustrated in the charts provided below.

1. What Should be the Primary Source: Dictionaries or the Specification?

As indicated above, Phillips urges dictionaries as the primary source, whereas AWH encourages consideration of the specification first in any claim construction analysis. The views of several prominent organizations, which are outlined below,

¹ United States (Department of Justice, Federal Trade Commission and United States Patent and Trademark Office); American Bar Association ("ABA"); American Intellectual Property Law Association ("AIPLA"); and New York Intellectual Property Law Association ("NYIPLA"), in which the Tennessee Bar Association and its IP Law Section, State Bar of Michigan IP Law Section and Los Angeles Intellectual Property Law Association Join.

generally align with those of AWH. The American Bar Association (“ABA”), however, encourages that both the specification and dictionaries should receive equal treatment in the process.

Question 1	Parties			
	AWH Corp. et al. (defendants-appellees)		Edward H. Phillips (plaintiff-appellant)	
Should dictionaries or the specification be the primary source to interpret a claim term?	The specification should be the primary source		Dictionaries should be the primary source	
	Dictionaries may be considered secondarily to find the meaning of the claim to one of ordinary skill in the art in light of the specification		The specification should be considered second for special definitions or clear disavowal of scope	
If both sources are to be consulted, in what order?	Amicus Curiae			
	United States (PTO, DOJ, FTC)	ABA	AIPLA	NYIPLA (and associated parties)
	Intrinsic evidence should be the starting point (specification and prosecution history)	Consult both the specification and dictionaries as primary sources; in any order	Intrinsic evidence should be the primary source	Intrinsic evidence should be the primary source (claims, specification and prosecution history)
	Dictionaries are extrinsic evidence that may be consulted second to aid in understanding the intrinsic evidence		Dictionary definitions may be considered, but only when consistent with the intrinsic evidence	Dictionaries are extrinsic evidence that may be considered second to aid in understanding the intrinsic evidence

The court's questions (2) through (6) all relate to the process of claim construction and follow accordingly from question (1). Each question and the parties' responses thereto are outlined below.

2. What is the Role of the Specification?

Question 2	Parties			
	AWH Corp. et al. (defendants-appellees)		Edward H. Phillips (plaintiff-appellant)	
<p>If dictionaries should serve as the primary source, what is the role of the specification?</p> <p>Should general or technical dictionaries be used?</p> <p>What if there are multiple dictionary definitions of the same term?</p>	<p>Dictionaries should <u>not</u> be the primary source</p> <p>Dictionaries may be used in limited circumstances: preferably general dictionaries for non-technical terms and technical dictionaries for technical terms</p>		<p>The specification should only limit dictionary definitions if it contains special definitions (lexicographer) or clear disavowal of scope</p> <p>General dictionaries should be used unless the term is a term of art</p> <p>All dictionary definitions consistent with the specification should be adopted</p>	
	Amicus Curiae			
	United States (PTO, DOJ, FTC)	ABA	AIPLA	NYIPLA (and associated parties)
	<p>Dictionaries should <u>not</u> be the primary source</p>	<p>Dictionaries, specification and prosecution history should be considered equally, unless patentee acted as own lexicographer or disavowed claim scope</p> <p>Technical dictionaries should be given more weight</p>	<p>Dictionaries should <u>not</u> be the primary source</p> <p>Dictionaries may be considered, but only if consistent with the intrinsic evidence; preferably technical dictionaries and those published near the time the patent issued</p>	<p>Dictionaries should <u>not</u> be the primary source</p> <p>General and/or technical dictionaries may be considered secondarily</p>

3. What is the Role of Dictionaries?

Question 3	Parties			
	AWH Corp. et al. (defendants-appellees)		Edward H. Phillips (plaintiff-appellant)	
If the specification should serve as the primary source, what is the role of dictionaries?	<p>Dictionaries may be used in limited circumstances, but must be consistent with the specification</p> <p>Scope should be limited to the scope disclosed in the specification</p>		<p>Specification should <u>not</u> be the primary source</p> <p>Scope should <u>not</u> be limited to a single embodiment</p>	
Should claim scope be limited if only one embodiment is disclosed in the specification?	Amicus Curiae			
	United States (PTO, DOJ, FTC)	ABA	AIPLA	NYIPLA (and associated parties)
	<p>Extrinsic evidence, including dictionaries, may be considered secondarily to aid in understanding the intrinsic evidence and in finding the level of ordinary skill in the art</p> <p>Scope should <u>not</u> be limited to exemplary features, unless the specification suggests that the feature is essential to every embodiment of the invention</p>	<p>Dictionaries, specification and prosecution history should be considered equally</p> <p>Scope should <u>not</u> be limited to a single embodiment disclosed in the specification if the ordinary meaning is broader</p>	<p>Dictionaries, preferably technical, may be considered to assist in establishing the ordinary meaning, but only if consistent with the intrinsic evidence</p> <p>Scope should <u>not</u> be limited to one embodiment</p>	<p>Dictionaries may be considered secondarily as long as they comport with one of ordinary skill in the art's understanding of the term after reading the specification and prosecution history</p> <p>Scope should <u>not</u> be limited to one embodiment (no <u>per se</u> rule)</p>

4. Should There be a Dual Restriction on Claim Scope?

Question 4	Parties			
	AWH Corp. et al. (defendants-appellees)		Edward H. Phillips (plaintiff-appellant)	
Should there be a dual restriction on claim scope (via the specification and dictionaries)?	No		No	
	Amicus Curiae			
	United States (PTO, DOJ, FTC)	ABA	AIPLA	NYIPLA (and associated parties)
	No; dictionaries should not be a primary source	No; the two methodologies are diametrically opposed, with dictionaries likely to result in a broad construction and specification in a narrow construction	No	No; the two methodologies are complementary and both may be considered in arriving at the true construction

5. Should Claims be Construed to Avoid Invalidity?

Question 5	Parties			
	AWH Corp. et al. (defendants-appellees)		Edward H. Phillips (plaintiff-appellant)	
Should claim language be construed to avoid invalidity?	Only if the interpretation is “practicable” and does not conflict with the claims and specification (i.e., if there is only one interpretation that is consistent with the claims and specification and it renders the claim invalid, the trial court should invalidate the claim)		No	
	Amicus Curiae			
	United States (PTO, DOJ, FTC)	ABA	AIPLA	NYIPLA (and associated parties)
Yes, if more than one interpretation is reasonable and one would render the claim invalid	No	Yes, if two equally appropriate interpretations and one would render the claim invalid No, if basis of invalidity was not known at the time of examination (e.g., newly discovered prior art)	Yes, if two equally plausible constructions, the more persuasive definition is the one that maintains validity	

6. What is the Role of the Prosecution History and Expert Testimony?

Question 6	Parties			
	AWH Corp. et al. (defendants-appellees)		Edward H. Phillips (plaintiff-appellant)	
What is the role of the prosecution history and expert testimony?	Should always consider the prosecution history		Prosecution history should only be used if the invention was distinguished from prior art solely by the disputed limitation	
	Expert testimony is extrinsic evidence that the trial court should be permitted to consider		Use court-appointed experts to resolve disputes over terms of art	
	Amicus Curiae			
	United States (PTO, DOJ, FTC)	ABA	AIPLA	NYIPLA (and associated parties)
	Prosecution history is part of the intrinsic evidence, and thus, a primary source	Prosecution history is one of the primary sources	Prosecution history is part of the intrinsic evidence, and thus, a primary source	Prosecution history is part of the intrinsic evidence, and thus, a primary source
	Expert testimony is extrinsic evidence, which may be used to aid in understanding the intrinsic evidence and in finding the level of ordinary skill in the art	Expert testimony is a secondary source, which may be used, but not if it contradicts a claim meaning discernible from the primary sources	Expert testimony may be used as evidence of ordinary meaning, but only if objective, relevant and consistent with intrinsic evidence	Expert testimony may be used as an aid in understanding the intrinsic evidence

7. Should the Federal Circuit Give Deference to Trial Courts?

The court's question (7) diverges from the others in that it focuses on the standard of review for district court claim construction decisions. As discussed above, Chief

Judge Mayer dissented from the order to rehear the *Phillips* appeal, expressing his desire to first reconsider the Federal Circuit's decisions that claim construction is a matter of law subject to *de novo* review: *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995) (en banc) and *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448 (Fed. Cir. 1998) (en banc). It appears that the parties and sampling of amicus curiae generally are in agreement with the Chief Judge.

Question 7	Parties			
	AWH Corp. et al. (defendants-appellees)		Edward H. Phillips (plaintiff-appellant)	
Should the Federal Circuit give deference to the trial court's claim construction ruling?	Yes, the Court should defer to the trial court's findings of fact based on extrinsic evidence		Yes, the Court should defer to the trial court in fact determinations only	
	Amicus Curiae			
	United States (PTO, DOJ, FTC)	ABA	AIPLA	NYIPLA (and associated parties)
	Yes, due weight should be given to the trial court's evaluation of live testimony	Yes, the Court should defer to the trial court on underlying factual findings	Yes, the Court should defer to the trial court on underlying factual findings	Yes, the trial court's underlying findings of fact based on extrinsic evidence should be entitled to deferential review

The Federal Circuit heard oral arguments in the *en banc* rehearing of the *Phillips* appeal on February 8, 2005. During the arguments, the court directed much of its attention to the specific claims of the *Phillips* appeal and its determination of the appropriate method for interpreting "baffle." In this context, the court challenged each

party to explain when and to what extent dictionaries and the specification should be consulted in claim construction. The government also weighed in on this issue (represented by Solicitor John Whealan) arguing that the particular sequence for consulting sources is not the issue, but rather the weight given to each source.

The court also suggested that a central issue to the dispute was over implicit versus explicit narrowing definitions in the specification. Phillips argued that implicit limitations should not be read into the claims. According to Phillips reasoning, implicit limitation of the claims is problematic because it may lead to numerous different claim interpretations. In contrast, AWH argued that implicit limitation of the claims is appropriate when the limitation is described as basic or fundamental to the invention and there is no language in the specification to suggest that it is only exemplary. The court further challenged AWH on this issue, inquiring into whether the purpose, i.e., implicit definition, has to be unequivocally expressed and whether the '798 Patent described acute angles as essential to the invention.

The court also expressed interest in the question of deference to the trial court's claim construction decisions. Each party, as well as the government, generally supported deference for pure findings of fact.

D. Conclusion

In conclusion, the application of claim construction law has become ambiguous in recent years with the Federal Circuit relying heavily on ordinary meanings derived from dictionaries in some cases and the intrinsic evidence, particularly the specification, in other cases. The *Phillips* appeal provides an opportunity for the Federal Circuit to clarify the law and set forth the correct methodology for claim construction, whether it be reliance predominantly on dictionaries, the specification or consideration of both equally.

II. WRITTEN DESCRIPTION REQUIREMENT

A. Increased Role of the Written Description Requirement of 35 U.S.C. §112 in Opinion Writing

In recent years, 35 U.S.C. §112² has become an important consideration in patentability. This is apparent from both the increase in court decisions that address

² Section 112 has six paragraphs that read as follows:
35 U.S.C. 112 Specification.

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

A claim may be written in independent or, if the nature of the case admits, in dependent or multiple dependent form.

Subject to the following paragraph, a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed. A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.

A claim in multiple dependent form shall contain a reference, in the alternative only, to more than one claim previously set forth and then specify a further limitation of the subject matter claimed. A multiple dependent claim shall not serve as a basis for any other multiple dependent claim. A multiple dependent

validity of a patent in view of Section 112 and the increased prevalence of rejections under Section 112 in Office Actions from the United States Patent and Trademark Office.

When preparing a freedom to operate opinion, the two main questions to be answered once the claims are interpreted are: (1) Is there infringement? and (2) Is the claim valid? In addition to invalidity based on Sections 102 and 103, Section 112 analysis may be a useful avenue to attack a patent's validity.

In general, the most common applications of Section 112, used to attack patent validity, are the first, second³, and sixth⁴ paragraphs. Even when a patentee has either successfully overcome rejections under Section 112 during prosecution, it may prove useful to provide an analysis as to whether the issued patent has met all the requirements of Section 112. With respect to the written description requirement, failure to adequately meet this requirement is fatal to the validity of the claim at issue.

claim shall be construed to incorporate by reference all the limitations of the particular claim in relation to which it is being considered.

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

³ The second paragraph requires that the claims be definite. If the claim includes language which is indefinite or ambiguous, the specification and the prosecution history may provide additional guidance to determine the limitations of the claim.

⁴ The sixth paragraph is important when the claims are directed to a "means plus function." Even though a "means" is mentioned, it must be determined whether the means is limited by the claim language itself, or whether an analysis of the specification must be conducted to determine the scope of the claim.

Section 112, first paragraph includes three distinct requirements. These are the written description requirement, the enablement requirement and the best mode requirement. The written description requirement is separate from the requirements of enablement and best mode and although most case law addressing written description issues has focused on the biotechnology field, the requirement is not limited to the description of biological materials. The written description requirement will be discussed in further detail below.

Regardless of which claim interpretation methodology is finally chosen, the specification will likely play a role in interpretation of the claims. The written description of the invention will have some bearing at least indirectly, upon the claim interpretation.

B. Discussion of Law on Written Description

1. 35 U.S.C. §112, First Paragraph Requires (1) Written Description, (2) Enablement, and (3) Best Mode

Recent cases including *University of California v. Eli Lilly*, 119 F.3d 1559, 43 U.S.P.Q.2d 1398 (Fed. Cir. 1997) and *Enzo Biochem, Inc. v. Gen-Probe Inc.*, 285 F.3d 1013, 62 U.S.P.Q.2d 1289 (Fed. Cir. 2002), have clearly demonstrated that in addition to the best mode and enablement requirements, the written description is a separate requirement for patentability. Section 112, first paragraph, “requires a ‘written description of the invention’ which is separate and distinct from the enablement requirement.” *Noelle v. Lederman*, 355 F.3d 1343, 1348, 69 U.S.P.Q.2d 1508 (Fed. Cir.

2004). “The purpose of the ‘written description’ requirement is broader than merely explaining how to ‘make and use’ the invention.” *Id.* (quoting *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991)).

2. **Satisfying the Written Description Requirement**

a. **The Applicant Must “Convey With Reasonable Clarity to Those Skilled in the Art that, as of the Filing Date Sought, He or She was in Possession of the Invention”**

The purpose of the written description requirement is not only to provide information to those skilled in the art to make or use the invention, but to demonstrate that the applicant had either actually or constructively reduced the invention to practice. The cases below describe in more detail how the written description requirement may be met under various factual circumstances.

b. **“The Invention” Means That Which is Claimed**

The claims in the patent are the basis for determining whether or not the written description requirement has been met. Particular attention should be paid to claims in continuation applications which may be broader than claims originally filed in a parent application. When such broader claims are present in a continuation application, they may not have been supported by the written description of the parent. *See Id.*

C. **Discussion of Written Description Cases: How the Specification Satisfied or Failed To Satisfy the Written Description Requirement**

1. *Enzo Biochem, Inc., v. Gen-Probe Inc.*, 323 F.3d 956, 63 U.S.P.Q. 2d 1609 (Fed. Cir. 2002)

This opinion was issued after a petition for rehearing by the Federal Circuit. Enzo was the assignee of U.S. Patent No. 4,900,659 (“the ‘659 patent”) directed to “nucleic acid probes that selectively hybridize to the genetic material of the bacteria that cause gonorrhea, *Neisseria gonorrhoeae*.” *Id.* at 960. The district court granted summary judgment to the Defendants on the basis that the ‘659 patent failed to meet the written description requirement.

Enzo argued that by depositing a biological sample, the written description requirement was met with respect to the claimed DNA sequences. In its opinion, the Federal Circuit acknowledged that the “practice of depositing biological material arose primarily to satisfy the enablement requirement.” *Id.* at 965. However, in *Enzo*, the court also concluded that since the deposits were incorporated by reference in the specification, and that the deposited materials would permit, one of skill in the art, acquisition of the claimed sequences, the deposit of biological materials was able to meet both the enablement and written description requirements. *Id.* at 965-66.

An important lesson of *Enzo* is that even when the claimed subject matter is not sufficiently described in *written* form, the written description requirement may be met. By depositing biological material which supports the claimed invention, the applicant demonstrates that the invention was in his or her possession, which is a key feature of the written description requirement.

2. *Noelle v. Lederman*, 355 F.3d 1343, 69 U.S.P.Q.2d 1508 (Fed. Cir. 2004)

Noelle and Lederman were parties to an interference relating to U.S. Patent No.5,474,771 (“the ‘771 patent) to Lederman and Noelle’s ‘480 application which claims priority to an earlier application (the ‘799 application). The sole count of the interference related to a monoclonal antibody, for which both Noelle and Lederman had deposited biological material. Claims directed to the genus, mouse and human antibody were included.

In order to prevail with respect to the human and genus claims, Noelle conceded that the application must be afforded priority to the earlier filing date of the ‘799 application. The Board found that Noelle satisfied the written description requirement with respect to the mouse claims in the ‘799 application, but not with respect to the human or genus claims which were considered new matter. Since the ‘480 application was not entitled to priority with respect to the human and genus claims, the Board also concluded that there was no interference-in-fact between the ‘771 patent and the ‘480 application. *Id.* at 1346-1347.

On appeal, the Federal Circuit affirmed the Board’s decision. The court held that the written description requirement was not satisfied by the claims which only addressed functional aspects of an antibody. The Federal Circuit stated that when an antibody is claimed by its binding affinity only, some structural description of the antibody must also

be included in the specification. This requirement may be fulfilled where the applicant “has disclosed a ‘fully characterized antigen,’ either by its structure, formula, chemical name, or physical properties, or by depositing the protein in a public depository.” *Id.* at 1349. As of the filing date of the ‘799 patent, Noelle had only met this burden with respect to the mouse claims, and therefore, was not entitled to claim priority to this date for the claims directed to the human and genus antibodies. *Id.*

3. *In re Wallach*, 378 F.3d 1330, 71 U.S.P.Q.2d 1939 (Fed. Cir. 2004)

The application in Wallach was directed to proteins described by (1) a particular molecular weight, (2) a partial sequence, and (3) the ability to inhibit the cytotoxic effect of tumor necrosis factor (TNF) as well as to the DNA molecules which encode the proteins. The protein claims were the subject of an interference and only the DNA claims were on appeal. The Board found that the DNA claims did not meet the written description requirement. *Id.* at 1332.

Wallach’s claim which was directed to the DNA included a partial sequence and a description of the inhibiting property of the protein which the DNA encodes. No other structural information relating to the DNA itself was provided. *Id.* at 1333. The Federal Circuit pointed out that the partial sequence disclosed in the claim would only be sufficient to meet the written description requirement with respect to the nucleic acid molecules that correspond to the partial sequence. The court found that the partial

sequence “without additional characterization of the product” was not sufficient to establish possession of the claimed invention. *Id.* at 1334.

From *Enzo, Noelle, and Wallach*, it is clear that the written description requirement is particularly important for inventions which are difficult to describe merely with words, i.e., biological materials. In general, describing the claimed subject matter merely by its function will not be sufficient. Either a description of structural features in written form, or the deposit of the biological material will be required. While heightened attention to the written description requirement must be considered in the biotechnology area, attention to proper written description should be applied to all fields of art.

4. *University of Rochester v. G.D. Searle & Co.*, 358 F.3d 916, 69 U.S.P.Q.2d 1886 (Fed. Cir. 2004)

The University of Rochester (“Rochester”) was the assignee of U.S. Patent No. 6,048,850 (“the ‘850 patent”) directed toward a method of compounds which selectively inhibit cyclooxygenase-2 (COX-2 or alternatively PGHS-2) which is a suspected cause of arthritis. Previous COX-2 inhibitors such as NSAIDs (non-steroidal anti-inflammatory drugs) inhibit COX-2 as well as COX-1, the latter of which is involved in production of prostaglandins which aid in protection of the lining of the stomach. By identifying compounds which selectively inhibit COX-2, compounds could presumably be identified which would inhibit the undesirable inflammation while not harming the stomach lining. *See Rochester*, 358 F.3d at 917-18.

The '850 patent claimed a method of "inhibiting PGHS-2 activity...by administering a non-steroidal compound that selectively inhibits activity of the PGHS-2 gene product." *Id.* at 918. The district court found that the '850 patent did not meet the written description requirement for failing to disclose the non-steroidal compound, and only providing a method through trial and error to identify such a compound. *Id.* at 919.

Rochester attempted to distinguish the present case by pointing out that several of the most recent cases addressing the written description requirement (including *Enzo*) were directed toward biological materials. The court pointed out that this was irrelevant considering that the statute applies to all applications.

Rochester also attempted to distinguish the present case by pointing out that the '850 patent was directed to method claims. The Federal Circuit also quickly disposed of this point as irrelevant. Rochester claimed a method of treatment with a compound which was not described in the specification. Therefore, the written description requirement was not met with respect to that claim.

III. KNORR-BREMSE

One of the most important functions of a freedom to operate opinion is to defend against a finding of willful infringement. This issue was addressed in *Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337, 72 U.S.P.Q.2d 1560 (Fed. Cir. 2004), a summary of which is set forth below. Although *Knorr-Bremse*

appears to provide a clear ruling regarding the duty of a potential infringer to obtain a freedom to operate opinion, the Federal Circuit does not directly discuss the importance of having a freedom to operate opinion. Following the summary of *Knorr-Bremse*, is a discussion of the ongoing importance of obtaining an opinion and its continuing role in defending against a finding of willful infringement.

A. **A Finding of Willful Infringement Must be Based on the Totality of the Circumstances**

1. **Alleged Infringers Have a Duty of Care With Respect to Issued Patents**

A finding of willful infringement of a patent serves a significantly more important purpose than merely a method of increasing damages. When a party is found to have willfully infringed a patent, that party has deliberated disregarded or acted in bad faith toward the patent rights of another. In order to deter others from acting in such an undesirable manner, punitive damages may be provided as a remedy to the patentee.

Any party who has received actual notice of patent has a duty to investigate the patent and establish a position that the patent is either invalid, or that it is not infringed. *See Bott v. Four Star Corp.*, 807 F.2d 1567 (Fed. Cir. 1986). A finding of willful infringement addresses whether the infringer satisfied that duty of care with respect to the patent. The finding must be based on the totality of the circumstances. In *Knorr-Bremse*, the Federal Circuit revisited a previously well-settled factor used in a finding of willful infringement. It was previously accepted that, with respect to willful infringement, an

adverse inference that an opinion of counsel was unfavorable may be taken when the alleged infringer failed to produce a freedom to operate opinion with respect to a patent of which the alleged infringer was aware, even though producing such an opinion was a waiver of attorney-client privilege and could result in increased discovery for the opposing party. Similarly, when the alleged infringer failed to seek the opinion of patent counsel there was an adverse inference that the opinion of counsel would have been unfavorable.

Knorr-Bremse was the owner of U.S. Patent No. 5,927,445, “Disk Brake For Vehicles Having Insertable Actuator” (“the ‘445 patent”) directed toward an air disk brake. The district court found that Dana Corporation, a United States Corporation, Haldex Brake Products AB, a Swedish Company, and its U.S. affiliate were liable for infringement and willful infringement with respect to the ‘445 patent. *Id.* at 1340. Dana and Haldex, the defendants, appealed to the Federal Circuit seeking reversal of the finding of willful infringement arguing that no adverse inference should have been taken from the failure of Dana to obtain a freedom to operate opinion or by Haldex failing to produce the opinion they had obtained. *Id.*

The Federal Circuit overruled its previous precedent by finding that no adverse inference may be taken in a determination of willful infringement when the alleged infringer had either failed to obtain an opinion of counsel or refused to produce the opinion. *Id.* at 1341.

2. **No Adverse Inference Can be Made With Respect to an Alleged Infringer's Invocation of Attorney-Client Privilege With Respect to a Freedom to Operate Opinion**

The Federal Circuit first addressed the issue of failure to disclose an opinion of counsel. In its evaluation of this issue, the court emphasized the importance of the attorney-client privilege. *Id.* at 1344. The court points out that although there are many proper examples of drawing an adverse inference, such as instances of failure to testify or failure to produce evidence, courts have generally not found it proper to draw an adverse inference from invoking the attorney-client privilege. *Id.* at 1345. Therefore, the Federal Circuit concluded that no adverse inference should be taken for failure to produce an opinion of counsel and its prior precedent should be overruled. *Id.*

3. **No Adverse Inference can be made With Respect to an Alleged Infringer's Failure to Obtain a Freedom to Operate Opinion**

The next issue addressed was whether an adverse inference is proper when a potential infringer failed to obtain an opinion of counsel. This issue did not include an analysis of attorney-client privilege, but instead whether a duty to seek counsel is included in the duty of care owed to a patentee. *Id.* The court found that there was no duty to obtain an opinion with respect to non-infringement and therefore, failure to seek the advice of counsel may not provide the basis of an adverse inference with respect to a determination of willful infringement.

B. Presenting a Freedom to Operate Opinion Remains a Powerful Tool in Overcoming a Finding of Willful Infringement

Knorr-Bremse pointed out that although a negative inference may not properly be drawn from the failure to disclose an opinion of counsel or by the failure to obtain such an opinion, the duty to uphold the law and not infringe presumably valid patents remains. Although it is not explicitly stated by the court, it is apparent that obtaining an freedom to operate opinion is valuable evidence in demonstrating that one has not deliberately infringed a patent, and therefore is not liable for willful infringement.

The question that remains is how does *Knorr-Bremse* affect the manner in which freedom to operate opinions are sought, prepared and used. Even though no adverse inference may be taken from the failure to produce or to seek the opinion of counsel, obtaining the opinion of counsel is advisable if someone has received notice or is otherwise aware of a patent they may be infringing. If that person is ultimately found to have infringed the patent, he or she will need proof that they did not willfully infringe. A competent freedom to operate opinion is a convincing piece of evidence that the infringement was not willful.

Since the determination of willful infringement will be based on the totality of the circumstances, many factors may be considered by the fact finder and appropriate weight given to each factor based upon its strength. *Id.* at 1347. Evidence that may be introduced to counter a claim of willful infringement includes attempts to design around, and beliefs that the patent is either not infringed or not valid, which are preferably

supported by opinions of counsel. Even though there is no adverse inference that may be taken by not producing an opinion of counsel, to obtain an opinion or multiple opinions which individually address non-infringement, invalidity or non-enforceability of the patent will likely provide convincing proof that any infringement was not willful.

IV. CONCLUSION

In sum, even though obtaining a freedom to operate opinion of counsel is not part of the affirmative duty of care, such opinions are still a primary, effective way of defending against willful infringement. An opinion of counsel provides a legal interpretation of the claims and scope of the potentially relevant patents. Although there has been some recent ambiguity in the law on claim construction, the Federal Circuit's decision in the *en banc* rehearing of the *Phillips* appeal is likely to bring some clarity to the current state of the law. Guidelines will assist practitioners in analyzing the claims of patents uncovered in freedom to operate investigations and preparing opinions based thereon. Once the claims are properly construed, practitioners may more accurately consider whether or not the written description requirement has been satisfied. This requirement provides an additional useful tool in invalidating or limiting relevant patents uncovered in freedom to operate investigations.