

No. _____

**In The
Supreme Court of the United States**

AWH CORPORATION,
HOPEMAN BROTHERS, INC., and
LOFTON CORPORATION,

Petitioners,

v.

EDWARD H. PHILLIPS,

Respondent.

**On Petition For A Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit**

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether the Federal Circuit is correct in holding that all aspects of a district court's patent claim construction may be reviewed *de novo* on appeal.

RULE 14.1(b) AND 29.6 STATEMENT

Pursuant to Supreme Court Rule 14.1(b), Petitioners AWH Corporation, Hopeman Brothers, Inc., and Lofton Corporation (collectively “AWH”) state that all parties to the proceedings below appear in the caption of the case on the cover page.

Pursuant to Supreme Court Rule 29.6, Petitioners state that AWH Corporation is the parent corporation and sole owner of Hopeman Brothers, Inc. and Lofton Corporation. No publicly traded company owns 10 percent or more of AWH Corporation.

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OPINIONS BELOW

The majority, concurring and dissenting opinions of the *en banc* court of appeals are reported at 415 F.3d 1303. *See App.* at 1-63. The majority and dissenting opinions of the panel of the court of appeals are reported at 363 F.3d 1207. *See App.* at 64-84. The order of the court of appeals granting rehearing *en banc* and inviting briefing from the parties and from *amici curiae* on particular issues was entered on July 21, 2004 and is unpublished. *See App.* at 137-42. The opinion of the district court granting summary judgment in favor of petitioners was entered on January 22, 2003, and is unpublished. *See App.* at 134-37. The order of the district court on claim construction was entered on November 22, 2002, and is also unpublished. *See App.* at 89-133.

JURISDICTION

The jurisdiction of the district court was invoked under 28 U.S.C. § 1331 and § 1338(a). The jurisdiction of the court of appeals was invoked under 28 U.S.C. § 1295(a)(1). On April 8, 2004, a panel of the court of appeals issued its judgment. On July 21, 2004, the court of appeals ordered an *en banc* rehearing of the appeal. *See App.* at 137-42. The court of appeals issued its *en banc* judgment on July 12, 2005. On September 29, 2005, Justice Breyer extended the time within which to petition for a writ of certiorari to and including November 9, 2005. This Court has jurisdiction under 28 U.S.C. § 1254(1).

RULE INVOLVED

The rule at issue is Federal Rule of Civil Procedure 52(a), which provides:

In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon, and judgment shall be entered pursuant to Rule 58; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge the credibility of the witnesses. * * *



STATEMENT OF THE CASE

This patent infringement case arises out of Respondent Phillips' '798 patent, which contains claims directed to building modules used in the construction of secured facilities such as prisons. Phillips initiated this lawsuit in February 1997, accusing Petitioners ("AWH") of infringing certain claims of the '798 patent in seven jail construction projects in which AWH participated between 1990 and 1996.

A. The District Court Proceedings

The proceedings to date in the district court have focused on the parties' dispute over the construction of certain terms used in the relevant claims of the Phillips

'798 patent. The term "baffles" has been of particular significance because it appears in all of the claims asserted against AWH. The relevant language from Claim 1 of the '798 patent is illustrative:

Building modules adapted to fit together for construction of fire, sound and impact resistant security barriers and rooms for use in securing records and persons, comprising in combination, an outer shell of substantially parallelepiped shaped with two outer steel plate panel sections . . . serving as inner and outer walls for a structure when a plurality of the modules are fitted together, . . . and further means disposed inside the shell for increasing its load bearing capacity comprising *inner steel baffles extending inwardly from the steel shell walls*.

In the district court, AWH asserted that the '798 patent uses the term "baffle" to describe an intermediate, interlocking barrier to deflect bullets, projectiles or bomb fragments. That type of use requires the baffles to be disposed within the wall shell at an angle other than 90° to the wall face. Phillips responded that, while the various embodiments disclosed in the patent drawings and written specification all describe angled baffles, the literal claim language does not require the baffles to be so disposed. Both parties agreed that resolving the claim construction dispute in favor of AWH would end the case, because the steel support studs in the modules constructed by AWH were disposed at 90° to the wall faces and did not form an intermediate barrier.

To resolve the parties' dispute, the court held a hearing in accordance with *Markman v. Westview Instruments*,

Inc., 517 U.S. 370 (1996), to receive evidence relevant to construing the patent claims at issue. At the hearing, the district court received testimony regarding the disputed claim terms, including “baffles,” from the inventor, Phillips, and from two expert witnesses, one for each party. The testimony focused on both the state of the art at the time of the Phillips invention and the industry use of similar terms. The court also received intrinsic and extrinsic documentary evidence including the patent, the file wrapper, photographs of prior art, samples of certain embodiments of the ‘798 patent, and excerpts from various uniform building codes. Before the court¹ issued its order on claim construction, it also received additional exhibits submitted in connection with the parties’ summary judgment briefing that included other extrinsic evidence.

Ultimately, the district court ruled for AWH. The court began its analysis of the construction of the term “baffle” with the dictionary definition of “baffle” as “a means for obstructing, impeding or checking the flow of something.” The court then reviewed the ‘798 patent’s specification and prosecution history, as well as the prior art, and found that “[t]he things that are uniquely restricted or obstructed in [the ‘798 patent] are heat, bullets and bomb fragments.” Based on that factual finding, the court determined that, as used in the ‘798 patent, a “baffle” has two attributes: “A ‘baffle’ extends inward from the steel shell walls *at an oblique or acute angle to the wall face* and it forms, with

¹ Judge Edward Nottingham presided over the initial *Markman* hearing. After the hearing, but before an order on claim construction was issued, the case was transferred to Judge Marcia Krieger. Judge Krieger then reviewed the transcript and files from the hearing and issued the order on claim construction in November 2002. App. at 90-91.

other baffles, an intermediate, interlocking but not solid barrier in the interior of the wall module.” App. at 118 (emphasis added).

The district court’s claim construction order included numerous findings of fact about the state of the art at the time of the invention. *See* App. at 91-92. Similarly, the district court evaluated the testimony regarding the use of terms by those of skill in the art. For example, the district court’s claim construction was based in part on its construction of the disputed term “impact resistant.” Rejecting Phillips’ contention that “impact resistant” is a term of art used in the Model Building Code, the court turned to the intrinsic evidence contained in the specification to determine that the term refers to resistance to the impact of bullets, exploding projectiles or bomb fragments. In reaching this construction, the court considered and rejected the testimonial evidence offered by Phillips:

Although the inventor and expert witnesses testified that the bullet penetration may not be the impact ordinarily associated with prisons, their testimony is disregarded in deference to the clear statement in the Specification that the invention’s impact resistance feature pertains to bullets and exploding projectiles.

App. at 106.

After the district court issued its claim construction order, the parties agreed that AWH’s modules did not infringe the claims of the ‘798 patent as they had been construed by the district court. The district court therefore entered summary judgment of non-infringement in favor of AWH.

B. Proceedings In The Federal Circuit

1. Review By The Federal Circuit Panel

Phillips appealed the district court's summary judgment of non-infringement to a panel of the Federal Circuit. The panel reviewed the district court's claim construction *de novo*, pursuant to the Federal Circuit's prior ruling in *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1456 (Fed. Cir. 1998) (en banc). Although the panel disagreed with some of the district court's analysis, the panel affirmed the district court's ultimate construction of "baffle" in the '798 patent as being a steel structure oriented at angles other than 90° to the wall faces and forming an intermediate barrier. Because the panel agreed with the district court's claim construction, it affirmed the summary judgment of non-infringement.

2. The Federal Circuit's Order Granting Rehearing *En Banc*, Requesting Briefing On The Applicable Standard Of Review, And Inviting Amicus Participation

Phillips filed a timely petition for rehearing *en banc* in the Federal Circuit. The Federal Circuit granted Phillips' petition for rehearing *en banc*, posed seven questions that it sought to resolve, and invited participation by *amici curiae*. Questions 1 through 6 dealt with the mechanics of claim construction and the relative priority that should be given to various sources of intrinsic and extrinsic evidence. Question 7 addressed the proper standard of review:

This court has determined to hear this case *en banc* in order to resolve issues concerning the construction of patent claims raised by the now-vacated panel majority and dissenting opinions. The parties are invited to submit additional

briefs directed to these issues, with respect particularly to the following questions:

...

7. Consistent with the Supreme Court's decision in *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996), and our *en banc* decision in *Cybor Corp. v. FAS Technologies, Inc.*, 138 F.3d 1448 (Fed. Cir. 1998), is it 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?

...

Amicus curiae briefs may be filed by bar associations, trade or industry associations, government entities, and other interested parties. In particular, the United States Patent and Trademark Office is invited to submit an *amicus curiae* brief.

App. at 137-40.

In response to the *en banc* court's invitation, both parties argued that the Federal Circuit should afford some deference to a district court's claim construction. In addition, thirty-three groups filed *amicus* briefs. Of the twenty-three that took a position on Question 7, all but six urged the Federal Circuit to at least acknowledge the factual components of claim construction and accord deference to district courts on such components. Those supporting a deferential review of claim construction included the American Bar Association, the American Intellectual Property Law Association, the Federal Circuit Bar Association, the Intellectual Property Owners Association and the United States Patent and Trademark Office ("USPTO").

The USPTO, with the express support of the Department of Justice and the Federal Trade Commission, urged the Federal Circuit to give deference on appeal to most aspects of a trial court's claim construction. Citing the United States' "strong interest in a fair, stable, predictable, and efficient patent system," the USPTO stated that "[t]he uncertainty resulting from [the Federal Circuit's] high reversal rate on claim construction has generated concern." The USPTO therefore urged the Federal Circuit to give "due consideration to a persuasive claim construction by the district court and accord[] due weight to its evaluation of any live testimony on this issue."

3. The *En Banc* Majority Opinion

After inviting and receiving substantial briefing on the issue of the proper standard of appellate review, the majority of the *en banc* Federal Circuit ultimately side-stepped it: "After consideration of the matter, we have decided not to address that issue at this time." App. at 50-51. Because the *en banc* majority chose to disregard the issue, it left the rule of universal *de novo* review in place by default, saying: "We therefore leave undisturbed our prior *en banc* decision in *Cybor*." App. at 51.

The majority then proceeded to apply *de novo* – on appeal – the new rules of claim construction it had crafted and reversed the ruling of the district court in favor of AWH. The *en banc* majority did not remand the case to the district court for application of the principles or analyze whether the district court had, in fact, followed those principles in its claim construction analysis. Instead, it applied those principles itself to the '798 patent. Contrary to the district court's and the panel's construction of "baffle" in the '798 patent, the *en banc* majority concluded

that “a person of skill in the art would not interpret the disclosure and claims of the ‘798 patent to mean that a structure extending inward from one of the wall faces is a ‘baffle’ if it is at an acute or obtuse angle, but is not a ‘baffle’ if it is disposed at a right angle.” App. at 47.

4. Judge Mayer’s Dissenting Opinion

Judge Mayer, joined by Judge Newman, filed a dissenting opinion that focused directly on the issue of the proper standard of review:

Now more than ever I am convinced of the futility, indeed the absurdity, of this court’s persistence in adhering to the falsehood that claim construction is a matter of law devoid of any factual component. Because any attempt to fashion a coherent standard under this regime is pointless, as illustrated by our many failed attempts to do so, I dissent.

App. at 54.

Judge Mayer further decried his own court’s “[persistence] in the delusion that claim construction is a purely legal determination, unaffected by the underlying facts.” App. at 58. To deny the factual components of claim construction was, according to Judge Mayer, to ignore the reality that claim construction “is, or should be, made in context: a claim should be interpreted both from the perspective of one of ordinary skill in the art and in view of the state of the art at the time of the invention.” *Id.* These inquiries are “inherently factual.” *Id.* Indeed, the claim construction process includes a great number of inherently factual inquiries, including:

- who qualifies as one of ordinary skill in the art
- the meaning of patent terms to that person
- the state of the art at the time of the invention
- contradictory dictionary definitions and which would be consulted by the skilled artisan
- the scope of specialized terms
- the problem a patent was solving
- what is related or pertinent art
- whether a construction was disallowed during prosecution.

Id.

Because factual inquiries are inherent in the claim construction process, Judge Mayer criticized the *en banc* majority for failing to comply with Federal Rule of Civil Procedure 52(a), which states that “findings of fact . . . shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge the credibility of the witnesses.” App. at 55-57. As this Court stated in *Bose Corp. v. Consumers Union of United States*, 466 U.S. 485, 498 & 501 (1984), Rule 52(a) “means what it says.” App. at 56.



REASONS FOR GRANTING THE PETITION

Over ten years ago, the Federal Circuit held that “the interpretation and construction of patent claims, which define the scope of a patentee’s rights under the patent, is a matter of law exclusively for the court.” *Markman v. Westview Instruments, Inc.*, 52 F.3d 897 (Fed. Cir. 1995) (“*Markman I*”), *aff’d in part*, 517 U.S. 370 (1996) (“*Markman II*”). Three years later, further solidifying its place as the final arbiter of all things related to claim construction, the Federal Circuit announced that it was permitted to “review claim construction *de novo* on appeal including any *allegedly fact-based questions*.” *Cybor*, 138 F.3d at 1456 (emphasis added).

The Federal Circuit’s rule of universal *de novo* review for patent claim construction is founded on a fallacy and conflicts with both the Rules of Civil Procedure and this Court’s precedents. The reality is that patent claim construction often and necessarily rests on findings of fact made by the trial court on disputed evidence. But, as the Federal Circuit’s own Judge Mayer wrote, that court’s rule of review rests on “the falsehood that claim construction is a matter of law devoid of any factual component.” App. at 54. The Federal Circuit’s persistent refusal to review trial courts’ factual findings deferentially conflicts with Federal Rule of Civil Procedure 52(a), which requires deferential review on appeal for findings of fact. It also conflicts with the decisions of this Court, which have acknowledged that claim construction involves mixed questions of law and fact and have held that deferential review should be applied on appeal to factual findings in other circumstances of patent claim interpretation.

The Court should grant review of this important issue now. The issue is undoubtedly ripe for review, and it will not benefit from any further percolation in the lower

courts. The Federal Circuit has already addressed the issue in three *en banc* opinions, and it has maintained its erroneous position each time. The most recent time, in the opinion below, the *en banc* court expressly invited briefing on the issue, then not only failed to correct its position, but refused even to consider the issue. No further development will come from the Federal Circuit. Nor can any other circuit develop the issue, because appeals in patent cases are consolidated in the Federal Circuit. *See* 28 U.S.C. § 1295(a)(1).

The consequences of denying review, moreover, are severe. The 34.5% reversal rate in the Federal Circuit for appealed claim terms, *see* Moore, *Markman Eight Years Later: Is Claim Construction More Predictable?*, 9 LEWIS & CLARK L. REV. 231, 233 (2005), is three *times* greater than the usual reversal rate in the other circuits. Left to its own devices, the Federal Circuit will continue to improperly devote the chief measure of its energy to rejudging the facts of patent claim constructions, rather than to fulfilling its purpose of bringing uniformity to patent law. In addition, although the majority of judges in the Federal Circuit are unwilling to revisit their erroneous standard of review, the issue will continue to distract the court because individual litigants and judges – who keenly feel the consequences of the majority’s mistaken position – will continue to ask and lobby for change.

A. The Federal Circuit’s Insistence That Claim Construction Does Not Include Any Factual Issues Conflicts With This Court’s Decisions In *Markman* And *Graham*.

This Court has already concluded that patent claim construction involves factual determinations, and the Federal Circuit’s insistence to the contrary is in direct conflict with the Court’s precedent. In *Graham v. John*

Deere Co., 383 U.S. 1 (1966), the Court directly acknowledged that the determination of what a patent teaches to one skilled in the art – an essential part of the claim construction analysis – is an issue of fact. As the Court stated, “While the ultimate question of patent validity is one of law,” the determination of patent validity “lends itself to several basic factual inquiries [such as] the scope and content of the prior art . . . differences between the prior art and the claims at issue . . . and the level of ordinary skill in the pertinent art.” *Id.* at 17. In *Markman II*, the Court likewise acknowledged that the claim construction process is a “mongrel practice” that has “evidentiary underpinnings.” 517 U.S. at 378, 389. And the Court directly acknowledged that “[i]t is, of course, true that credibility judgments have to be made about the experts who testify in patent cases” *Id.* at 389.

Notwithstanding this Court’s acknowledgment of the fact finding inherent in the claim construction process, the Federal Circuit in its *Cybor* decision simply dismissed this Court’s statements as mere “prefatory comments” that need not limit the Federal Circuit’s power. Unrestrained by the portions of *Markman II* it found limiting, the *Cybor* majority declared that claim construction is a “purely legal question,” and therefore the court will “review claim construction *de novo* on appeal including any allegedly fact-based questions relating to claim construction.” 138 F.3d at 1456. Here, the *en banc* opinion below affirms the Federal Circuit’s approach and perpetuates a conflict with this Court’s *Markman II* decision.

The Federal Circuit is incorrect in its belief that, because this Court ultimately concluded in *Markman II* that claim construction is an issue for judges rather than juries under the Seventh Amendment, there cannot be any

factual issues that are subject to deference on appeal. To the contrary, the Court's Seventh Amendment analysis openly acknowledges that the process of claim construction necessarily involves making findings of fact. The Court rejected reliance on any rigid fact/law distinction and instead based its holding on "functional considerations." 517 U.S. at 388. As the Court explained:

[W]hen an issue "falls somewhere between a pristine legal standard and a simple historical fact, the fact/law distinction at times has turned on a determination that, as a matter of the sound administration of justice, one judicial actor is better positioned than another to decide the issue in question." So it turns out here, for judges, not juries, are better suited to find the acquired meaning of patent terms.

Id. at 388 (quoting *Miller v. Fenton*, 474 U.S. 104, 114 (1985)).

The same "functional considerations" that the Court applied in *Markman II* to conclude that judges rather than juries should decide the issue of claim construction support deferential appellate review of the judges' fact finding – because *trial* judges rather than *appellate* judges are better situated to evaluate and make findings based on the evidence. Indeed, it is the ordinary practice for appellate courts to accord deferential review to factual findings made by trial judges – even when those findings are embedded in questions of law that are themselves reviewed *de novo*. See, e.g., *Ornelas v. United States*, 517 U.S. 690, 699 (1996); *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 401-05 (1990); *Pierce v. Underwood*, 487 U.S. 552, 560-63 (1988).

B. The Federal Circuit's Application Of *De Novo* Review To The Factual Findings Underlying Claim Construction Conflicts With Federal Rule Of Civil Procedure 52(a) And This Court's Decisions Regarding Appellate Review Of Mixed Questions Of Law And Fact.

Since it cannot be disputed that the claims construction process involves factual findings, Federal Rule of Civil Procedure 52(a) mandates that appellate courts apply a deferential standard of review to those findings on appeal. The Federal Circuit's position of complete *de novo* review conflicts not only with the Rule, but with this Court's and the other circuit courts' consistent application of it.

Under Rule 52, determinations of fact based on extrinsic physical or documentary evidence are given deference even where the appellate court has equal access to the evidence, since appellate review of findings of fact under a clearly erroneous standard "is the rule, not the exception":

This is so even when the district court's findings do not rest on credibility determinations, but are based instead on physical or documentary evidence or inferences from other facts. . . . Rule 52(a) "does not make exceptions or purport to exclude certain categories of factual findings from the obligation of a court of appeals to accept a district court's findings unless clearly erroneous."

Anderson v. Bessemer City, 470 U.S. 564, 574 (1985) (quoting *Pullman-Standard v. Swint*, 456 U.S. 273, 287 (1982)).

This Court has already applied Rule 52 in another context of patent law to hold that subsidiary supporting

facts are reviewed for clear error, even when the ultimate issue is one of law. Specifically, the Court held in *Dennison Mfg. Co. v. Panduit Corp.*, 475 U.S. 809 (1986), that a trial court's fact findings in connection with a patent validity analysis under 35 U.S.C. § 103 are reviewed for "clear error." As the Court explained, "whether or not the ultimate question of obviousness is a question of fact subject to Rule 52(a), the subsidiary determinations of the District Court, at the least, ought to be subject to the Rule." 475 U.S. at 811.

The Court's holding in *Dennison* is fully consistent with its approach to deferential review generally. Even where determinations of mixed questions of law and fact receive *de novo* review, deference is given to the trial court's findings of fact and reasonable inferences:

[D]eterminations of reasonable suspicion and probable cause should be reviewed *de novo* on appeal. Having said this, we hasten to point out that a reviewing court should take care both to review findings of historical fact only for clear error and to give due weight to inferences drawn from those facts by resident judges and local law enforcement officers.

Ornelas v. United States, 517 U.S. 690, 699 (1996).

Sometimes, functional considerations of the institutional strengths of trial and appellate courts leads the Court to apply deferential review even to the ultimate issues. *See, e.g., Salve Regina College v. Russell*, 499 U.S. 225, 233 (1991) (holding 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 also First Options of Chicago, Inc. v. Kaplan*, 514 U.S. 938, 948 (1995) (explaining that “the reviewing attitude that a court of appeals takes toward a district court decision should depend upon the respective institutional advantages of trial and appellate courts.”). The regional circuit courts have similarly applied a deferential standard based upon “reasonableness” in various circumstances where *de novo* review might otherwise be applied. *See Reed v. R.R. Ret. Bd.*, 145 F.3d 373, 375 (D.C. Cir. 1998) (“If the contractual language is ambiguous . . . we will defer to an agency’s reasonable interpretation.”); *NLRB v. C.K. Smith & Co.*, 569 F.2d 162, 167 (1st Cir. 1977) (deferring to administrative agency interpretation that had a “reasonable basis in the contract terms”). In such instances, the circuit courts recognize that deference is appropriate based upon a recognition of the institutional advantages of the lower tribunals. *See Kansas Cities v. FERC*, 723 F.2d 82, 87 (D.C. Cir. 1983) (“Whether interpretation of [the relevant documents] raises an issue of law or an issue of fact, we would be foolish not to accord great weight to the judgment of the expert agency that deals with agreements of this sort on a daily basis.”) (internal citations omitted); *see also National Fuel Gas Supply Corp. v. FERC*, 811 F.2d 1563, 1569 (D.C. Cir. 1987).

This Court and the regional circuits all recognize that pure questions of law are subject to *de novo* review while findings of fact are reviewed for clear error under Rule 52(a). Moreover, mixed questions of law and fact, like patent claim construction, are entitled to deference based largely on the institutional competence and administrative efficiency of the trial court. The Federal Circuit’s current

no-deference practice flies in the face of this extensive precedent. Without any reasonable justification, the Federal Circuit has retained for itself complete *de novo* review of all claim construction issues including those findings which should be afforded appropriate deference. The Court should grant review to bring the Federal Circuit practice in line with the greater body of law.

C. The Issue Of The Proper Standard Of Deference On Appeal Is Ripe For Review By This Court.

The issue of the proper standard of review for patent claim construction will be developed no further. The Federal Circuit, patent litigation practitioners, and scholars have addressed the issue to the fullest extent possible. All that remains is for this Court to articulate the appropriate standard.

Three times over the last 10 years, the Federal Circuit has assembled itself *en banc* and stated categorically that it owes no deference to the federal trial courts in connection with determinations of patent claim construction. In every instance there have been substantial dissents. The severe disagreements revealed in the majority and dissenting opinions below prove that there is no more that the judges of the Federal Circuit can say to each other to resolve this issue. More time for reasoned consideration of the issues will not result in a natural resolution of the disagreements.

Moreover, the Federal Circuit cannot be expected to voluntarily relinquish its self-granted power of unrestricted review. After presenting itself with the opportunity to do so by calling for briefing by the parties and *amici* on the issue, it offered the intellectually dishonest

explanation that it had decided “not to address the issue at this time.” It did address the issue and, with the exception of the vocal dissent by Judge Mayer, came down on the side of retaining the power it has carved out for itself in the area of claim construction.

Ample time has passed for scholars and commentators to fully illuminate the issue. The first article on this subject appeared shortly after *Cybor* was decided. See Donald, R. Dunner & Howard A. Kwon, *Cybor Corp. v. FAS Technologies: The Final Say on Appellate Review of Claim Construction?*, 80 J. PAT. & TRADEMARK OFF. SOC’Y 481 (1998). Since that time, numerous articles have been written on the issue. See, e.g., Staheli, Comment, *Deserved Deference: Reconsidering The De Novo Standard Of Review For Claim Construction*, 3 MARQ. INTELL. PROP. L. REV. 181 (1999); Rooklidge & Weil, *Judicial Hyperactivity: The Federal Circuit’s Discomfort With Its Appellate Role*, 15 BERKELEY TECH. L.J. 725 (2000); Zura, *Looking For Fire Amidst The Smoke – Is The Federal Circuit Really Exceeding Its Appellate Authority In Patent Infringement Cases?*, 12 U. BALT. INTELL. PROP. L.J. 1 (2003); Burgess, Comment, *Simplicity At The Cost Of Clarity: Appellate Review Of Claim Construction And The Failed Promise of Cybor*, 153 U. PA. L. REV. 763 (2004); Moore, *Markman Eight Years Later: Is Claim Construction More Predictable?*, 9 LEWIS & CLARK L. REV. 231 (2005). The passage of time is not likely to enrich the body of scholarly work on this issue.

In 1985, the Advisory Committee explained the value of deferential review in connection with the amendment of Rule 52(a), and its explanation illustrates perfectly what has gone wrong in the Federal Circuit and why this Court

should intervene. The Committee stated, “To permit courts of appeals to share more actively in the fact-finding function would tend to undermine the legitimacy of the district courts in the eyes of litigants, multiply appeals by encouraging appellate retrial of some factual issues, and needlessly reallocate judicial authority.” That is precisely what has occurred in the Federal Circuit. District courts are required to devote precious time to the substantial task of receiving and evaluating the evidence relevant to the claim construction process. Parties in patent cases must incur considerable costs presenting their cases to the district court, often through testimony from experts in the relevant field of art. At the end of this expensive and time-consuming process, armed with a meaningless claim construction opinion and a voluminous record, litigants engage in the real battle before the Federal Circuit. Limited to an appellate brief and a 15-minute oral argument before a panel of the Federal Circuit, and without the benefit of expert testimony, counsel must assist the panel members in putting themselves into the position of “one of ordinary skill” in whatever art may be implicated, understand the state of that art at the time of the invention from the skilled artisan’s perspective, and properly construe the disputed claim terms. It is little wonder that the Federal Circuit’s reversal rate on claim construction is so high.

D. This Case Is An Ideal Vehicle For Resolving The Issue.

The standard of review issue is squarely and meaningfully presented in this case, and the Federal Circuit’s application of the *de novo* standard made a difference in the outcome for the parties. The district court began its

analysis by setting out its findings regarding the state of the art at the time of the invention. *See* App. at 91-92. Those findings guide and effect the court's ultimate claim construction. The *en banc* Federal Circuit, however, did not even discuss the district court's factual findings, let alone grant them deference. Instead, the *en banc* court admitted that it was merely substituting its own findings for those of the district court, suggesting that they would have withstood deferential review: "Because we disagree with the district court's claim construction, we reverse the summary judgment of noninfringement."

This case highlights the entrenched position of the *en banc* majority of the Federal Circuit on the issue of standard of review and presents an ideal vehicle for this Court to resolve the issue. Moreover, because the Federal Circuit received *amici* briefs, the case carries a rich record addressing the issue of standard of review, including the views of the USPTO. This case is an ideal vehicle through which the Court can address an issue of great importance to patent litigants and practitioners, and one that has, and will continue to have, undesirable implications for them.



CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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