Patentees: US Supreme Court Schools the Federal Circuit. Again.

1.21.2015

The Federal Circuit held that the term "molecular weight" was fatally indefinite, rendering a patent for making Copaxone (a drug for treating MS) invalid. In *Teva Pharmacueticals USA, Inc. v. Sandoz, Inc.*, 574 U.S. __, __ (2015), the Supreme Court vacated the Federal Circuit's judgment.

What did the Federal Circuit get wrong?

This time, it was *the level of deference afforded to the district court for patent "claim" construction*. Claims define the legal rights of patent holders. As such, much rides on how claims are interpreted in a lawsuit. A broad interpretation may capture more infringers but may also expose a patent to more invalidity positions. A narrow interpretation might let a would-be copyist off the hook while preserving the patent's validity.

It has long been understood – *and it remains the case* – that the ultimate question of claim construction is a question of law, solely for the courts to decide.

A pre-AIA claim term is interpreted in view of how one of ordinary skill in the art would have understood the term at the time of invention. Sometimes, this analysis can be restricted to intrinsic evidence: the patent claims, the specification, and the give-and-take between the applicant for a patent and the US Patent Office. In such cases, the Court confirms that the Federal Circuit may review a district court's interpretation *de novo*. That is, the winner in the lower court is not entitled to any deference to the district court's interpretation. The loser gets a clean slate and a second chance.

So what's new?

The Court acknowledged that sometimes extrinsic evidence, such as an expert opinion, is necessary to interpret patent claims. Such was the case in *Teva*, where competing experts put

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forth testimony on the meaning of "molecular weight" and various ways to calculate it, as would be understood by a skilled artisan in the relevant time period. This scenario required the district court judge to engage in "subsidiary factfinding," which is entitled to deference under Fed. R. Civ. P. 52(a)(6).

Absent "clear error," the district court's factfinding underlying a claim interpretation must stand.

> In some instances, a factual finding will play only a small role in a judge's ultimately legal conclusion about the meaning of a patent term. But in some instances, a factual finding may be close to dispositive.... Nonetheless, the ultimate question of construction will remain a legal question.

What does this mean for you?

There is an erosion of opportunity for a second bite at the apple. It has always been important to pursue a favorable claim construction with fervor, but a loss was not the end of the world. The Federal Circuit famously modified claim constructions with some frequency.

Now there is increased pressure to give serious consideration to where to bring your case (dockets with famously patent savvy judges), whether to advocate for using extrinsic evidence to interpret claims, and if so, winning in the district court.

Teva may not "loom large" in the patent litigation world (the Court predicts it will not) because that world favors intrinsic evidence. Still, look for *Teva* to make a difference in highly technical and complex areas with specialized vocabularies.

Click here to read the full opinion.