

# How to achieve success at Markman

The pre-trial Markman hearing that is standard in US patent infringement cases can provide parties the opportunity to bypass expensive litigation. **Andrew Piatnicia** explains how to maximise the possibilities

In patent litigation, the claim construction hearing, or Markman hearing, as it is commonly called, is perhaps the most important pre-trial event. The term Markman hearing came into use after the 1996 opinion by the US Court of Appeals for the Federal Circuit in *Markman v Westview Instruments*. There, the Federal Circuit held that judges, rather than juries, should determine the meaning of patent claim terms, since patents are written instruments and judges by their training and practice are best suited to construe written instruments.

Although time is often quite limited during a Markman hearing, the process presents the parties with an opportunity to decisively impact their case and potentially avoid an expensive trial. To make full use of this opportunity, a party needs to determine in advance the key infringement and validity issues, in order to understand how they would be affected by the claim construction. To be successful at the hearing, a party should identify key claim construction issues early on and focus the judge on as few claim terms as possible. A slower, less focused approach could result in significant disadvantages.

## Claim construction framework

In construing terms, courts must examine the so-called intrinsic evidence, which includes the claims, the specification of the patent, and, as appropriate, the prosecution history, including the inventors' correspondence with the USPTO. In explaining to the Patent Office why certain claims are allowable, the inventors may have either directly or indirectly explained the meaning of claim limitations. For instance, the inventors may have argued that their claims are allowable over the prior art because the art lacks a certain claim limitation, thereby explaining the meaning of that limitation.

According to the US Supreme Court's 2005 opinion in *Phillips v AWH Corporation*, courts may also consider so-called extrinsic evidence, such as dictionaries and testimony by inventors and experts, but such evidence must be applied carefully, so as not to contradict the intrinsic evidence. For instance, even though dictionaries may define a claim term in a certain way, when a patent defines that term differently from the dictionary definition, the patent's definition prevails.

Furthermore, judges may consider the context within which to rule on claim construction. Thus, although the accused products and the prior art are irrelevant to claim construction, a party may include some context on either or both with its claim construction arguments. This may make it more likely that the judge will actually decide the claim construction disputes, because the judge will understand them.

## Early analysis

To assist the judge in deciding claim construction disputes, a party should begin analysis early, in order to identify claim terms whose construction might resolve the disputes, thereby bringing the litigation closer to a resolution earlier in the litigation process and at less expense. Budget permitting, to maximise the time available for claim analysis, a party should consider starting the analysis before the onset of litigation, and certainly in earnest if licence negotiations are deteriorating to the point that litigation is likely. For instance, in-house counsel, in consultation with litigation counsel, could ask engineers inside the company to analyse prior art and infringement issues.

Non-infringement may hinge on a few claim terms or even a single term, because under a certain construction, a limitation might be missing from an

## One-minute read



Since the seminal 1996 Federal Circuit case *Markman v Westview Instruments*, patent infringement suits in the

US have included a pre-trial claim construction hearing, commonly known as a Markman hearing. During this process, the judge determines the meaning of key patent claim terms based on evidence presented by both parties. The Markman hearing can be capitalised upon through a concise and focused approach, which may include conducting early analysis of claim terms, limiting the number of claim terms addressed during the hearing and exposing contradictions in claim construction during deposition. If the Markman hearing is handled skilfully, a party can avoid trial altogether.

accused product. Similarly, validity may hinge only on one claim element which may be missing from the prior art, depending on the claim construction, thus rendering the claim valid. So, to identify the key limitations, a party must closely examine the accused products and the prior art, as well as the intrinsic and extrinsic evidence relevant to claim construction.

### Limit claim terms

An early analysis may prove cost effective not only because it will educate a party on the strength of its position in licence negotiations, but also because it may permit the party to narrow its claim-construction discovery. Parties who seek to discover everything potentially relevant may well run out of time before they determine what really matters. This is particularly true in jurisdictions with early Markman hearings, where parties need to determine their claim-construction positions quickly to then be able to efficiently focus their claim-construction discovery.

Some parties prefer wide-ranging discovery and construction of many terms, for fear of omitting a potentially important term. However, because of time constraints, the court may be able to deal only relatively superficially with the many claim terms presented for construction. Consequently, the court will be less likely to rule decisively on any single term, thereby causing the party to miss the chance to advance the litigation on the merits.

At least one jurisdiction now requires the parties to identify a small number of the most significant claim terms. Under the new rules in the Northern District of California, parties must now identify at most 10 claim terms that would be dispositive. (Patent Local Rules 4-3(c), although Rule 1-3 lets judges modify the rules, as necessary, for example, to accommodate complex cases). Of course, judges elsewhere may impose similar requirements and even urge the parties to limit

## Five tips for Markman success

- 1) Be focused: limit claim terms, keep briefs concise.
- 2) Do your homework: study local patent rules and judge preferences.
- 3) Start early: begin analysing claims prior to litigation when possible.
- 4) Teach well: use mixed media and other tools to explain relevant technology.
- 5) Be aware of time: argue only key points and respond to judge and opposition.

### Importance of depositions

In preparation for the Markman hearing, parties can discover evidence relevant to claim construction. In particular, to the extent that inventors or experts submit declarations in support of one party's claim construction, they will be subject to deposition by the other party. Depositions are useful because they can expose contradictions in claim construction positions. For instance, while an expert's declaration may state that a term means X at the deposition, the expert may be forced to admit that in his or her writings, the expert uses that term to mean Y. And the expert may be forced to admit that even the patent uses the term with the meaning Y. Although clearly extrinsic evidence, such admissions may be powerful to the judge because they distil the meaning of claim terms or highlight problems with a side's constructions which otherwise may not be apparent from the patent itself.

### Compromise

To narrow the issues, some courts will require the parties to meet and confer and submit joint claim construction charts to attempt to focus and resolve claim construction disputes. In practice, the parties should approach this task seriously, as courts will not appreciate being presented with a long list of disputes, which upon closer examination are not all real and material.

### Markman briefing

Leading up to the Markman hearing, the parties will submit memoranda to the court advocating their respective claim constructions. Those constructions should be formulated precisely, such that if adopted by the court, they indeed have the desired decisive effect.

Although few terms may really matter, one party may decide to brief many terms. In practice, this means that both parties will brief all terms, but the focused party will devote the bulk of its briefing to key disputes.

Additionally, for any given claim term, a party should strive to be as concise as possible and resist the temptation to brief every possible argument, as one might expect that unnecessarily long and rambling briefs including weak arguments will test a judge's patience or lose the judge on the important points. The

## The Federal Circuit can remand to the judge with a different claim construction or require that the judge redo the claim construction analysis

the total number of terms altogether. Thus, depending on the jurisdiction and judge, a party may be required to embrace the focused approach to claim construction.

### Choosing decisiveness

Some parties will prefer to avoid a decisive ruling on claim construction. They may want to delay the moment of truth for fear that the judge will adopt the other side's construction, which will then be decisively adverse. They may prefer for the jury to sort things out. But since the Federal Circuit may correct or adjust the claim construction on appeal, short of settlement this would require the parties to revisit at least parts of the litigation.

briefing is also a further opportunity to recognise immaterial disputes and thus another possible occasion to change proposed claim constructions.

But the desire to change must be balanced against the risk that the party that changes or modifies a claim construction may be accused of nefarious motives (ie, that it is adjusting a construction simply in support of infringement or validity arguments), an accusation which may resonate with some judges. Nevertheless, if a party has determined that for clarity or based on the intrinsic evidence, its construction requires changing, then the benefit may outweigh the risk, since on appeal to the Federal Circuit, arguments about motives may be less likely to hold sway.

## Technology tutorial

Close to the Markman hearing, the judge may wish to have a tutorial – as distinguished from argument – on the technology relevant to the patent, particularly to the disputed claim terms. Depending on the judge, each side may have as little as one hour, even if multiple patents are involved. Thus, attorneys need to be flexible to respond to the judge with extra information as requested, at the expense of other information that the attorneys had planned to present. Efficient and clear communication will ensure that the judge understands everything necessary to follow the claim construction arguments presented later.

The tutorial may consist of slides which include animations accompanied by the attorney's explanation. In addition, a party may wish to show posters, for example, with figures from the patent(s) that the party expects to use repeatedly throughout the presentation. Sometimes a physical model may also be helpful in educating the judge on the necessary background technology. Similarly, judges may find useful physical samples of building blocks of the patent's technology. For instance, if the patent is about computer chips, then seeing and touching an actual chip might be helpful. Some judges may also allow expert testimony, but if time is short, this testimony would be impractical.

In lieu of a live tutorial by the attorneys, a judge may accept standalone CDs with slides and animations from each side. Depending on the budget, a party may choose to have professional actors provide the commentary. However, given a choice, parties should opt for a live tutorial, which, of course, enables the parties to answer directly and immediately any questions the judge might have.

## Conducting the Markman hearing

The parties can expect the time allowed for the Markman oral argument to be quite limited as well. In fact, the court may limit each side to as little as two hours even in multi-patent cases. Accordingly, the focus should be on addressing key arguments and answering the judge's questions. To do so, attorneys must listen carefully to the judge's questions or comments and be sure that they are addressing any confusion or misunderstanding on the judge's part. At the same time, attorneys should address important arguments by the other side, particularly those that appear to have struck a chord with the judge. Rather than argue everything, parties should be prepared to rely on the briefs for less important constructions.

## Ruling and next steps

After the Markman hearing, the judge will issue the claim construction ruling. If a party prevails on a key claim construction, meaning that the judge has adopted the proposed construction's basic features, that party may move for summary adjudication. For instance, if the alleged infringer prevailed on a construction under which there can be no infringement, then a motion for summary judgment of non-infringement is appropriate. This assumes that discovery on the accused products has progressed sufficiently, such that the patent owner is in possession of the relevant facts, with no material disputes. If

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## Timing of Markman hearings

Since the Markman decision, a number of jurisdictions, such as the Northern District of California and the Eastern District of Texas, construe claims in a Markman hearing relatively early in the litigation. Recognising the threshold function of claim construction, these jurisdictions have implemented rules that provide for the Markman hearing to occur as the first major step in the litigation - before expert reports, summary judgment and well before trial.

But not all jurisdictions have formalised the process of claim construction, and some judges prefer to construe claims later in the litigation. Later Markman hearings allow judges more time to better understand the context within which they construe claims and thus to understand the significance of each aspect of their constructions. For instance, if a judge rules on claim construction in the context of a summary judgment motion, the judge will better understand how the claim construction matters and be more likely to formulate relevant claim constructions.

The disadvantage for everyone (the judge and the parties) is that a late Markman hearing deprives them of the opportunity for an important early decision before expending time and money on preparing all aspects of the case, even though the case potentially hinges on relatively few claim constructions. A decision on those constructions could result in the loser conceding on infringement or validity, followed by an appeal to the Federal Circuit, or it might result in the parties settling early. Thus, a party with a choice in forum should investigate the local rules and preferences of the judges to see where an early Markman hearing is likely.

no other issues remain in the case and the court grants summary judgment, then the case will be ready for appeal to the Federal Circuit.

The judge's dispositive construction, although favourable to a party, may be flawed such that on appeal the Federal Circuit is likely to remand to the judge. In that case, depending on the perceived receptiveness of the judge, the prevailing party might ask the judge to revisit the construction with a request to correct the flawed reasoning and thereby strengthen the construction for appeal (or to provide better leverage for settlement discussions).

## Action by the Federal Circuit

The Federal Circuit will review the judge's claim construction without deference, meaning that there is a real possibility that the judge's construction will not be affirmed. For example, the Federal Circuit can remand to the judge with a different claim construction or require that the judge redo the claim construction analysis. Then, short of settlement, the process described above will repeat itself at least in part: parties will again brief claim construction, have another Markman hearing and, depending on the ruling, again move for summary judgment. Or, if the judge does not rule decisively on claim construction, there could be a trial.

Thus, by focusing early on key claim constructions and articulating them carefully, a Markman hearing can be one that actually resolves disputes, rather than postpones them through to further expensive litigation.



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