



Various Alternatives To *Markman* Hearings

In the wake of *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996), many district courts have held separate pretrial hearings on claim construction issues, seemingly in order to comply with the mandate that judges, rather than juries, should determine the meaning of claim terms in patent cases as a matter of law. *Markman*, 517 U.S. at 388 (“[J]udges, not juries, are the better suited to find the acquired meaning of patent terms.”). However, neither the Federal Rules of Civil Procedure nor the *Markman* decision itself requires a separate claim construction hearing. Accordingly, several district courts have employed alternatives to a *Markman* hearing, including traditional summary procedures under Fed. R. Civ. P. 56.

***Markman* Hearings**

Sitting by designation, Federal Circuit Judge Randall R. Rader provided the following commentary on the need for timely claim construction in patent cases:

This dispute highlights some of the ramifications for patent cases flowing from the United States Court of Appeals for the Federal Circuit's decision in *Markman v. Westview Instr., Inc.* After *Markman*, a trial judge must determine as questions of law the meaning of patent claims. The meaning of claim terms is the central issue of patent litigation. With most aspects of trial hinging on this determination – now “strictly a question of law for the court” – a conscientious court will generally endeavor to make this ruling before trial.

Loral Fairchild Corp. v. Victor Co. of Japan, 911 F. Supp. 76, 79 (E.D.N.Y. 1996) (Rader, J.) (internal citations omitted). Thus, as in other cases premised on written instruments – whether contracts or statutes – the legal meaning of claim terms in a patent case is a matter of law for the trial court, and not a factual matter for the jury. The jury's role is to determine factual issues,

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such as infringement and invalidity, by applying properly construed claim terms to an accused device or the prior art.

A common vehicle for determining the meaning of terms in a patent claim is a “claim construction hearing,” also known in patent litigation lore as a “*Markman*” hearing. There are no uniform procedures for a *Markman* hearing, which is typically an *ad hoc*, judicially-created hearing that may employ a wide variety of procedures. Some courts require only simple briefing, or briefing supplemented by oral argument. Other courts hold evidentiary hearings, with witness testimony, lasting anywhere from a few hours to several days.

In response to *Markman*, several districts, including the Northern District of California, crafted local rules specific to patent cases. Many of these local patent rules presume or require a *Markman* hearing. In the Northern District of California, for example, claim construction typically precedes rulings on dispositive motions, such as motions for summary judgment. The staging of claim construction, followed by dispositive motion practice, arguably provides a measure of certainty, allowing the parties to first ascertain the meaning of claim terms, and then consider questions of infringement and invalidity.

The two phases, common in patent litigation, are also the source of significant criticism, due to the creation of a second round of dispositive motions, which is potentially unnecessary. In some cases, the Court’s ruling on claim construction may be dispositive of the entire case: “[a]ll these pages and all these words cannot camouflage what the court well knows: to decide what the claims mean is nearly always to decide the case.” *Markman*, 52 F.3d 967, 989 (Fed. Cir. 1995) (Mayer, J., concurring).

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A second criticism of the *Markman* hearing, and the requirement for another round of dispositive motions, lies in the opportunity for mischief:

Once the court resolves the meaning of the claims, this new pronouncement of the meaning of claim terms may, as in this case, generate more disputes. In essence the court has merely elaborated on "the normally terse" claim terms in an effort to resolve disputes. However, the skillful lawyer finds ambiguity even in attempted precision. Unchecked, the parties' new interpretations of the claim language in light of the court's legal meaning may begin the trial process, including discovery and depositions, anew. Thus, a trial court – in the wake of articulating a legal meaning of claim terms – must carefully police the parties' new theories of liability or defenses to prevent prejudice after the close of discovery.

Loral Fairchild, 911 F. Supp. at 79 (internal citations omitted). An unsuccessful plaintiff may also scheme to avoid an adverse ruling on summary judgment by seeking a dismissal without prejudice following a near-dispositive ruling at claim construction.

Additionally, two rounds of dispositive motions – the first to determine the meaning of claim terms under *Markman*, and the second to determine questions of infringement and invalidity – creates significant extra, and potentially unnecessary, work for the parties and the Court in patent cases, which are already complex and arguably over-litigated. See, e.g., *City of Aurora v. PS Systems, Inc.*, No. 07-2371, slip op. at 2 (D. Colo. filed July 18, 2008) (holding that claim construction would be decided within the context of summary judgment because, *inter alia*, "[*Markman* procedures and hearings] can create a great deal of unnecessary work for the Court and parties."). For these reasons, and others, judges have shown a willingness to provide creative alternatives to separate *Markman* procedures and a hearing.

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Alternatives

There is no requirement in the Federal Rules of Civil Procedure, or even the *Markman* decision itself, that a district court hold a separate *Markman* hearing to construe the meaning of the claims. As the Federal Circuit originally suggested, claim construction “ordinarily can be accomplished by the court in framing its charge to the jury, but may also be done in the context of dispositive motions such as those seeking judgment as a matter of law.” *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 981 (Fed. Cir. 1995) (*en banc*), *aff'd*, 517 U.S. 370 (1996). *Markman* itself was originally decided in the context of a motion for judgment as a matter of law at the close of plaintiff’s case. *Id.* at 971.

Given that separate *Markman* procedures and hearings are not required, district courts have employed alternative procedures to reduce the cost of litigation and promote efficiency in judicial proceedings.

a. Summary Judgment.

Claim construction is merely the interpretation of a written instrument. “[W]here the parties do not dispute any relevant facts regarding the accused product but disagree over the meaning of a particular claim, claim construction is amenable to summary judgment.” *Safe-Strap Co. v. Koala Corp.*, 270 F. Supp. 2d 407, 415 (S.D.N.Y. 2003) (*citing Athletic Alternatives, Inc. v. Prince Mfg., Inc.*, 73 F.3d 1573, 1578 (Fed. Cir. 1996)). The Federal Circuit suggested in a concurring opinion in *Markman* that summary judgment was an appropriate procedure for handling claim construction issues. *Markman*, 52 F.3d at 992-93 (Mayer, J., concurring). Consistent with this logic, several courts simply follow Fed. R. Civ. P. 56 and rule on claim construction issues within the context of a summary judgment order. *See, e.g., Stumbo v.*

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Eastman Outdoors, Inc., 508 F.3d 1358 (Fed. Cir. 2007) (affirming summary judgment without a *Markman* hearing, which compared properly construed claims to the accused device); see also *Schoenhaus v. Jay*, 440 F.3d 1354, 1356 (Fed. Cir. 2006) (noting that no separate *Markman* hearing was held, but affirming the district court which construed the claims “in a carefully-crafted summary judgment opinion.”).

Efficiency considerations offer persuasive justification for construing claim terms at summary judgment. The deferral of claim construction until summary judgment can eliminate the burden – and arguable waste of resources – in preparing and ruling on two rounds of dispositive motions: the first to determine what the claims mean, and the second to apply the properly construed claims to the accused device or prior art. See, e.g., *City of Aurora*, No. 07-2371, slip op. at 2 (D. Colo. filed July 18, 2008) (“[T]o the extent the parties wish for the Court to consider claim construction issues in this case, they should do so through the filing of motions for summary judgment and responses thereto.”). By seeking simultaneous consideration of claim construction and dispositive motions related to invalidity or infringement, the parties can encourage consistency and efficiency, without causing “a great deal of unnecessary work for the Court and parties.” *Id.*

The simultaneous consideration of claim construction and the merits also precludes a party unsuccessful at claim construction from “snatching victory from the jaws of defeat,” as described by Judge Rader, by using summary judgment to re-litigate claim construction, or through the creative development of new theories that fit within the Court’s construction. See *Loral Fairchild*, 911 F. Supp. at 79 (“... the skillful lawyer finds ambiguity even in attempted precision.”).

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b. Jury Instructions.

Claims need not be construed in advance of trial. Rather, to the extent a formal hearing is required, “the court can wait until trial and attempt to resolve claim disputes the evening before the jury must be instructed.” See *Elf Atochem North America, Inc. v. Libbey-Owens-Ford Co., Inc.*, 894 F. Supp. 844, 850 (D. Del. 1995) (listing summary judgment, a *Markman* hearing, and jury instructions as possible procedural postures for interpreting claims).

While “a conscientious court will generally endeavor to make this ruling before trial,” see *Loral Fairchild*, 911 F. Supp. at 79, the existence of factual issues, such as expert or inventor testimony, may weigh in favor of deferring consideration of claim construction until the close of testimony. The timing of claim construction at the end of trial is not itself error, because claim construction “always takes place in the context of a specific accused infringing device or process.” See *Wilson Sporting Goods Co. v. Hillerich & Bradsby Co.*, 442 F.3d 1322, 1326-27 (Fed. Cir. 2006) (noting that an accused device may be examined in the course of claim construction for context, but not for supplying limitations).

c. Early Dispositive Motion.

The extreme opposite of deferring claim construction until the summary judgment phase, or jury instructions, is the “early dispositive” approach to claim construction. The early dispositive approach typically involves summary judgment early in the litigation, and is most useful where a single claim term (or a small number of terms) is easily understood, and dispositive. For example, in *E-Data Corp. v. Corbis Corp.*, No. 04-1733, slip op. at 3-4 (W.D. Wash. filed May 23, 2005), the district court considered a defendant’s early motion for summary judgment, shortly after the case was filed. The defendant noted the lack of dispute regarding

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the meaning of claim terms (which had already been considered by the Federal Circuit), and its proof of non-infringement. The district court agreed and granted the defendant's motion (before the scheduled *Markman* hearing), noting that the terms "point of sale location" and "material object" had been construed in a prior case, and that "[n]o amount of additional discovery [would] alter the undisputed fact that the accused system" did not infringe. *E-Data Corp.*, No. 04-1733, slip op. at 10 (W.D. Wash. filed May 23, 2005).

While its facts are unique, the logic in *E-Data* is applicable where claim terms are simple, easily understood, or undisputed. An early dispositive motion may quickly dispose of a case where the allegations are unsupported, or where the meaning of a single claim term is dispositive of the entire case. However, some courts require permission before allowing dispositive motions, before *Markman*, in patent cases. *E.g.*, *WizKids Inc. v. Wizards of the Coast, Inc.*, No. 07-809, slip op. at 4 (W.D. Wash. filed Sept. 20, 2007) ("[t]he Court will not rule on dispositive motions that raise issues of claim construction prior to the [*Markman*] Hearing, unless special circumstances warrant and leave of Court is obtained in advance of filing.").

d. Hybrid Procedure.

Faced with *Markman*, and the prospect of identifying every relevant claim term, some attorneys have been known to identify scores of claim terms for construction. In reality, perhaps one or two claim terms are dispositive. As a practical matter, only disputed claim terms need be construed. See *O2 Micro Int'l, Ltd. v. Beyond Innovation Tech. Co.*, 521 F.3d 1351, 1362 (Fed. Cir. April 3, 2008) ("When the parties present a fundamental dispute regarding the scope of a claim term, it is the court's duty to resolve it."). However, the timing of the Court's construction



may be appropriately bifurcated. For example, one court includes the following language in its standard patent scheduling order:

The parties should note that the Court will construe a maximum of 10 claim terms at the initial *Markman* hearing. Prioritization should be guided by the twin goals of narrowing the issues and choosing the 10 claim terms for which a claim construction would be most productive in terms of setting the groundwork for possible settlement.

WizKids Inc., No. 07-809, slip op. at 4 (W.D. Wash. filed Sept. 20, 2007). The practical effect is to narrow the issues for summary judgment or settlement. Subsequent claim constructions for disputed terms may occur at any time before the jury is given its charge.

e. *Prospective Ruling.*

Among the practices employed by the district courts, the “prospective ruling” approach provides an alternative to a typical *Markman* hearing, while maintaining the framework to which many courts and litigants have grown accustomed. In *GT Dev. Corp. v. Temco Metal Prods. Co.*, No. 04-451 (W.D. Wash. filed April 27, 2005), the district court distributed “draft constructions” to the parties the night before the scheduling claim construction hearing. The district court proffered its own proposed constructions for terms disputed by the parties; as a result, the parties agreed to five of the court’s six draft constructions: the remaining term was argued at the claim construction hearing. See *GT Dev. Corp.*, No. 04-451, slip op. at 1-2 (W.D. Wash. filed May 2, 2005). With one disputed claim term at issue, the district court issued its written opinion on claim construction shortly after the *Markman* hearing. See *id.*

Conclusion

Whether construed through a *Markman* hearing, summary judgment, judgment as a matter of law, or jury instructions, the task for the district court is the same: to construe patent

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claims as a matter of law. *Markman* hearings, while often useful, are not required by the Federal Rules of Civil Procedure or the *Markman* decision. There are several alternatives, including traditional summary judgment procedures, which district courts have employed to carry out their claim construction duties under *Markman*. Whether a *Markman* alternative can provide efficiency, fairness, and increased judicial economy should be considered at the outset; where appropriate, it should be presented to the district court for consideration early in the case.

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