2012-1014, -1015

United States Court of Appeals for the Federal Circuit

LIGHTING BALLAST CONTROL LLC,

Plaintiff-Appellee,

v.

PHILIPS ELECTRONICS NORTH AMERICA CORPORATION,

Defendant,

and

UNIVERSAL LIGHTING TECHNOLOGIES, INC.,

Defendant-Appellant.

Appeal from the United States District Court for the Northern District of Texas in case no. 09-CV-0029, Judge Reed O'Connor.

AMICUS CURIAE BRIEF OF INTELLECTUAL PROPERTY OWNERS ASSOCIATION IN SUPPORT OF LIGHTING BALLAST CONTROL LLC

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JUNE 26, 2013

FORM 9. Certificate of Interest

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Lighting Ballast Control LLC v. Philips Electronics NA & Universal Lighting Tech Inc.

No. 12-1014, -1015

CERTIFICATE OF INTEREST

Counsel for the (petitioner) (appellant) (respondent) (appellee) (amicus) (name of party) amicus certifies the following (use "None" if applicable; use extra sheets if necessary):

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Richard F. Phillips, Kevin H. Rhodes, and Herbert C. Wamsley, Intellectual Property Owners Association
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June 24, 2013
Date

/s/ Herbert C. Wamsley
Signature of counsel

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INTEREST OF AMICUS CURIAE

Amicus curiae Intellectual Property Owners Association (IPO) is a trade association representing companies and individuals in all industries and fields of technology who own or are interested in intellectual property rights.[1] IPO's membership includes more than 200 companies and over 12,000 individuals who are involved in the association either through their companies or as inventor, author, executive, law firm, or attorney members. Founded in 1972, IPO represents the interests of all owners of intellectual property. IPO regularly represents the interests of its members before Congress and the USPTO and has filed amicus curiae briefs in this Court and other courts on significant issues of intellectual property law. The filing of this brief was approved by the IPO Board of Directors. A list of the IPO board members can be found in the Appendix.[2]

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[1] No counsel for a party authored this brief in whole or in part, and no such counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than the *amicus curiae* or its counsel made a monetary contribution to its preparation or submission. IPO files this brief in accordance with the order issued on March 15, 2013 which states that briefs may be filed without consent or leave of the Court.

[2] IPO procedures require approval of positions in briefs by a two-thirds majority of directors present and voting. Koninklijke Philips N.V. is the parent of Philips Electronics North America Corporation and is a member of IPO's Board of Directors; however, it did not participate in the discussions regarding or vote on the decision to file this brief and did not participate in its preparation.

SUMMARY OF THE ARGUMENT

IPO respectfully suggests that this Court's decision in *Cybor Corp. v. FAS Technologies, Inc.* be overruled, but only in part.[3] 138 F.3d 1448 (Fed. Cir. 1998). The Supreme Court made clear in *Markman v. Westview Instruments (Markman II)* that claim construction is a legal question exclusively within the province of the court, "notwithstanding its evidentiary underpinnings." *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 390 (1996) (*Markman II*). As such, the ultimate question of what a claim term means should continue to be treated as a legal question that is reviewed *de novo* on appeal. However, as acknowledged by the Supreme Court in *Markman II*, claim construction may involve underlying "evidentiary" issues – *i.e.*, questions of fact. Specifically, these "evidentiary underpinnings" include the intrinsic record (the claims, specification and prosecution history), and may also include extrinsic evidence such as expert testimony.

With respect to review of the intrinsic record, the appellate court sits in the same position as the district court. Appellate judges are just as capable of reviewing the language of the claims, the specification and the

[3] IPO files this brief in support of the patentee, Lighting Ballast Control LLC, only to the extent that *Cybor* should be overruled in part. However, IPO takes no position with respect to the merits of the issues in dispute between the parties or on the ultimate outcome of the case.

prosecution history and assessing their significance to the ultimate legal conclusion of claim construction as are district court judges. Accordingly, appellate review of a district court's legal analysis of the intrinsic record should remain *de novo.* However, with respect to extrinsic evidence, such as expert testimony, district court judges are often in a better position to weigh the credibility and impact of this evidence. Therefore, IPO believes that the district court's findings of fact based on properly-considered factual evidence in the extrinsic record should be reviewed under a "clear error" standard.

This limited degree of deference would allow the Federal Circuit to benefit from the district court's superior fact-finding position with respect to extrinsic evidence, while still maintaining consistent application of claim construction law through de novo review of the more important intrinsic record and the ultimate legal question of what a claim term means.

ARGUMENT

I. A District Court's Interpretation of The Intrinsic Record And Its Ultimate Conclusion of What a Patent Claim Term Means Should Remain Reviewable *De Novo* by the Federal Circuit

The Supreme Court in *Markman II* held that claim construction is a matter of law that falls "exclusively within the province of the court." *Markman II*, 517 U.S. at 391. The Supreme Court concluded that a court's

legal expertise would ensure that the meaning assigned to a claim term will be consistent with the patent's intrinsic record and "preserve the patents' internal coherence." *Id*. at 390; *see also Bates v. Coe*, 98 U.S. 31, 38-9 (1878). In keeping with the Supreme Court's holding, IPO believes that the district court's ultimate legal conclusion of what a patent claim term means should remain reviewable *de novo* by the Federal Circuit, as are all questions of law.

However, the Supreme Court also recognized in *Markman II* that some issues addressed during claim construction may involve "evidentiary underpinnings." 517 U.S. at 390. As the Supreme Court noted is regularly the case in construing legal documents, a court may sometimes be required to resolve issues that "fall somewhere between a pristine legal standard and simple historical fact." *Id*. at 388 (citing *Miller v. Fenton*, 474 U.S. 104 (1985)).

In this regard, the Supreme Court gave the example of expert testimony, which may, in some circumstances, require a district court to make a credibility determination between experts. *Id.* at 389. But as explained by the Supreme Court in *Markman II*, even such a credibility determination—which is factual in nature and often reserved for the jury in

other contexts—is rightly left within the province of the court in the context of claim construction:

> "It is, of course, true that credibility judgments have to be made about the experts who testify in patent cases, and in theory there could be a case in which a simple credibility judgment would suffice to choose between experts whose testimony was equally consistent with a patent's internal logic. But our own experience with document construction leaves us doubtful that trial courts will run into many cases like that. In the main, we expect, any credibility determinations will be subsumed within the necessarily sophisticated analysis of the whole document, required by the standard construction rule that a term can be defined only in a way that comports with the instrument as a whole." *Id.* at 389-90.

That the consideration of extrinsic evidence such as expert testimony will usually be subsumed by the intrinsic record is consistent with this Court's decision in *Phillips v. AWH*. *Phillips* lays out a clear hierarchy of evidence for claim construction where the intrinsic record trumps conflicting reliance on extrinsic evidence. 415 F.3d 1303 (Fed. Cir. 2005); *see also Markman v. Westview Instruments, Inc*., 52 F.3d 967, 985 (Fed. Cir. 1995) (en banc), aff'd, 517 U.S. 370 (1996) ("extrinsic evidence cannot add, subtract, or vary the limitations of the claims") (referred to herein as *Markman I*). While extrinsic evidence "can be useful to a court for a variety of purposes," the role of extrinsic evidence is usually limited to "informing

the court about the language in which the patent is written." *Markman I*, 52 F.3d at 986.

A proper claim construction primarily relies on an interpretation of the intrinsic record to establish the meaning of claim terms. With respect to issues on appeal that involve the interpretation of the intrinsic record, the Federal Circuit sits in the same position as the district court. Importantly, the intrinsic record is both fixed and in writing. The contents of the intrinsic record are fixed as a matter of law and the appellate court is just as capable as a district court judge of evaluating the legal import of this written record. Therefore, IPO believes that the district court's analysis of the intrinsic record should not be accorded deference and should continue to be reviewed *de novo* on appeal.

II. Underlying Factual Determinations Based on Extrinsic Evidence Should be Reviewed For Clear Error by the Federal Circuit

Extrinsic evidence presents a different situation, since it is neither fixed in scope nor necessarily in writing. As noted above, expert testimony may be used by a court to help understand the meaning of a claim term to one of ordinary skill in the art. *See, e.g., Markman II,* 517 U.S. at 389; *Vitronics Corp. v. Conceptronic,* 90 F.3d at 1576, 1584. Where the district court hears competing expert testimony, the district court will usually be in the best position to judge the credibility and impact of any factually disputed

evidence. The same rationale applies, for example, to battles of competing dictionary definitions where the trial court decides which definition, if any, is most relevant to the meaning of the claim – a determination often made in conjunction with expert testimony. Therefore, IPO believes that factual findings by the district court based on extrinsic evidence should be afforded deference on appeal and reviewed under a "clear error" standard. *See* Fed R. Civ. P. 52(a)(6).

Reviewing factual findings for clear error is not inconsistent with the Supreme Court's claim construction jurisprudence. In the passage from the Court's *Markman II* opinion quoted above, the Court explained that credibility determinations may be ***subsumed*** within the necessarily sophisticated analysis of the whole document." *Markman* II, 517 U.S. at 390 (emphasis added). That is simply another way of saying that there may exist factual issues – *e.g.*, expert credibility determinations – that underlie the ultimate issue of claim construction, which is a question of law. There is nothing inconsistent with affording deference to the district court's determination of these underlying factual issues while reviewing the ultimate issue of law *de novo*.

Indeed, in other contexts, the Supreme Court has stated that deference should be afforded to a district court's fact-finding, particularly where "it

appears that the district court is 'better positioned' than the appellate court to decide the issue in question." *See, e.g., Salve Regina College v. Russell*, 499 U.S. 225, 233 (1991). IPO believes that district courts are better positioned to review extrinsic evidence, as opposed to the fixed and written intrinsic record.

This limited deference should not, however, alter the hierarchy of the intrinsic record vis-à-vis extrinsic evidence as set forth in *Phillips*. 415 F.3d at 1311-19. That is, while deference should be afforded to extrinsic factual determinations, IPO believes that such facts should remain subsidiary to the intrinsic record for purposes of ultimately assigning meaning to claim terms. Extrinsic factual findings should not be used to arrive at a claim construction at odds with the intrinsic record. *Phillips*, 415 F.3d at 1318 (quoting *Key Pharms. v. Hercon Labs. Corp.*, 161 F.3d 709, 716 (Fed. Cir. 1998)). Therefore, IPO believes that any deference accorded to the district court's factual findings should not disturb the well-settled principle that extrinsic evidence that is inconsistent with the intrinsic record should be accorded no weight. *Advanced Fiber Techs. Trust v. J&L Fiber Servs.*, 674 F.3d 1365 (Fed. Cir. 2012) (rejecting court's reliance on dictionary definition that contradicted claims and written description); *Vitronics Corp. v. Conceptronic*, 90 F.3d 1576, 1584 (Fed. Cir. 1996); *see also Markman I*, 52

F.3d at 983, 985.

And regardless of the deference afforded factual determinations, such determinations remain "exclusively within the province of the court," as opposed to the jury. The Supreme Court in *Markman II* was clear that all aspects of the claim construction process rightly remain within the province of the Court. *Markman II*, 517 U.S. at 372; *see also O2 Micro Int'l Ltd. v. Beyond Innovation Tech. Co.*, 521 F.3d 1351 (Fed. Cir. 2008) ("When the parties raise an actual dispute regarding the proper scope of these claims, the court, not the jury, must resolve that dispute.").

Finally, IPO believes that granting a broader scope of deference to district courts, beyond the limited overruling of *Cybor* suggested by IPO, is not appropriate. Maintaining *de novo* review by the Federal Circuit of the intrinsic record will continue to foster consistent claim construction rulings. *See, e.g., Markman II*, 517 U.S. at 391. Consistent claim construction rulings are particularly important in instances where the same patent or related patents are litigated before multiple district courts. In addition, consistent application of claim construction jurisprudence is of great value to patent owners and allows them to make informed decisions concerning the scope and value of their own patents and the patents of others. Allowing only limited deference to the district court will permit this Court to continue

to bring uniformity to claim construction, an issue of central importance in every patent dispute.

CONCLUSION

IPO believes that *Cybor* should be overruled in part. The ultimate conclusion of what a claim term means should remain reviewable *de novo* by the Federal Circuit. In addition, the district court's analysis of the intrinsic record should not be accorded deference and should continue to be reviewed *de novo* on appeal. However, IPO believes that where a district court resolves questions of fact based upon extrinsic evidence, such factual determinations should be afforded deference by the Federal Circuit and should be reviewed for clear error.

Respectfully submitted,

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June 26, 2013

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