

LITIGATORS CORNER: Markman Redux

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I can't resist. It's back to Markman hearings one more time.

In my August, 1999 column, I wrote about the illogic of Markman hearings arising from *Markman v. Westview Instruments*, 52 F.3d 967 (Fed. Cir. 1995) *aff'd*, 517 U.S. 370 (1996), a decision that says a hearing isn't required because claim construction is a question of law to be decided by the court alone. The criticism from district courts has been harsh. My August column discussed the inadvisability of construing claims early on, in the absence of knowledge of the case and without any discovery. Other problems with Markman hearings include the duplication of discovery, the overuse of experts, the uncertainty in any interpretation by the district court, and the incredible increase in expense. These problems are especially difficult for the individual patent owner, who has as much constitutional right to protect a discovery as any Xerox or IBM.

Then, in my October, 1999 column, I discussed two of our firm's Markman hearings: one in a complex, computer-related case handled under the special local rules of the Northern District of California; the other in Chicago, where a district court decided, without any supporting case, to use a restriction requirement to interpret a claim. After my October column was published, we received a ruling from the case in California.

I and other lawyers from our firm also participated in another Markman hearing in Chicago in a lawsuit relating to instruments used to install artificial knees. In this column, I'd like to look at the results of this and the California case, in an effort to provide more anecdotal evidence that Markman hearings are not useful, are increasing the chance of an erroneous result, and are adding expense without a reasonable likelihood that the added expense will produce a significant benefit. Of course, the dissenting opinion in *Cybor Corp. v. FAS Technologies, Inc.*, 138 F.3d 1448 (Fed. Cir. 1998) that Markman rulings are reversed at a rate of about fifty percent is an obvious sign that what is going on downstairs in the district courts is not likely to produce accurate results.

OUR CALIFORNIA MARKMAN HEARING

The invention in our California case was a computer microprocessor that could "emulate" or imitate other earlier microprocessors having different internal structures. Among the microprocessors to be imitated were those used in the vast majority of personal computers. The advantage of the invention was that it would allow software written only for earlier microprocessors to be run on the microprocessor described in the patent. Even better, the invention would accomplish its tasks quickly, at a speed comparable to, or better than, competitive microprocessors.

The parties disputed whether the claims required that the invention

always emulate another microprocessor, or whether it had to be able to run in a non-emulating (or native) mode. The district court resolved the issue in favor of the patent owner, deciding that the claims did not require the ability to run exclusively in a native mode without emulating.

Not long after the Markman hearing, and the court's ruling on claim construction, both parties filed summary judgment motions. The district court granted only one, finding that the patent was not infringed by the accused microprocessor products. The decision concluded that one of the reasons there was no infringement was because the accused microprocessors were *always* emulating, and therefore never operated in a native mode, as required by the claims. That, of course, is the opposite of the earlier construction of the same claim in the Markman ruling.

You figure it out. I simply can't. There is a direct and complete contradiction between the court's claim construction ruling and its summary judgment ruling, insofar as this aspect of the claims is concerned. Nor could we find any explanation for the change in the court's position. Of course, we all know that decisions made in a case are generally to be followed, and not altered unless new law or new facts, or a least a new interpretation, require a change. That is simply a way of saying that any change in an earlier decision should have a rational basis, and the basis for the change should be stated, especially when it ends the case. This obviously did not happen here.

This unexplained contradiction leads me to wonder why we bothered with a Markman hearing. Both parties wrote briefs, exchanged their proposed claim constructions, took discovery, retained experts, traded expert reports, deposed experts, and offered testimony and argument at the hearing. The entire course of discovery was split into two phases and the first phase was aimed solely at a Markman hearing. This expensive, time-consuming exercise was largely for naught because the Markman ruling was not followed.

The dissent in *Cybor* noted that one of the purported benefits of Markman hearings was to “supply certainty about the meaning of a patent claim.” That, in turn, was supposed to encourage “early settlement of many, if not most, patent suits.” But what kind of certainty do we have when the district court rules one way after a Markman hearing, and another way in a summary judgment motion — and all without saying why? No certainty at all, in my opinion. The lack of any certainty encourages appealing, particularly given the de novo standard of review that will be employed by the Federal Circuit. The *Cybor* dissent stated:

In practical terms, this implementation record has other perverse effects. Trial attorneys must devote much of their trial strategy to positioning themselves for the “endgame” - claim construction on appeal. As the focus shifts from litigating for the correct claim construction to preserving ways to compel reversal on appeal, the uncertainty, cost, and duration of patent litigation only increase. Thus, the en banc court’s *de novo* regime belies the purpose and promise of *Markman I*.

Amen.

OUR ILLINOIS MARKMAN HEARING

Our other hearing took place last fall in the Northern District of Illinois. The patents involved were a method and apparatus for installing an artificial knee that solves one of the biggest problems faced by orthopedic surgeons when performing knee joint replacements. The problem: the leg’s physical axis is not the same as its mechanical axis, since the thigh bone, or femur, angles out and then at the top bends sharply toward the hip

joint. This angle varies from one person to another. An imaginary straight line drawn through the ankle, knee and hip joints would lie over the shin bone (the tibia), but not over the thigh bone.

Installation of a knee joint requires that portions of the bones around the knee be cut away. One step requires sawing off the end of the femur to make a flat surface. This surface must be perpendicular to the mechanical axis, and is therefore slightly tilted from the physical axis by an angle, usually called the valgus angle. Other cuts, or “resections,” as physicians call them, are made on the tibia and the front and back of the femur. A lot of the terminology is strange: “condyles,” “medial,” “collateral,” “resect,” “flexion,” etc. One must learn a new language, and it is a bad idea to try to learn the language and technology, while at the same time trying to interpret the patent.

A guide is used for the power saw that makes the cuts. When cutting the end of the femur, the guide has to be tilted so that the valgus angle is taken into account. In the early years of knee replacements, surgeons would “eyeball” the angle and then make the cut. Our client’s invention used a rod, called in the claim an “L-shaped guide rod having a first elongated portion adapted to be inserted into the medullary canal of the femur and a second portion disposed at a right angle to the first portion.” The medullary canal is the core of the thigh bone, and a rod can be pushed into it. The guide is attached to the rod, and forms the proper angle for the cut. Thanks to the invention, “eyeballing” is no longer required.

The Markman hearing was the first matter of any substance that our court had handled in the case. It was not far up the “learning curve” referred to by the

Cybor dissent. The defendants, in a rush to set up a summary judgment motion at any cost, argued that the L-shaped rod had to be round, slender, and made of one piece. That meant that the claim was interpreted to be an exact duplicate of the drawing – which, of course, is *not* the law. None of these words or phrases – “round,” “slender,” or “one piece” — appears in the claim.

The district court bit on part of the argument. It decided that the “L-shaped rod” recited in the claim now had to be a “one-piece L-shaped rod.” That decision is at odds with many decisions of the Federal Circuit that forbid adding elements to a claim, that forbid narrowing a claim element by adding modifiers to it, and that allow a claimed structure to be non-integral or made of multiple pieces. On the last point, just two cases are *Advanced Cardiovascular Systems, Inc. v. Scimed Life Systems, Inc.*, 887 F.2d 1070, 1072 (Fed. Cir. 1989) and *In re Hotte*, 475 F.2d 644, 647 (CCPA 1973).

The up-shot is exactly what the dissents in *Markman* and *Cybor* have predicted would occur: obscurity rather than clarity, appeals rather than settlements, and more litigation, not less. Both of the instances I have described reaffirm my view: **Markman hearings are not contributing to the just, speedy, and inexpensive determinations of patent cases.**

And by the way, for those of you who read my column in the February issue regarding the application of the attorney-client privilege to patents, read *In re Spalding Sports Worldwide, Inc.*, 2000 U.S. App.LEXIS 1830 (Fed. Cir. Feb. 11, 2000). If you believe, as I do, that the use of the attorney-client privilege has been unfairly constrained in patent law, you’ll enjoy reading this decision. **IPT**