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ALERT

Federal Circuit Patent Bulletin: *Lighting Ballast Control LLC v. Philips Elecs. N. Am. Corp.*

February 21, 2014

"Review of claim construction as a matter of law has demonstrated its feasibility, experience has enlarged its values, and no clearly better alternative has been proposed. There has arisen no intervening precedent, no contrary legislation, no shift in public policy, no unworkability of the standard. We conclude that the criteria are not met for overruling or modifying the Cybor *standard of de novo review of claim construction as a matter of law."*

On February 21, 2014, in *Lighting Ballast Control LLC v. Philips Elecs. N. Am. Corp.*, the U.S. Court of Appeals for the Federal Circuit (Rader, Newman,* Lourie, Dyk, Prost, Moore, O'Malley, Reyna, Wallach, Taranto) upon rehearing en banc reinstated the panel decision involving U.S. Patent No. 5,436,529, which related to a voltage source means providing a constant or variable magnitude DC voltage between the DC input terminals. The Federal Circuit stated:

The court en banc granted the petition filed by patentee Lighting Ballast Control, in order to reconsider the holding in Cybor Corp. v. FAS Technologies, Inc., 138 F.3d 1448 (Fed. Cir. 1998) (en banc) establishing the standard of appellate review of district court decisions concerning the meaning and scope of patent claims—called "claim construction." Implementing the Supreme Court's decision in Markman v. Westview Instruments, Inc., 517 U.S. 370 (1996) (Markman II), aff'g Markman v. Westview Instruments, Inc., 52 F.3d 967 (Fed. Cir. 1995) (en banc) (Markman I), this court in Cybor held that patent claim construction receives de novo determination on appeal, that is, review for correctness as a matter of law. Such review is conducted on the administrative record and any additional information in the record of the district court, and is determined without deference to the ruling of the district court. . . .

Stare decisis is of "fundamental importance to the rule of law." The doctrine of stare decisis enhances predictability and efficiency in dispute resolution and legal proceedings, by enabling and fostering reliance on prior rulings. . . . Stare decisis embraces procedural as well as substantive precedent. Procedures in the litigation-prone arena of patent rights can affect the cost, time, and uncertainty of litigation, and in turn affect economic activity founded on the presence or absence of enforceable patents. Courts should be "cautious before adopting changes that disrupt the settled expectations of the inventing community."

Applying these premises, we have reviewed the arguments for changing the Cybor procedure of de novo review of claim construction. First, we have looked for post-Cybor developments, whether from the Supreme Court, from Congress, or from this court, that may have undermined the reasoning of Cybor. None has been found, or brought to our attention. There has been no legislative adjustment of the Cybor procedure, despite extensive patent-related legislative activity during the entire period of Cybor's existence.

We have looked for some demonstration that Cybor has proved unworkable. No proponent of change has shown that de novo review of claim construction is unworkable—nor could they, after fifteen years of experience of ready workability. Nor has anyone shown that Cybor has increased the burdens on the courts or litigants conducting claim construction. . . .

[N]o one, including the dissent, proposes a workable replacement standard for Cybor, no workable delineation of what constitutes fact and what constitutes law. Disentangling arguably factual aspects, some in dispute and some not, some the subject of expert or other testimony and some not, some elaborated by documentary evidence and some not, some construed by the district court and some not, some related to issues to be decided by a jury and some not—and further disentangling factual aspects from the application of law to fact—is a task ripe for lengthy peripheral litigation. We are not persuaded that we ought to overturn the en banc Cybor decision and replace its clear de novo standard with an amorphous standard that places a new, cumbersome, and costly process at the gate, to engender threshold litigation over whether there was or was not a fact at issue. The principles of stare decisis counsel against such an unnecessary change. . . .

Under any standard of review consistent with Markman II, most issues of claim construction are indisputably matters of law, and would receive de novo review. Even the critics of Cybor agree that any change would affect only a small number of claim construction disputes. . . . Certainly stare decisis counsels against overturning en banc precedent where doing so would change our known, workable de novo standard to an undefined alternative, sure to engender peripheral litigation, and which most agree could affect the outcome of very few, if any cases. . . .

In the increasingly frequent situation where the same patent is litigated in different forums against different defendants, differing district court rulings on close questions of claim construction could well warrant affirmance on deferential review. Because differing claim constructions can lead to different results for infringement and validity, the possibility of disparate district court constructions unravels the "uniformity in the treatment of a given patent" that the Court sought to achieve in Markman II. It would restore the forum shopping that the Federal Circuit was created to avoid. Just as the Court in Markman II counted such consequences as negatives that its ruling overcame, they count as negatives in the stare decisis analysis.

The question that this court has now reconsidered is whether we should continue to review claim construction as a whole and de novo on the record, or whether we should change to a different system that at best would require us to identify any factual aspects and how the trial judge decided them, and review any found or inferred facts not for correctness but on a deferential standard, with or without also giving deferential review to the ultimate determination of the meaning of the claims. We conclude that such changed procedure is not superior to the existing posture of plenary review of claim construction.