



THINK FORWARD

U.S. Supreme Court Decides in *Teva v. Sandoz* That "Evidentiary Underpinnings" to Claim Construction Are Reviewed for Clear Error

January 21, 2015

In *Teva Pharm. USA, Inc. v. Sandoz, Inc.*, 574 U.S. ___, No. 13-854 (2015), the Supreme Court overturned the Federal Circuit's long-standing precedent that claim construction is subject to strict *de novo* review. In a 7-2 decision authored by Justice Breyer, the Court confirmed that the ultimate question of claim construction remains a question of law. However, the Federal Circuit must review for 'clear error' a district court's findings with respect to disputed 'subsidiary factual findings.'

According to the Court, the 'clearly erroneous' standard of review set forth in Fed. R. Civ. P. 52(a)(6) applies to a 'district court's resolution of subsidiary factual findings made in the course of its construction of a patent claim.' The Court reasoned that no exception exists for claim construction. Addressing its landmark decision in *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996), the Court noted that *Markman* presented the Seventh Amendment question of whether a judge or jury should construe patent claims. *Markman* did not, however, create an exception to appellate review of 'evidentiary underpinnings.'

Turning to the facts in *Teva*, the Court found that the Federal Circuit erred in reviewing *de novo* the district court's subsidiary factual findings as to the meaning of the 'molecular weight' claim limitation in Teva's patent concerning Copaxone®, a multiple sclerosis drug. The district court had credited Teva's expert's testimony about how a person skilled in the art would interpret the method by which the term 'molecular weight' should be determined. Based on its assessment of the expert testimony, the district court held 'molecular weight' was definite under 35 U.S.C. § 112, ¶ 2. Reviewing the evidence *de novo*, the Federal Circuit reversed and held claims containing the 'molecular weight' term to be indefinite. The Supreme Court vacated and remanded because, absent clear error, the Federal Circuit should have deferred to the district court's fact finding.

Justice Thomas's dissenting opinion, joined by Justice Alito, argued that claim construction does not require 'findings of fact' and should remain subject to *de novo* review. The dissent warned that the majority's decision would increase costs and 'result in fewer claim construction decisions receiving precedential effect, thereby injecting uncertainty into the world of invention and innovation.'

Following *Teva*, the *de novo* standard of review will continue to play a significant role in claim construction. A district court's claim construction based solely on the intrinsic evidence remains 'a determination of law' to be reviewed *de novo*. The clear error standard applies in those cases where the district court needs to 'look beyond the patent's intrinsic evidence and to consult extrinsic evidence in order to understand, for example, the background science or the meaning of a term in the relevant art during the relevant time period.' This will likely result in increased deference to a district court's claim construction, particularly in cases involving complex technology or where the ordinary meaning of claim terms is not resolved by the intrinsic evidence. To enjoy the benefit of the deferential clear error standard of review, litigants in appropriate circumstances should carefully consider presenting expert

testimony and other extrinsic evidence to support proposed claim constructions.

If you have any questions about the case or how it may impact your business, please contact one of our [litigation attorneys](#).