

# Taking A Closer Look At Fed. Circ. Claim Construction Split

By **Todd Zubler, Jonathan Knight and Andrew Xue** (January 25, 2024)

Despite the U.S. Court of Appeals for the Federal Circuit's en banc Phillips v. AWH Corp.[1] decision in 2005 that purported to establish the definitive standard for claim construction, two disparate lines of claim construction case law have emerged in Federal Circuit panel decisions.

One line approaches claim construction as a contextual, holistic exercise that considers a variety of types of evidence with few hard-and-fast rules.

The other line begins with a rigid default of so-called ordinary and customary meaning that can be overcome in only two narrow circumstances.

Two 2023 decisions exemplify these two lines of case law.

The Federal Circuit's November Actelion Pharmaceuticals LTD v. Mylan Pharmaceuticals Inc. decision,[2] for example, engaged in the more contextual approach, methodically walking through the claims, specification and prosecution history, and then requiring analysis of extrinsic evidence to determine the correct construction.[3]

By contrast, the Federal Circuit's March 31, 2023, Columbia Insurance Company v. Simpson Strong-Tie Co. Inc. decision[4] followed the second approach by framing its analysis with the explicit premise that "we do not depart from the natural reading of a phrase absent clear lexicography or prosecution disclaimer."[5]

Not surprisingly, these two different lines of Federal Circuit precedent have led to divergent approaches for claim construction in district courts.

Indeed, an empirical analysis of one year's worth of claim construction decisions from the Federal Circuit and four key district court jurisdictions — the Northern District of California, the District of Delaware, and the Eastern and Western Districts of Texas — shows that claim construction varies in material ways depending on which Federal Circuit panels and which district courts are doing the analysis.

## Background

The Federal Circuit's seminal case regarding claim construction is the previously mentioned 2005 Phillips decision, which resolved a long-simmering intracircuit dispute regarding how claims should be interpreted.

Phillips explained that the words of a claim are "generally" given their "ordinary and customary meaning,"[6] and the Federal Circuit stated that the "customary meaning" was the "customary meaning in [the] art field." [7]



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But the Federal Circuit noted that patentees "frequently use terms idiosyncratically,"[8] and the court therefore described claim construction as a contextual, holistic exercise in which claims are read "in view of the specification"[9] as well as other evidentiary sources including the prosecution history and extrinsic evidence.[10]

The Federal Circuit emphasized that the specification "is always highly relevant to the claim construction analysis," "is the single best guide to the meaning of a disputed term," and is usually "dispositive." [11]

The Phillips framework provides ample latitude for courts to consider the context provided by the specification to determine whether the specification uses a term differently from the customary meaning in the art.[12]

Seven years later, however, a Federal Circuit panel took a different approach with respect to the patent's specification in the 2012 *Thorner v. Sony Computer Entertainment America LLC* decision.[13]

The *Thorner* panel applied a framework in which a claim term must be given its "ordinary and customary meaning" with just two exceptions: "When a patentee sets out a definition and acts as his own lexicographer," or "when the patentee disavows the full scope of a claim term either in the specification or during prosecution." [14]

Thus, instead of being a contextual enterprise in which the specification is "the single best guide to the meaning of a disputed term," claim construction under *Thorner* starts with a default "ordinary and customary meaning," i.e., the customary meaning in the art, that can be overcome in only two narrow circumstances, namely, lexicography and disavowal.

Moreover, *Thorner* and the cases following it emphasized that the standard for invoking the two exceptions was "exacting" [15] and "stringent." [16]

*Thorner* raised immediate questions. Phillips never stated that claims must be given their ordinary and customary meaning with only two exceptions, and neither did the 1996 *Vitronics Corp. v. Conceptronics Inc.* decision on which *Thorner* relied.

Indeed, the only reference in Phillips to two exceptions was language from the Federal Circuit's 2002 *Texas Digital Systems Inc. v. Telegenix Inc.* decision — the case that the en banc Phillips decision had expressly rejected.[17]

*Texas Digital* had held that there was a "heavy presumption" that claim terms "have the ordinary meaning that would be attributed to those words by persons skilled in the relevant art," and that dictionaries "are particularly useful resources to assist the court in determining the ordinary and customary meanings of claim terms." [18]

*Texas Digital* identified "two circumstances" in which the ordinary meaning of a term could be overcome — lexicography and disavowal — the exact same exceptions as in *Thorner*. [19] But Phillips expressly rejected the *Texas Digital* framework as "improperly restrict[ing] the role of the specification in claim construction." [20]

Phillips stated that "there is no magic formula or catechism for conducting claim construction" and that a court is not "barred from considering any particular sources or required to analyze sources in any specific sequence." [21]

*Thorner* thus set forth a claim construction framework that mirrored what the en banc

Federal Circuit had rejected in Phillips.[22] The Thorner framework also appeared inconsistent with many well-established canons of claim construction.

For example, if claim language must be given its ordinary and customary meaning except in the case of lexicography or disavowal, what happens if those exceptions do not apply but the ordinary and customary meaning excludes a preferred embodiment?[23] Or what if the ordinary and customary meaning would violate the principle of claim differentiation — i.e., cause a dependent claim's limitation to be present in its independent claim?[24]

A later Federal Circuit panel in 2016 appeared to retreat from Thorner, stating that "[o]ur case law does not require explicit redefinition or disavowal" and expressly rejecting the patentee's argument that the presumption of plain and ordinary meaning "can be overcome in only two circumstances," i.e., lexicography and disavowal.[25]

Nevertheless, six years later, Federal Circuit cases in 2022 and 2023 continued to cite Thorner and its two limited exceptions.[26] Thorner also continues to be cited frequently in district court opinions.[27]

### **Empirical Analysis: The Federal Circuit**

If Thorner were the correct standard for claim construction, then every analysis should begin with a claim term's default "ordinary and customary meaning" and proceed by assessing whether either of the two narrow exceptions applies.

But in fact, although Thorner and/or its framework are cited in a number of Federal Circuit opinions, many others apply the contextual analysis described in Phillips, with no mention of Thorner or its two narrow exceptions.

To better understand how the Federal Circuit is performing claim construction, we conducted an empirical analysis of every Federal Circuit claim construction decision for an entire year — from June 1, 2022, through May 31, 2023. We reviewed each Federal Circuit decision containing the phrase "claim construction" and removed any decisions that did not include substantive claim construction analysis — i.e., decisions that did not perform any substantive analysis of the scope or meaning of a claim term.

We then looked at each remaining decision to determine whether Thorner or its framework was being applied.

Our analysis identified 51 Federal Circuit decisions with substantive claim construction analysis.[28] Thorner and/or its framework were cited in only eight of those cases — just 16% of the time.

The rest of the time, the Federal Circuit panels applied the more general Phillips framework and considered the specification, the prosecution history, and extrinsic evidence unimpeded by Thorner's rigid default and two narrow exceptions.

In short, the claim construction analysis that litigants received at the Federal Circuit depended on which set of case law the panel decided to use.

### **Empirical Analysis: District Courts**

While the more holistic framework of the en banc Phillips decision has remained the guiding principle for most Federal Circuit claim construction decisions, the Federal Circuit's case law

has led to inconsistency in the district courts, which have varied in how frequently they have applied the Phillips approach versus the Thorner approach.

To understand the extent of these different approaches, we conducted a further empirical analysis of every substantive claim construction decision over the same one-year period — June 1, 2022, through May 31, 2023 — in four leading districts for patent litigation: the Northern District of California, the District of Delaware, the Eastern District of Texas and the Western District of Texas.

We identified the set of claim construction decisions using Docket Navigator's case classifications. We then analyzed every decision with a written analysis of disputed claim terms, and we identified every decision that cited Thorner or its framework in the context of that analysis (i.e., and not merely as part of a boilerplate recitation of the legal standard).

The differences between districts were substantial. At one end of the spectrum, in the District of Delaware, a mere 20% of the substantive claim construction decisions applied Thorner or its standard. At the other end of the spectrum, in the Western District of Texas, Thorner or its framework was applied in over 60% of the cases. The Eastern District of Texas and the Northern District of California fell roughly halfway between, with Thorner or its framework being applied in around 40% of the cases.

Table 1

<b>District</b>	<b># of cases with claim construction opinions containing written analysis of disputed claim terms</b>	<b># of cases applying <i>Thorner</i> in analysis of a disputed claim term</b>	<b>% of cases applying <i>Thorner</i> in analysis of a disputed claim term</b>
D. Del.	54	11	<b>20%</b>
E.D. Tex.	23	9	<b>39%</b>
N.D. Cal.	16	7	<b>44%</b>
W.D. Tex.	33	20	<b>61%</b>

To analyze the impact that these different frameworks might be having on claim construction outcomes, we also analyzed how often each court was construing terms as having their "plain and ordinary meaning" with no further construction.

Although a finding that a claim term has its "plain and ordinary meaning" does not necessarily mean no construction is required, since the parties could still disagree regarding what the plain and ordinary meaning is.[29] In actual day-to-day litigation, a "plain and ordinary meaning" construction is typically requested by a party that does not believe the term needs to be construed, and these litigants often cite Thorner in support of their position.

Using our database of district court cases, we identified every disputed claim term where one party argued for "plain and ordinary meaning" with no further construction.

We eliminated terms that involved the preamble, means-plus-function analysis, or indefiniteness analysis, since those terms invoked different lines of claim construction case law. We then identified how often each district court adopted "plain and ordinary meaning" with no further construction.

The differences between districts were again significant. At one end of the spectrum, the District of Delaware adopted a construction of plain and ordinary meaning with no further construction for only 42% of terms where one party requested such a construction.

At the other end, the Western District of Texas adopted a plain-and-ordinary-meaning construction for nearly 70% of such terms.

The Eastern District of Texas and Northern District of California were again in the middle, at 53% and 46%, respectively.

Also notable was that litigants appeared to be requesting plain and ordinary meaning with no further construction at substantially greater rates in the Western District of Texas and the Eastern District of Texas, with 68% and 72% of disputed claims, respectively, compared to in the District of Delaware and the Northern District of California — with 39% and 54%, respectively.

Table 2

District	Total # of disputed terms	# of disputed terms excluding preamble, MPF, and indefinite	# of disputed terms where one party argued for POM/no construction required (excl. preamble, MPF, and indefinite)	% of disputed terms where one party argued for POM/no construction required	# of disputed terms where court adopted POM/no construction required	% of disputed terms where court adopted POM/no construction required
D. Del.	288	209	82	39%	34	42%
E.D. Tex.	209	123	89	72%	47	53%
N.D. Cal.	95	65	35	54%	16	46%
W.D. Tex.	342	182	124	68%	86	69%

## Conclusion

While the majority of Federal Circuit decisions apply the holistic framework established in the en banc Phillips decision, Thorner and its framework continue to be cited in some panel decisions, which has led to district courts applying different standards and reaching divergent results. Claim construction case law would benefit from clarification by the Federal Circuit.

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[1] Phillips v. AWH Corp., 415 F.3d 1303 (Fed. Cir. 2005) (en banc).

[2] Actelion Pharmaceuticals LTD v. Mylan Pharmaceuticals Inc., 85 F.4th 1167 (Fed. Cir. 2023).

[3] Id. at 1170-74.

[4] Columbia Insurance Company v. Simpson Strong-Tie Company Inc., Nos. 2021-2145, 2021-2157, 2023 WL 2733427 (Fed. Cir. Mar. 31, 2023).

[5] Id. at \*7.

[6] 415 F.3d at 1312 (quoting Vitronics Corp. v. Conceptronic Inc., 90 F.3d 1576, 1582 (Fed. Cir. 1996)).

[7] Id. at 1313 (alteration in original) (quoting Home Diagnostics Inc. v. LifeScan Inc., 381 F.3d 1352, 1358 (Fed. Cir. 2004)).

[8] 415 F.3d at 1314.

[9] Id. at 1315 (quoting Markman v. Westview Instruments Inc., 52 F.3d 967, 979 (Fed. Cir. 1995) (en banc)).

[10] Id. at 1314-19.

[11] Id. at 1315 (emphases added) (quoting Vitronics, 90 F.3d at 1582).

[12] Phillips, 415 F.3d at 1315 ("In most cases, the best source for discerning the proper context of claim terms is the patent specification wherein the patent applicant describes the invention." (quoting Metabolite Labs. Inc. v. Lab. Corp. of Am. Holdings, 370 F.3d 1354, 1360 (Fed. Cir. 2004))); id. ("The words of patent claims have the meaning and scope with which they are used in the specification and the prosecution history." (quoting Kinik Co. v. Int'l Trade Comm'n, 362 F.3d 1359, 1365 (Fed. Cir. 2004))).

[13] Thorner v. Sony Computer Entertainment America LLC, 669 F.3d 1362 (Fed. Cir. 2012).

[14] Id. at 1365.

[15] Thorner, 669 F.3d at 1366; see also id. at 1365 ("It is not enough for a patentee to simply disclose a single embodiment or use a word in the same manner in all embodiments, the patentee must 'clearly express an intent' to redefine the term." (quoting Helmsderfer v. Bobrick Washroom Equip. Inc., 527 F.3d 1379, 1381 (Fed. Cir. 2008))); id. at 1366 ("The patentee may demonstrate intent to deviate from the ordinary and accustomed meaning of a claim term by including in the specification expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope." (quoting Teleflex Inc. v. Ficosa N. Am. Corp., 299 F.3d 1313, 1325 (Fed. Cir. 2002))).

[16] *Aventis Pharma S.A. v. Hospira Inc.*, 675 F.3d 1324, 1330 (Fed. Cir. 2012).

[17] *Phillips*, 415 F.3d at 1319-24.

[18] *Texas Digital Systems Inc. v. Telegenix Inc.*, 308 F.3d at 1202.

[19] See *Phillips*, 415 F.3d at 1319 (citing *Texas Digital*, 308 F.3d at 1204).

[20] *Phillips*, 415 F.3d at 1320; see also *id.* (criticizing *Texas Digital* framework for limiting "recourse to the specification" to, for example, determining whether inventor has made "an explicit definition of the term different from its ordinary meaning," or "disavowed or disclaimed scope of coverage." (quoting *Texas Digital*, 308 F.3d at 1204)).

[21] *Id.* at 1324. *Thorner* did allow some use of the specification to determine the "ordinary and customary meaning," stating that it is the "ordinary and customary meaning as understood by a person of ordinary skill in the art when read in the context of the specification and prosecution history." *Thorner*, 669 F.3d at 1365 (emphasis added). But *Texas Digital* had similarly allowed the use of the intrinsic record to determine which ordinary meaning was correct. See *Texas Digital*, 308 F.3d at 1203 (explaining that because words often have multiple ordinary meanings, "[t]he objective and contemporaneous record provided by the intrinsic evidence is the most reliable guide to help the court determine which of the possible meanings of the terms in question was intended by the inventor to particularly point out and distinctly claim the invention.").

[22] Janice M. Mueller, *Mueller on Patent Law*, Vol. II, §15.04[B] (2014) ("[T]he approach taken in some Federal Circuit decisions such as *Thorner* largely mirrors that of the pre-*Phillips* 'dictionary' cases. The default claim interpretation is the broad 'ordinary and customary' meaning of the claim term, but the Federal Circuit no longer cites dictionaries as the source of that meaning. Rather, the court simply announces what it discerns to be the 'ordinary and customary' meaning, in some cases seeming to discount or ignore any limiting context provided by the specification.").

[23] See *Globetrotter Software Inc. v. Elan Comput. Group Inc.*, 362 F.3d 1367, 1381 (Fed. Cir. 2004) ("A claim interpretation that excludes a preferred embodiment from the scope of the claim 'is rarely, if ever, correct.'" (quoting *Vitronics*, 90 F.3d at 1583)).

[24] See *Phillips*, 415 F.3d at 1315 ("[T]he presence of a dependent claim that adds a particular limitation gives rise to a presumption that the limitation in question is not present in the independent claim.").

[25] *Trustees of Columbia Univ. v. Symantec Corp.*, 811 F.3d 1359, 1363-64 (Fed. Cir. 2016).

[26] See, e.g., *Polaris Innovations Ltd. v. Brent*, 48 F.4th 1365, 1376 (Fed. Cir. 2022) (citing *Thorner* for proposition that there "are only two exceptions" — lexicography and disavowal); *Guardant Health Inc. v. Vidal*, No. 2021-1104, 2023 WL 3262962, at \*2 (Fed. Cir. May 5, 2023) ("We depart from the plain and ordinary meaning in only two instances: lexicography and disavowal.").

[27] See, e.g., *Persawvere Inc. v. Milwaukee Elec. Tool Corp.*, No. 1:21-cv-400-GBW, 2023 WL 8019085, at \*2 (D. Del. Nov. 20, 2023) (citing *Thorner* and its two limited exceptions).

[28] We excluded two cases involving indefiniteness analysis, which raises a different line of case law.

[29] See *O2 Micro Int'l Ltd. v. Beyond Innovation Techn. Co.*, 521 F. 3d 1351, 1361 (Fed. Cir. 2008) ("A determination that a claim term 'needs no construction' or has the 'plain and ordinary meaning' may be inadequate when a term has more than one 'ordinary' meaning or when reliance on a term's 'ordinary' meaning does not resolve the parties' dispute. ... In this case, the 'ordinary' meaning of a term does not resolve the parties' dispute, and claim construction requires the court to determine what claim scope is appropriate in the context of the patents-in-suit.").