MARKMAN HEARINGS, SUMMARY JUDGMENT, AND JUDICIAL DISCRETION

by
Edward Brunet[*]

Conventional wisdom holds that a claim construction hearing should be held at or very near the close of discovery. This Article draws on analogous summary judgment procedures to challenge this conventional thesis. It advances the simple proposition that district judges need discretion to decide when to hold a Markman *hearing. Judicial discretion is consistent with the refusal to regulate the timing of summary judgment motion filings and is also supported by tenets of efficient judicial management of complex litigation. Rather than rigidly holding* Markman *hearings at a set time at the close of discovery, this Article recommends retaining the flexibility to hold the hearing earlier in the patent litigation.*

---

[*] Henry J. Casey Professor of Law, Northwestern School of Law, Lewis & Clark College. I thank Maja Haium for valuable research assistance and Mark Lemley and Joe Miller for helpful comments.

I. INTRODUCTION

When the Federal Circuit decided the seminal *Markman v. Westview Instruments, Inc.*[1] patent decision, proceduralists found several issues to be clear and others to be puzzling. It was plain that the crucial issue of claim construction was to be decided by the court and not a jury. It was also apparent that this division of labor would put the Court of Appeals for the Federal Circuit in the driver's seat—once claim construction was characterized as an issue of law for the trial judge it was also fair game for the Federal Circuit's reevaluation with a broad, de novo scope of review.[2] At the same time, practitioners were befuddled as to when the trial court's important claim construction would occur. In the words of the *Manual for Complex Litigation* (*Fourth*), "There is no consistent approach among the courts as to the procedural boundaries of claim-construction proceedings."[3] It was uncertain if it was preferable to hold the claim construction hearing at trial,[4] at the close of discovery,[5] or early in the litigation.[6] In addition, the important role of

---

[1] 52 F.3d 967 (Fed. Cir. 1995), *aff'd*, 517 U.S. 370 (1996).

[2] *See, e.g.*, Nystrom v. Trex Co., 339 F.3d 1347, 1350 (Fed. Cir. 2003) (stating that "claim construction is subject to de novo review as a matter of law"); Cybor Corp. v. FAS Techs., Inc., 138 F.3d 1448, 1451 (Fed. Cir. 1998) (en banc) (all issues in claim construction reviewed de novo).

[3] MANUAL FOR COMPLEX LITIGATION (FOURTH), § 33.220 (2004) (listing five uncertainties associated with the *Markman* hearing, including whether a hearing is even necessary, how the hearing should be structured and the nature of the evidence to be submitted, when the hearing should be held, what "procedural vehicle" would raise claim construction issues, and what would happen if a claim construction was reversed on appeal).

[4] *See, e.g.*, Abbott Labs. v. Diamedix Corp., 969 F. Supp. 1064, 1072 (N.D. Ill. 1997) (declining to construe claims in a pretrial motion and noting that "[a]t trial, the court will have more information upon which to make these legal determinations"); Fonar Corp. v. Gen. Elec. Co., 902 F. Supp. 330, 337 (E.D.N.Y. 1995) (noting that it is "permissible under *Markman* to construe the claims on a post-verdict motion for JMOL"); Lucas Aerospace, Ltd. v. Unison Indus., L.P., 890 F. Supp. 329, 331 (D. Del. 1995) (reviewing claim construction after the jury verdict); George E. Badenoch, *Proceeding in the Gray Area After* Markman, INTELL. PROP. STRATEGIST, June 1996, at 1, 4–5 (arguing that claim construction is most effective if rendered after the close of trial to give the court the benefit of the prior art, invention history, and facts of the case). For condemnation of leaving this important determination until trial, see *infra* Part IV.A.

[5] *See, e.g.*, Macneill Eng'g Co. v. Trisport, Ltd., 126 F. Supp. 2d 51, 54 (D. Mass. 2001) (asserting that the "best time to hold the *Markman* hearing is . . . at or near the close of discovery"). The phrase "at the close of discovery" literally would include expert witness

summary judgment in connection with a *Markman* hearing was uncertain. Summary judgment, like *Markman* hearings, represented a way to shortcut or streamline the paradigmatic complex infringement case. This overlap puzzled some commentators. Summary judgment is a paper process, and the *Markman* hearing permits live evidence with ample opportunity to cross-examine experts. *Markman* hearings also enhanced the potential for interjecting motions for summary judgment into the claim construction process. Attorneys correctly worried about the procedures to be used following a trial court reversal on claim construction by the Federal Circuit.

This Article explores the uncertainties that now arguably plague the *Markman* process. I will critique the increasingly popular belief that the *Markman* hearing should be held at the close of discovery and should be accompanied by a "focused" summary judgment order that construes the claims presented.

This Article looks to the tenets of summary judgment, a device that shares several important common characteristics with a *Markman* hearing, for answers to claim construction timing. I advocate a somewhat discretionary role for both the trial court and the Federal Circuit in seeking an efficient, yet flexible way to administer claim construction issues. Trial judges hold discretionary management power over the course of litigation, and, therefore, the judge's exercise of a choice to hold one of several different types of possible *Markman* hearings at potentially different times in the case is a decision that should be completely within the court's authority. Judicial discretion is an efficient tool in the hands of a skilled trial court judge and should not be abandoned in the *Markman* context. The grant of discretion to the court creates an optimal context for claim construction and thereby benefits the administration of patent litigation.

II. IN THE FIRING LINES: A PREFERENCE TO HOLD THE *MARKMAN* HEARING NEAR THE CLOSE OF DISCOVERY AND TO INCORPORATE SUMMARY JUDGMENT INTO THE PROCESS

At a recent 2004 conference of patent litigators sponsored by the Practicing Law Institute, a dominant procedural theme emerged: courts should normally hold a *Markman* hearing at or near the close of discovery, and counsel should file contemporaneous motions for summary judgment.[7] This preference

depositions. It might be possible, however, to position a claim construction hearing prior to any depositions of experts.

[6] *See, e.g.*, Aspex Eyewear, Inc. v. E'Lite Optik, Inc., No. 3:98-CV-2996-D, 2001 U.S. Dist. LEXIS 2088, at *5–6 (N.D. Tex. Feb. 27, 2001) (supporting conducting claim construction at a time before the end of discovery because the "patent is clear and the invention is sufficiently described to enable one to determine[] the proper scope of the claims"); Boehringer Ingelheim Animal Health, Inc. v. Schering-Plough Corp., 984 F. Supp. 239, 245 (D.N.J. 1997) (interpreting claim at a preliminary injunction hearing).

[7] *See, e.g.*, Richard H. Zaitlen, *Dancing Around a Markman Hearing*, *in* HOW TO PREPARE & CONDUCT *MARKMAN* HEARINGS 2004, at 179, 192–193 (PLI Intellectual Prop. Course, Handbook Series Number G-795, 2004) (recommending holding the claim construction hearing together with motions for summary judgment); Julie A. Petruzzelli,

mirrored a 2002 ABA survey, which found that claim construction hearings were held after discovery but before trial in seventy-eight percent of the cases studied.[8] In this context, summary judgment and the *Markman* hearing work in tandem.[9] Summary judgment orders are entered at or near the conclusion of the claim construction hearing process[10] and serve to focus the court's decision regarding claim construction. The presence of full discovery ensures that the claim construction ruling will be made on a complete record, with correspondingly less possibility of reversal by the Federal Circuit.[11] Assuming

---

Before the Actual Markman Hearing: Timing, Discovery, and Alternatives, *in* HOW TO PREPARE & CONDUCT *MARKMAN* HEARINGS 2004, at 147, 170 (PLI Intellectual Prop. Course, Handbook Series No. G-795, 2004); *American Bar Association Section of Intellectual Property Law 1999* Markman *Survey*, IPL NEWSL. (A.B.A. Section of Intellectual Prop. Law), Spring 2000, at 12 [hereinafter *1999* Markman *Survey*] (reporting that over 70% of claim construction hearings were held after the close of discovery). For academic commentary supporting this thesis, see William F. Lee & Anita K. Krug, *Still Adjusting to* Markman*: A Prescription for the Timing of Claim Construction Hearings*, 13 HARV. J.L. & TECH. 55, 86 (1999) (concluding that "there is generally one 'right' time for a Markman hearing: after all discovery has been completed, at the time the court considers the parties' summary judgment motions").

[8] COMMITTEE NO. 601—FEDERAL TRIAL PRACTICE AND PROCEDURE, ABA INTELLECTUAL PROP. LAW SECTION, 2002–2003 ANNUAL REPORT, http://www.abanet.org/intelprop/annualreport04/content/02-03/COMMITTEE%20NO%20601.pdf (last visited Nov. 7, 2004) [hereinafter 2002–2003 ANNUAL REPORT]. The survey also reported that claim construction occurred during discovery in 10% of cases, before discovery in 6% of cases, and during trial in 6% of cases. *Id.* A 2000 survey of patent practitioners found that 12.5% of the courts delayed claim construction until trial, 57.8% conducted claim construction after discovery, 21.9% performed claim construction during discovery, and 7.8% construed claims before discovery. *1999* Markman *Survey*, *supra* note 7, at 14.

[9] *See, e.g.*, Genzyme Corp. v. Transkaryotic Therapies, Inc., 346 F.3d 1094, 1097, 1106 (Fed. Cir. 2003) (affirming claim construction where motions for summary judgment on infringement were filed after claim construction hearing); McNulty v. Taser Int'l Inc., 217 F. Supp. 2d 1058, 1060 (C.D. Cal. 2002) (granting summary judgment following a *Markman* hearing and thereby ruling specifically on claim construction); *Macneill Eng'g Co.*, 126 F. Supp. 2d at 54 (stating that "[i]t has now become generally accepted that, barring a case so clear that quick resolution is manifestly in the litigant's interest to minimize transaction costs, the best time to hold the *Markman* hearing is at the summary judgment stage of the litigation—at or near the close of discovery while some time yet remains before trial for the parties to gear up (or settle) in light of the judge's claim construction"); Ahlstrom Mach., Inc. v. Clement, 13 F. Supp. 2d 45, 46 (D.D.C. 1998) (court hears evidence on claims during the summary judgment motion hearing). *Contra* Control Res., Inc. v. Delta Elecs., Inc., 133 F. Supp. 2d 121, 126 (D. Mass. 2001) (asserting that "[a]s is the practice of this Court, a *Markman* hearing was conducted prior to and entirely independently of the summary judgment hearing").

[10] Of course, some time will elapse between the receipt of claim construction evidence and the judge's order granting or denying summary judgment. A motion for summary judgment made in connection with a contemporaneous claim construction is not the type of motion that can be made instantly. *See, e.g.*, Pandrol USA, LP v. Airboss Ry. Prods., Inc., 320 F.3d 1354, 1359 (Fed. Cir. 2003) (noting that trial court order construing the claims regarding a fastening system used on railroad tracks was entered about six weeks before the order granting summary judgment of non-infringement).

[11] *See* Kimberly A. Moore, Markman *Eight Years Later: Is Claim Construction More Predictable?*, 9 LEWIS & CLARK L. REV. 231, 233 (2005) [hereinafter Moore, Markman *Eight Years Later*] (asserting that the reversal rate in the Federal Circuit from 1996–2003 for claim construction issues is 34.5%); Kimberly A. Moore, *Are District Judges Equipped to*

that the summary judgment motions are made prior to the hearing itself, the precision of the issues presented by the Rule 56 motion may serve to narrow and make more efficient the claim construction process; only those questions presented by the motions will be presented during the *Markman* hearing.[12]

Efficiency gains will occur by not waiting for the trial date to hold the *Markman* hearing and by basing the claim construction ruling on information identified during discovery. Accurate judicial decisions need information,[13] and the prospect of deciding the crucial claim construction issue early in discovery risks Federal Circuit reversal or trial court inability to decide the issue effectively because of a lack of critical information more readily developed later in the litigation.

It is hard to be overly critical of this post-*Markman* development. The initial ambiguity of when to hold a claim construction hearing posed a timing conundrum of the highest order for the bar and bench alike.[14] Cost-cutter sorts recommended a *Markman* hearing well in advance of trial and before expensive complex case discovery. Risk adverse contrarians worried that an early *Markman* decision would lack an adequate information base and advocated holding the hearing late in the trial process. Holding the hearing at the close of discovery is a compromise. The hearing is early enough in the process to satisfy those most concerned with efficiency, but late enough to overcome worries that the decision might be based upon an incomplete record. Criticism of the uncertainty in the claim construction process has led two courts to adopt local rules devoted to providing a degree of clarity and order in the claim construction process.[15]

The critical timing question—when should a *Markman* hearing occur—dominates the host of patent litigation issues that arise ten years after the Federal Circuit's *Markman* decision.[16] The relationship of the crucial claim construction hearing to summary judgment is also of great significance. Subsequent sections of this Article will focus on each of these questions and will conclude by questioning whether a dominant timing rule is desirable in patent litigation.

Resolve Patent Cases?, 15 HARV. J.L. & TECH. 1, 2 (2001) [hereinafter Moore, *District Judges*] (stating that trial courts "improperly construe patent claim terms in 33% of the cases appealed to the Federal Circuit").

[12] MANUAL FOR COMPLEX LITIGATION (FOURTH), *supra* note 3, at 610 (noting that "[t]he advantage of claim construction in the context of a motion for summary judgment is that only those elements of the claims that are truly in dispute will be presented for construction").

[13] *See, e.g.*, Edward Brunet, *Class Action Objectors: Extortionist Free Riders or Fairness Guarantors*, 2003 U. CHI. LEGAL F. 403, 416.

[14] *See* MANUAL FOR COMPLEX LITIGATION (FOURTH), *supra* note 3, at 607 (asserting that "[t]iming is one of the more problematic issues").

[15] *See* Patent Local Rules for the United States District Court for the Northern District of California; Patent Local Rules for the United States District Court for the Northern District of Georgia; *see also infra* Part III.

[16] *See* Control Res., Inc. v. Delta Elecs., Inc., 133 F. Supp. 2d 121, 126 (D. Mass. 2001) (quoting Judge Marilyn Hall Patel, Address at the Legal and Regulatory Forum for Patenting Genomics and Proteomics at the Next Frontier (Feb. 26, 2001)—"*Markman* is like sex. Timing is everything.").

III. A COMPARISON OF SUMMARY JUDGMENT AND THE POST-*MARKMAN* PROCEDURES: SIMILAR PROCEDURES WITH SIMILAR PURPOSES

Summary judgment and the *Markman* hearing share many different characteristics. Because of these common traits, it should come as no surprise that these two procedural shortcuts should work in tandem. As aptly put by Professor Chisum, summary judgment is "[t]he most traditional mechanism" used to resolve claim interpretation.[17] The following subsections describe the important areas of overlap between motions for summary judgment and *Markman* hearings. The purpose of this comparison is to point out the many similarities that exist between a *Markman* hearing and summary judgment in order to determine if our longer, more established jurisprudence regarding summary judgment can teach us anything about the claim construction hearing process.

A. Summary Judgment and Markman *Hearings Each Work as "A Matter of Law"*

Summary judgment and claim construction share a significant characteristic: each is decided as a matter of law. When the Supreme Court wrote its *Markman* opinion, it emphasized that a judge could decide claim construction free of any Seventh Amendment right to jury trial concerns.[18] This translated into a holding that claim construction was a matter of law for the trial court.

The grant and affirmance of a motion for summary judgment of non-infringement in *Phonometrics, Inc. v. Northern Telecom Inc.*[19] illustrates the efficacy of summary judgment's "matter of law" dynamic. The Federal Circuit Court of Appeals affirmed the district court's conclusion that the products of the alleged infringer-defendant had not infringed the plaintiff's patent. The plaintiff-patentee contended that the trial judge ignored conflicting evidence regarding infringement and misconstrued the patent. Judge Michel rejected this argument by simply stating that summary judgment of noninfringement, here granted on summary judgment alone and without a separate *Markman* hearing, could be granted as a matter of law despite the presence of a seeming good faith dispute regarding the meaning of the patent.[20]

Like claim construction, summary judgments are decided as a matter of law. The text of Rule 56(c) restricts the grant of summary judgment to situations where there are "no genuine issues of material fact" and the moving party is entitled to judgment as a "matter of law." The familiarity of this procedural mantra of Rule 56 should not prevent its simplicity. A movant only

---

[17] 5A DONALD S. CHISUM, CHISUM ON PATENTS § 18.06[2][a][vii][A], at 18-1120 (2003).

[18] Markman v. Westview Instruments, Inc., 517 U.S. 370, 390 (1996).

[19] 133 F.3d 1459, 1467 (Fed. Cir. 1998).

[20] *Id.* at 1463 ("A good faith dispute about the meaning and scope of asserted claims does not, in and of itself, create a genuine dispute to preclude summary judgment in patent cases.").

obtains summary judgment where it is entitled to prevail on the existing law and there are no major factual issues. In essence, all summary judgments are granted "as a matter of law."

The "matter of law" concept was so important that it formed the basis of an attempted textual amendment to Rule 56 in 1990.[21] The amendment would have renamed summary judgment as "Summary Establishment of Fact and Law."[22] The proposed new title to the rule emphasized the dual role of summary judgment in the process of deciding both legal and factual matters. One stated purpose of the revision was to clearly provide for decisions on the law—"summary establishment"—that would "control further proceedings."[23] This part of the aborted revision, which was not adopted, appeared intended to acknowledge the guidance function of deciding legal issues early in litigation. Some issues, when decided early in a case, serve as a benchmark to guide adversaries in later phases of the litigation.

The proposed amendment was based on the important trilogy of 1986 summary judgment cases decided by the Supreme Court.[24] As a group, these decisions revised the standard for granting summary judgment into one for directed verdict. After the trilogy, a summary judgment motion was to be granted when the evidence was so one-sided that a reasonable jury could not rule for the non-moving party. This, of course, mirrored the test used to grant directed verdict motions and transformed summary judgment and directed verdict into essentially the same devices. Both of these procedures take cases away from the jury as a matter of law where there no longer exists a legitimate jury function. While the pre-1986 case law focused more on whether there was "doubt" about the existence of factual issues, this new directed verdict version of summary judgment was functional in nature and designed to create a clean line between the role of the judge and the jury. A 1991 change to Federal Rule of Civil Procedure 50(a)(1) made this transformation official by re-labeling directed verdict as "judgment as a matter of law." [25]

The separation of summary judgment into disputed issues of fact for the jury and matters of law for the court represents a helpful division of labor between judge and jury. In an antitrust case, for example, the jury will decide most elements of a Sherman Act claim. However, certain affirmative defenses, such as the state action defense,[26] have been allocated to the trial judge to

---

[21] *See* Comm. on Rules of Practice & Procedure of the Judicial Conf. of the U.S., *Preliminary Draft of Proposed Amendments to the Federal Rules of Appellate Procedure and Federal Rules of Civil Procedure*, 127 F.R.D. 237, 370 (1990) (Proposed Rule 56 advisory committee's note) [hereinafter *Preliminary Draft of 1990 Amendments*].

[22] *Id.*

[23] *Id.* at 377.

[24] Celotex Corp. v. Catrett, 477 U.S. 317 (1986); Anderson v. Liberty Lobby, Inc., 477 U.S. 242 (1986); Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574 (1986).

[25] *See Preliminary Draft of 1990 Amendments*, 127 F.R.D. at 358.

[26] The state action defense essentially means that the state cannot violate the Sherman Act. *See, e.g.*, Parker v. Brown, 317 U.S. 341, 350–351 (1943) (holding that the Sherman Act was not intended to be applied to state defendant).

decide "as a matter of law."[27] Not surprisingly, this allocation leads the typical defendant who pleads the state action defense to seek an early decision on the defense in a motion for summary judgment. The motion is usually timed for disposition well before the close of discovery and is often thought to be an efficient way to avoid complex case discovery on the merits.

The defendant's motion for summary judgment seeking a declaration of non-infringement works much the same way. After the *Markman* decision, the court can construe patent claims as a matter of law. This ability activates the court's possible pretrial disposition of a defense summary judgment motion by highlighting claim terms which are interpreted by the district judge.

B. Summary Judgment, Like the Markman *Hearing, Lacks a Fixed Timing Norm*

Both the *Markman* hearing and summary judgment lack a rigid timing concept. The text of Rule 56 "displays a 'hands-off' attitude, refusing to regulate the important subject of when a summary judgment motion is to be made."[28] A plaintiff can bring the motion within twenty days of the filing of the complaint and the defendant can seek summary judgment at any time.[29] The drafters of the rule appear to leave the timing of a summary judgment motion largely to the discretion of counsel. Early motions for summary judgment are, therefore, encouraged by the Rule's text and are commonly used.[30] At the same time, however, nothing in the rule prevents the filing of a summary judgment request late in the case. In theory, a motion for summary judgment can be left until the very eve of trial or filed during trial itself.

The basic thrust of the failure to regulate summary judgment timing is that a Rule 56 motion can be filed, or, as often is the case, encouraged by the court at just about any point in the litigation, ranging from prior to any discovery to the plenary trial itself. While some courts now place a deadline on the filing of summary judgment motions in a local rule or a pretrial order,[31] the norm is little or no regulation regarding the timing of summary judgment motions.

Timing decisions governing summary judgment motion filings are intensely practical. The vast percentage of summary judgment motions are filed

---

[27] *See, e.g.*, Mich. Paytel Joint Venture v. City of Detroit, 287 F.3d 527, 534–536 (6th Cir. 2002) (affirming summary judgment for defendant in an antitrust case and concluding that the city was immune from antitrust laws under the state action defense); Bolt v. Halifax Hosp. Med. Ctr., 980 F.2d 1381, 1384 (11th Cir. 1993) (concluding that the question of state action defense is "strictly one of law" and overturning a district court denial of summary judgment for defendant hospital).

[28] EDWARD BRUNET, MARTIN H. REDISH & MICHAEL A. REITER, SUMMARY JUDGMENT: FEDERAL LAW AND PRACTICE 123 (2d. ed. 2000).

[29] FED. R. CIV. P. 56(a)–(b).

[30] *See, e.g.*, S. Austin Coalition Cmty. Council v. SBC Communications Inc., 274 F.3d 1168, 1171 (7th Cir. 2001) (stating that "District Courts may mitigate the expense of litigation by resolving motions for summary judgment early in the case—in advance of discovery, if appropriate, for summary judgment may be sought at any time").

[31] *See, e.g.*, Julian v. Equifax Check Servs., Inc., 178 F.R.D. 10, 11–13 (D. Conn. 1998) (trial court refused to consider plaintiff's summary judgment motion that was filed 15 months after filing deadline for all motions set by local rule and emphasized district court power to set deadlines under Rule 16 of the Federal Rules of Civil Procedure).

by defendants.[32] A defendant may choose to file the motion before any discovery when it can produce proof "piercing the pleadings" that establishes the lack of factual issues and that it is entitled to prevail legally. The defendant may file later, after some discovery, where the information needed to show the lack of factual issues could only be collected from discovery sources. While late summary judgment motions on the very eve of trial are possible, they remain the exception. Summary judgment is largely seen as a "killer motion," capable of ending a case early and without the expense of a formal, fully discovered trial.

Summary judgment's lack of timing structure should be seen as beneficial and efficient. Summary judgment is a flexible procedure capable of working its dispositive matter of law impact at any point in a case. This flexibility is efficient. The motion can be filed when the movant has assessed the available evidence and determined that the optimal supporting documentation is at hand. Rather than opt for a mandatory, particular time in litigation to address Rule 56 motions, the drafters left timing to a free market, when the "demand" for full or partial disposition is determined to be optimal by the movant.

C. Summary Judgment Timing, Like Markman *Hearings, May Be Dependent on the Status of Discovery*

The relationship of discovery to the timing and nature of a *Markman* hearing is obviously significant. The Federal Circuit's *Vivid Technologies, Inc. v. American Science & Engineering, Inc.* opinion stressed the need to time the claim construction hearing after appropriate discovery had occurred.[33] Lower courts have received this message and observed that "before a *Markman* issue is ripe, discovery or case management should have progressed to the point where the parties and the court can be reasonably certain which claim terms are at issue."[34]

The liberality of summary judgment timing is mitigated by its relationship to discovery and Rule 56(f). This subpart serves as a safety valve to protect the non-movant faced with a need to respond to an early summary judgment motion filed before much, if any, discovery has been accomplished. Rule 56(f) authorizes the court to grant a continuance and delay the summary judgment ruling—in effect, to call a time-out for the non-movant—in order to permit the gathering of evidence needed to defeat a summary judgment motion. Strategic grants of continuances can derail the speedy and efficient nature of summary judgment. Accordingly, Rule 56(f) time-outs are not automatic. They require the filing of an affidavit by the non-movant who must explain how additional time will allow discovery needed to overcome the grant of summary judgment. In effect, this procedure protects the non-movant from premature summary

---

[32] *See* BRUNET ET AL, *supra* note 28, at 341.

[33] 200 F.3d 795, 803 (Fed. Cir. 1999) (noting that court should construe on those terms that are disputed and that discovery on the claim terms at issue should be completed by the time of a *Markman* hearing).

[34] Centillon Data Sys., Inc. v. Am. Mgmt. Sys., Inc., 138 F. Supp. 2d 1117, 1120 (S.D. Ind. 2001).

judgment motions filed before the non-movant has an opportunity to gather the evidence needed to establish its case.

The need for discovery in connection with the Rule 56(f) summary judgment process was clearly emphasized by Chief Justice Rehnquist in the seminal *Celotex* decision. The majority opinion stressed that the summary judgment motion by the defendant Celotex had been filed a full year after the filing of the litigation and that the parties had already conducted full discovery. In this factual context, "no serious claim can be made that the respondent [plaintiff Catrett] was in any sense 'railroaded' by a premature motion for summary judgment."[35] Justice Rehnquist went on to suggest that such problems "can be adequately dealt with under Rule 56(f)," which he described as a procedural device allowing the motion for summary judgment to be continued "if the nonmoving party has not had an opportunity to make full discovery."[36]

Rule 56(f) dovetails nicely with the timing of the *Markman* hearing. Where a defendant seeks a claim construction hearing and a favorable companion summary judgment of non-infringement early in the case, at a point where little, if any, discovery has occurred, a plaintiff might consider making a Rule 56(f) request to garner the time for needed discovery. While the court might delay consideration of the summary judgment motion using its inherent authority over the timing of motion requests, the presence of Rule 56(f) highlights the need for a time-out.

The *Celotex* reference to the need for "full discovery" should not be taken as a literal rule to mandate the timing of the Rule 56 motion after full discovery in every case. *Celotex* set forth no such rule. The court was only stressing the availability of a Rule 56(f) time-out where the non-movant was able to show that additional discovery would be able to defeat the motion. Lower courts have mandated that the party seeking extra discovery and a hold on the summary judgment process must provide affidavit proof that it will be able to fruitfully use the discovery process.[37]

The Federal Circuit showed its clear understanding of the value of judicious use of Rule 56(f) in *Springs Window Fashions LP v. Novo Industries, L.P.*[38] The Court of Appeals affirmed a district court's refusal to grant a Rule 56(f) continuance where the party seeking extra time had not been diligent in seeking discovery. The court stressed that the Rule 56(f) movant had offered

---

[35] Celotex Corp. v. Catrett, 477 U.S. 317, 326 (1986).

[36] *Id.*

[37] *See, e.g.*, Carr v. Castle, 337 F.3d 1221, 1232–33 (10th Cir. 2003) (rejecting argument that district court abused its discretion in denying a Rule 56(f) request where plaintiff non-movant failed to tender a Rule 56(f) affidavit); Baker v. Adventist Health, Inc., 260 F.3d 987, 996 (9th Cir. 2001) (asserting that trial court had not abused its discretion when it refused to continue case under Rule 56(f) because non-movant failed to "file an affidavit specifying the facts that would be developed through further discovery"); Concourse Rehab. & Nursing Ctr. Inc. v. Whalen, 249 F.3d 136, 146 (2d Cir. 2001) (affirming lower court refusal to grant a Rule 56(f) request where non-movant did not submit affidavit containing reasons for needing further discovery).

[38] 323 F.3d 989, 998 (Fed. Cir. 2003).

nothing to support a reasonable belief that further discovery would produce an issue of fact for trial.[39]

Accordingly, summary judgment, like a *Markman* hearing, can be held after minimal or even no discovery in a context where the intrinsic evidence points toward a firm conclusion on the all important claim construction issue. Rule 56(f) continuances are not granted as a matter of course and generally require both an affidavit and some good faith effort to seek discovery. An alleged need for discovery is, in itself, not an adequate reason to delay either a summary judgment motion or consideration of clear claim construction evidence.

D. Both Partial Summary Judgment and Markman *Hearings Constitute Severance Devices That Bifurcate Litigation*

Bifurcation, the severance of one part of a case from other parts, is a characteristic of both summary judgment and the *Markman* hearing process. At the most fundamental level, the thrust of *Markman* was to allow the district judge to routinely separate claim construction from the rest of a patent case. *Markman*, at its procedural core, represents a decision allowing the trial court to bifurcate claim construction. Rule 56(d), partial summary judgment, does the very same thing by allowing complete and final disposition on selected issues in a case. Both *Markman* and Rule 56(d) represent particular applications of a broader federal litigation policy that grants full, unbridled discretion to the trial judge to sever parts of a case in order to promote "convenience" or "expedition and economy."[40] Rule 42(b) severance, like both partial summary judgment and the *Markman* process, constitutes an opportunity to decide an issue of overriding importance early in a case and avoid unnecessary discovery that might have been conducted had the early decision not occurred.[41]

Bifurcation choices are made at the district court level by trial judges, particularly in complex cases. The Federal Circuit's *Markman* decision constituted an institutional statement by the specialty appellate court that

---

[39] *Id.* (citing Farmer v. Brennan, 81 F.3d 1444, 1449 (7th Cir. 1996) (stating that "[t]his court has noted that the party seeking further time to respond to a summary judgment motion must give an adequate explanation to the court of the reasons why the extension is necessary")); *see also* Stutz Motor Car of Am., Inc. v. Reebok Int'l, Ltd., 909 F. Supp. 1353, 1359 (C.D. Cal. 1995), *aff'd*, 113 F.3d 1258 (Fed. Cir. 1997) (rejecting plaintiff patentee's request to deny defendant's motion for summary judgment and noting that court had earlier granted plaintiff a Rule 56(f) request but that "plaintiff propounded little or no discovery until defendant filed the instant motions for summary judgment").

[40] FED. R. CIV. P. 42(b).

[41] *See, e.g.*, Ellingson Timber Co. v. Great N. Ry. Co., 424 F.2d 497, 499 (9th Cir. 1970) (stating that "[o]ne of the purposes of Rule 42(b) is to permit deferral of costly and possibly unnecessary discovery proceedings pending resolution of potentially dispositive preliminary issues"); Intellectual Prop. Dev., Inc. v. UA-Columbia Cablevision of Westchester, Inc., No. 94 Civ. 6296 (WHP), 2002 U.S. Dist. LEXIS 17, at *3 (S.D.N.Y. Jan. 3, 2002) (bifurcating liability from damages in a patent infringement case and staying discovery on selected damages issues); Warren F. Schwartz, *Severance—A Means of Minimizing the Role of Burden and Expense in Determining the Outcome of Litigation*, 20 VAND. L. REV. 1197, 1204–05 (1967).

bifurcation of claim construction was a wise policy that should become routine in trial court management of patent cases. Lower courts have appropriately viewed the *Markman* decision as one predicated upon bifurcation policies.[42]

The decision to bifurcate a case into two parts is inherently a discretionary call. The choice to bifurcate is reviewed on an abuse of discretion basis.[43] The district court's discretionary power extends to all issues in a case and is not limited to the obvious expense saving technique of separating the trial on damages from a determination on liability.

Patent litigation, possessing multiple issues that recur in case after case, appears uniquely suited for bifurcation. The early interpretation of the scope of a patent claim can be used for subsequently deciding issues of both patent validity and infringement. The Supreme Court's *Markman* decision, while not expressly premised upon the virtues of bifurcation, legitimized the practice of routine severance of claim construction from the other issues in patent litigation. *Markman* represents a ringing endorsement of discretionary decisions to bifurcate by a trial judge, now transformed into a "managerial judge,"[44] in command of the administration of a complex case.[45]

The presence of multiple issues in complex patent litigation should not mean that bifurcation orders be entered thoughtlessly, without full consideration of the costs and the potential benefits of severance. Where a patent judge fails to identify positive benefits associated with bifurcation, the request to sever should be denied. *John Hopkins University v. CellPro*[46] is illustrative. There the district court rejected a request to hold separate trials for willful infringement, liability, and damages because the efficiency advantages were uncertain.

E. Both Summary Judgment and Markman *Hearings Offer the Choice of Either Written or Live Testimony*

Both summary judgment and *Markman* procedures require a choice as to the nature of the decisional process. The judge must decide whether to base the

---

[42] *See, e.g.*, Rubie's Costume, Co. v. Disguise, Inc., No. 99 Civ. 3189, 2000 WL 798627, at *1 (S.D.N.Y. June 21, 2000) (stating that "[l]itigation in patent infringement cases has been bifurcated since the decision in *Markman v. Westview Instruments*" and describing the bifurcation process of a phase one claim construction hearing and a phase two determination by the trier of fact comparing the allegedly infringing device to the claim construed).

[43] *See, e.g.*, Capaci v. Katz & Besthoff, Inc., 711 F.2d 647, 665 (5th Cir. 1983), *cert. denied*, 466 U.S. 927 (1984) (asserting that district court decisions regarding severance are left to trial court discretion).

[44] *See* Judith Resnik, *Managerial Judges*, 96 HARV. L. REV. 374, 376–377 (1982) (describing the shift to a model in which judges are case-managers who administer cases rather than presiding over an adversary trial).

[45] *See* Edward F. Sherman, *A Process Model and Agenda for Civil Justice Reforms in the States*, 46 STAN. L. REV. 1553, 1564 (1994) (asserting that the district judge should establish "early and continuing control so that the case will not be protracted because of lack of management" and that the court's pretrial orders should discourage "wasteful pretrial activities").

[46] 160 F.R.D. 30, 35 (D. Del. 1995).

claim construction ruling upon either live testimony with cross-examination or written submissions. The Federal Circuit's *Markman* decision emphasized the great degree of judicial discretion inherent in the court's administration of the claim construction process. The court stressed the "complete discretion" of the district judge to adopt, ignore, or exclude expert testimony regarding claim construction.[47]

This reasoning is consistent with the general grant of discretion given trial courts to oversee the litigation of a complex case.[48] While this choice to use live or written testimony is quite familiar in the context of *Markman* procedures, much less is known about the rarely used practice of receiving live evidence in connection with the summary judgment process. It is true that the drafters of Rule 56 intended the device to use primarily paper evidence obtained during pre-trial discovery and factual investigation. However, the introduction of live summary judgment evidence is permitted by Rule 43(e), which gives courts the power to hear oral evidence when considering any pretrial motion.[49] While courts have exercised this power judiciously, a line of federal cases confers clear discretion upon the district court to hold a live summary judgment hearing if needed.[50]

The notion that summary judgment offers only a paper trial dominates the American litigation landscape. The reasoning of Judge Frank Easterbrook in *Stewart v. RCA Corp.*[51] illustrates the prevailing judicial attitude against holding a live testimony hearing when deciding summary judgment. The court of appeals reversed part of a summary judgment ruling based upon misuse of a Rule 43(e) hearing. The trial court, which took testimony from seven witnesses on the issue of whether the statute of limitations barred the case and granted the

---

[47] Markman v. Westview Instruments, Inc., 52 F.3d 967, 983 (Fed. Cir. 1995), *aff'd*, 517 U.S. 370 (1996).

[48] *See, e.g.*, Mulvaney v. Rivair Flying Serv., Inc. (*In re* Baker), 744 F.2d 1438, 1440 (10th Cir. 1984) (en banc), *cert. denied*, 471 U.S. 1014 (1985) (asserting that the "spirit, intent and purpose [of pre-trial management] is . . . broadly remedial, allowing courts to actively manage the preparation of cases for trial"); WILLIAM W. SCHWARZER, MANAGING ANTITRUST AND OTHER COMPLEX LITIGATION 1–12 (1982) (federal judge sets forth a model of judging that amounts to managing or administering a complex case). *See generally* Robert F. Peckham, *The Federal Judge as Case Manager: The New Role in Guiding a Case From Filing to Disposition*, 69 CAL. L. REV. 770 (1981) (federal judge lists methods to manage a case from start to finish).

[49] FED. R. CIV. P. 43(e) ("Evidence on Motions. When a motion is based on facts not appearing of record the court may hear the matter on affidavits presented by the respective parties, but the court may direct that the matter be heard wholly or partly on oral testimony or deposition.").

[50] *See, e.g.*, Juliano v. Health Maint. Org. of N.J, Inc., 221 F.3d 279, 289 (2d Cir. 2000) (concluding that the trial court "acted well within its discretion" in admitting the live testimony of a physician in an ERISA case on the medical necessity issue but cautioning that the process chosen is "not ordinarily part of the summary judgment process"); Thompson v. Mahre, 110 F.3d 716, 720 (9th Cir. 1997) (asserting that "[d]istrict courts may in their discretion 'sparingly'. . . take oral testimony under Rule 43(e) on a summary judgment motion"); Utah v. Marsh, 740 F.2d 799, 800–801 (10th Cir. 1984) (allowing oral testimony when ruling on a summary judgment motion and limiting subject matter to single issue of impact upon interstate commerce).

[51] 790 F.2d 624, 629 (7th Cir. 1986).

summary judgment despite conflicting oral testimony, defended its right to 'receive *and weigh*' oral and written evidence."[52] Judge Easterbrook criticized this use of oral testimony, saying it would "waste a lot of everyone's time" and concluded that "one trial per case is enough."[53] He also characterized the Rule 43(e) procedure as symbolic of the "end of the difference between summary judgment and trial."[54] These criticisms may have been due to the trial judge's clear admission to having improperly weighed the evidence, a practice clearly not permitted by Rule 56 (but one now allowed when ruling on claim construction at a *Markman* hearing).

Not all judges view the receipt of live testimony when ruling on summary judgment so negatively. Prudent use of the practice can be of special help on selected issues. Judge Milton Pollack has used Rule 43(e) hearings several times to help dispose of summary judgment motions. In *United Air Lines, Inc. v. Austin Travel Corp.*,[55] the court held a hearing on antitrust issues relating to market definition and market share, which appear to have aided the judge in sifting through and dismissing a counterclaim. In *Davis v. Costa-Gavras*,[56] the court ordered a live summary judgment hearing to focus on "clear and convincing affirmative evidence of actual malice" in a defamation case.

These cases demonstrate that careful use of a live hearing can lead to expeditious administration of a Rule 56 motion. I admit that if such hearings were held regularly the cost of summary judgment would increase unnecessarily. Rule 43(e) hearings should be the great exception and not the norm. In contrast, *Markman* hearings seem much less controversial. The court in those hearings decides the sole big issue, claim construction, and need not share duties with the jury, as is true with many motions for summary judgment. The patent judge, who decides claim construction, is permitted to weigh inferences and evidence, unlike a district judge facing a Rule 56 motion.[57] The "issue of law" designation attached to claim construction frees the district judge to structure a *Markman* hearing in any way it sees fit.[58]

F. Both Summary Judgment and Markman *Hearing Orders Invite A Vigorous, De Novo Scope of Appellate Review*

It is no secret that the Federal Circuit boldly employs a de novo standard of review when reviewing claim construction orders. Much hand-wringing appears to have occurred because of this vigorous scope of review that contributes greatly to the 33 percent reversal rate for district court claim

---

[52] *Id.* at 628 (emphasis in original).

[53] *Id.* at 629.

[54] *Id.* at 628.

[55] 681 F. Supp. 176, 180 (S.D.N.Y. 1988), *aff'd*, 867 F.2d 737 (2d Cir. 1989).

[56] 650 F. Supp. 153, 156 (S.D.N.Y. 1986).

[57] *See, e.g.*, Curry v. City of Syracuse, 316 F.3d 324, 333–34 (2d Cir. 2003) (reversing, in part, summary judgment because "the weighing of evidence [is a] matter[] for the jury, not for the court on a motion for summary judgment").

[58] *See, e.g.*, Ballard Med. Prods. v. Allegiance Healthcare Corp., 268 F.3d 1352, 1358 (Fed. Cir. 2001) (emphasizing that "*Markman* does not require a district court to follow any particular procedure in conducting claim construction").

constructions.[59] The recent order of the Federal Circuit in *Phillips v. AWH Corp.*,[60] reveals more than a dose of angst about the Circuit's apparent willingness to even consider giving some deference to the trial court's claim construction rulings.[61]

The Federal Circuit's use of the de novo review standard, however, needs to be placed in a broader perspective. Such robust standards of review are not uncommon in courts of appeal. When an issue is characterized as a legal issue, a de novo label is utilized. Summary judgment orders are reviewed de novo by every federal circuit court of appeals, including the Federal Circuit in patent litigation.[62] Accordingly, it should come as no surprise that the Federal Circuit is employing regular use of a vigorous scope of review when reviewing significant orders such as claim construction. This is an ordinary scope of review for issues of law, and not at all extraordinary given the procedural similarity of summary judgment and *Markman* orders.

Moreover, the complex nature of claim construction rulings might explain why a second look by an appellate court frequently results in reversal. Claim construction rulings are not purely legal rulings, but are based upon facts presented by the intrinsic evidence. Claim construction rulings are usually a set of specific, individual factual interpretations of words and phrases. They are multi-part in nature and factual in quality. While it is true that these are characterized as legal issues after the *Markman* decision, these rulings might be more properly classified as mixed issues of law and fact.[63] The make-up of claim construction rulings is a complicated application of facts to legal principles. Two minds can often differ as to these interpretations of the prior art and complex constructions of technical words.

Constructions of patent claims are not ordinary legal issues; they constitute extraordinary mixed issues of law and fact. Mixed issues are typically awarded a vigorous scope of review; no deference is awarded the trial judge's interpretation of mixed questions.[64] A claim construction applies a legal conclusion to a set of facts, namely, the district court's interpretation of a patent claim. Because this application process normally calls for a broad, de novo scope of appellate review in other areas of the law,[65] it is hardly grounds for

---

[59] *See* Moore, *District Judges*, supra note 11, at 2–3 (raising concerns about expense, efficiency, and integrity of a system with a high reversal rate).

[60] 376 F.3d 1382 (Fed. Cir. 2004).

[61] *Id.* at 1383 (asking whether it is "appropriate for this court to accord any deference to any aspect of trial court claim construction rulings").

[62] *See, e.g.*, Geneva Pharm., Inc. v. GlaxoSmithKline PLC, 349 F.3d 1373, 1377 (Fed. Cir. 2003) ("This court reviews a grant of summary judgment without deference.").

[63] *See, e.g.*, BERNARD SCHWARTZ, ADMINISTRATIVE LAW 689 (3d ed. 1991) (discussing categories of issues of law, of fact, and mixed issues of law and fact and stressing the over-simplistic differentiation of legal and factual questions).

[64] *See generally* 9A CHARLES ALAN WRIGHT & ARTHUR R. MILLER, FEDERAL PRACTICE AND PROCEDURE § 2589 (2d ed. 1994) (noting that mixed issues "are not protected by the 'clearly erroneous' rule and are freely reviewable").

[65] *See, e.g.*, Simmons v. Conger, 86 F.3d 1080, 1084 (11th Cir. 1996) (applying de novo review standard to a case involving application of law to facts); Scribner v. Summers, 84 F.3d 554, 557 (2d Cir. 1996) (using a de novo review standard when trial court applies facts to draw conclusions of law).

hand-wringing that the Federal Circuit has flexed its appellate muscle by invoking a vigorous scope of review of claim construction issues.

Examination of the reversal rate for summary judgments granted on issues of law would be useful to determine whether the Federal Circuit's 34.5 percent reversal rate[66] is truly aberrant. Data collected from the Second and Ninth Circuits from June 1987 through June 1989, the last time the Federal Judicial Center studied summary judgment reversal rates, show a 19 percent reversal rate for all summary judgments. In contrast, the reversal rate for all civil appeals in this data set was 15 percent.[67] A simplistic reaction to this data might be to conclude that it confirms an extraordinarily high reversal rate on claim construction interpretations by federal district court judges.

The 19 percent summary judgment reversal figure, however, is not methodologically comparable to claim construction reversals, which are on pure issues of law. Some summary judgment reversals will occur because the appellate court finds an issue of fact and others will occur because an appellate court finds an error of law. It would be useful to isolate the summary judgment reversals on pure legal issues, "matters of law" like claim construction, and compare reversal rates.

The Federal Judicial Center reports an earlier Second Circuit study that found that the vast percentage of summary judgment reversals were based on "pure question[s] of substantive law," not the repeatedly argued question of whether there was a question of fact for trial.[68] Therefore, it appears that the 19 percent summary judgment reversal rate may well be appreciably higher when reversals for questions of fact are excluded from the data set. In other words, it is possible that the Federal Circuit's claim construction reversal rate may not be much higher than the rate of reversals for summary judgments entered as a matter of law.

It would be useful to compare the claim construction rate of reversal with that of other types of legal issues. I speculate that reversal rates on controversial and important legal issues are much higher than on mundane factual findings. The Federal Circuit has the type of complex case jurisdictional workload that might lead to inherently higher reversal rates than other circuits.[69] The overall reversal rate for all cases in the Federal Circuit is 16 percent, the highest of any

---

[66] *See* Moore, Markman *Eight Years Later*, *supra* note 11, at 233 (concluding that the reversal rate in the Federal Circuit from 1996–2003 for claim construction issues is 34.5%).

[67] Joe S. Cecil, *Trends in Summary Judgment Practice: A Summary of Findings*, 1 FJC DIRECTIONS 11, 15 (1991). The present reversal rate for all appeals in all types of cases, including criminal cases, in all circuits is 9.4%. STATISTICS DIV., ADMIN. OFFICE OF THE U.S. COURTS, FEDERAL JUDICIAL CASELOAD STATISTICS (March 31, 2003), http://www.uscourts.gov/caseload2003/contents.html (last visited Nov. 1, 2004) [hereinafter FEDERAL JUDICIAL CASELOAD STATISTICS]. Some circuits show relatively high reversal rates for certain types of cases; for example, the D.C. Circuit reversed 20.3% of administrative appeals from 2002–2003. *Id.*

[68] Cecil, *supra* note 67, at 16 (reporting that approximately 70% of summary judgment reversals were because of legal error and the smaller remainder occurred due to the presence of issues of fact).

[69] *See generally* FEDERAL JUDICIAL CASELOAD STATISTICS, *supra* note 67 (showing reversal rate for Federal Circuit Courts by type of appeal).

federal circuit court of appeals.[70] The overall reversal rate for the rest of the federal circuit courts is 9.4 percent.[71] This difference can be partially explained by the fact that all circuits but the Federal Circuit review criminal cases, a class of cases with a comparatively low reversal rate. The Federal Circuit reversal rate for the Court of International Trade was 33 percent, a figure comparable to that of claim construction reversals.[72] Viewed in this comparative context, the claim construction reversal rate may be entirely appropriate or, put differently, not aberrant.

G. The Emergence of Summary Judgment-Like Local Rules Governing Markman *Hearings*

Local rules can be useful devices to codify efficacious procedures and to tweak such processes in helpful and predictable ways that are compatible with the existing Federal Rules of Civil Procedure.[73] To date, two federal districts have passed formal local rules governing claim construction and patent infringement generally: the Northern District of California and the Northern District of Georgia.[74] The passage of these two sets of local rules presents an interesting case study in the effort to legislate and particularize claim construction procedures. Each of these sets of local rules bears more than a passing similarity to local rules that govern summary judgment.

In 2000, the Northern District of California became the first court to legislate a patent litigation local rule. The district court's location, in the heart of high technology country, undoubtedly has assured it of a steady diet of infringement cases.[75] Highlights of this pioneer local rule include requirements that the party alleging infringement submit a "Disclosure of Asserted Claims

---

[70] *Id.*, Table B-8.

[71] *Id.*, Table B-5.

[72] *Id.*, Table B-8 (showing a Federal Circuit reversal rate of 17% for Court of Federal Claims cases, 13% for Veterans Claims, 24 % for U.S. District Courts, 9% for Patent Trademark Office appeals, 100% for Department of Veterans Affairs, and 7% for Merit System Protection Board).

[73] *See* FED. R. CIV. P. 83(a) (authorizing passage of local rules that are "consistent with—but not duplicative of—Acts of Congress and rules adopted under 28 U.S.C. §§ 2072 and 2075").

[74] *See* Patent Local Rules for the United States District Court for the Northern District of California; Patent Local Rules for the United States District Court for the Northern District of Georgia. In other federal district courts, some individual judges, familiar with the claim construction process, have promulgated their own standing orders to regulate the process. For example, the district court may want to set out dates for hearings in early scheduling orders. *See, e.g.*, Ill. Tool Works, Inc. v. Powers Fasteners, Inc., No. 01 C 7019, 2002 WL 1160087, at *1 (N.D. Ill. May 23, 2002) (discussing a scheduling order regulating claim construction).

[75] *See* Kimberly A. Moore, *Forum Shopping in Patent Cases: Does Geographic Choice Affect Innovation?*, 79 N.C. L. REV. 889, 903 (2001) (listing the Northern District of California as the court with the second highest patent caseload in the United States in the period from 1995–1999).

and Preliminary Infringement Contentions" early in the litigation,[76] and that the parties attend a mandatory discussion of various claim construction issues at the Initial Case Management Conference.[77] The opposing parties are to meet and confer regarding (1) deadlines leading to a possible *Markman* hearing, (2) "whether the Court will hear live testimony at the claim construction hearing," (3) limits on pre-*Markman* hearing discovery, (4) order of proof at the hearing, and (5) the date to schedule a "Claim Construction Prehearing Conference," to be held after the filing of a mandatory Joint Claim Construction and Prehearing Statement.[78]

The clear import of this set of multiple procedures is to force the lead trial counsel to think critically about claim construction very early in the case. The series of disclosures mandated by the local rule aid definition of the claim construction issues in the case and form a helpful prelude to an eventual *Markman* hearing.[79] This set of rules should result in an early claim construction order that precedes the conclusion of discovery.[80] The rules also serve to fashion a predictable set of uniform procedures and thereby avoid the use of idiosyncratic, individual rules that change with every district judge.

The new Northern District of Georgia local rule, passed in July 2004, also mandates early consideration of claim construction. Under its procedures, the parties exchange claim terms needing construction no later than ninety days after the filing of the Joint Preliminary Report and Discovery Plan.[81] In effect, this procedure compels counsel to interact regarding claim construction a bit later in the case than under the Northern District of California's local rule. Following an initial exchange, the Georgia procedure calls for each party to advance a proposed construction of each claim term and to file a list of supporting extrinsic evidence, including expert witnesses. Like the California procedure, the Georgia local rule should result in a claim construction before the termination of discovery.

Both the California and the Georgia local rules mandate the early filing and exchange of detailed infringement and invalidity contentions. Rather than leave the notice of infringement and invalidity arguments to the pleadings, these local rules seem to contemplate the exchange of the particular facts supporting the contentions of the parties, including identifying each specific apparatus, providing charts, listing relevant documents,[82] and revealing relevant prior art.[83] These mandated exchanges are at odds with the liberal ethos of

---

[76] N.D. CAL. PATENT L.R. 3-1 (mandating that the disclosure include a chart specifying claim elements, type of claim, priority date, and the alleged infringer's own product or apparatus).

[77] N.D. CAL. PATENT L.R. 2-1.

[78] N.D. CAL. PATENT L.R. 2-1(a).

[79] MANUAL FOR COMPLEX LITIGATION (FOURTH), *supra* note 3, at 604.

[80] N.D. CAL. PATENT L.R. 4-4 (mandating the completion of discovery relating to claim construction within 30 days after the service and filing of the Joint Claim Construction and Prehearing Statement and setting the timing of the claim construction hearing, if any, following the close of claim construction discovery).

[81] N.D. GA. PATENT L.R. 6.1.

[82] N.D. GA. PATENT L.R. 4.1.

[83] N.D. CAL. PATENT L.R. 3-3.

notice pleading set forth by Rule 8(a)(2).[84] They are, nonetheless, consistent with the judicial management norm set forth by revised Rule 16 and, therefore, probably meet the consistency test of Rule 83(a).[85]

The Federal Circuit has expressly acknowledged the judicial discretion that underlies the implementation and application of patent local rules. In *Genentech, Inc. v. Amgen, Inc.*,[86] the Federal Circuit held that the trial judge's application of the Northern District of California Patent Local Rules to force the patentee to file a claim chart specifying whether its claim was based on literal infringement or the doctrine of equivalents was not an abuse of discretion. The Federal Circuit underscored the trial court's discretion in its use of the local rules "so as not to frustrate local attempts to manage patent cases according to prescribed guidelines."[87]

These local rule efforts to regulate the *Markman* process bear some similarity to the many local rules regarding summary judgment. Almost seventy federal district courts have special local rules relating to summary judgment.[88] This widespread routinization of summary judgment procedure marks an "institutionalization" of Rule 56; such detailed local rules never would have been promulgated if summary judgment motions were infrequently filed. Like patent litigation local rules, summary judgment local rules call for the party who institutes a Rule 56 motion process to come forward and identify which facts are uncontroverted.[89] The rules then place a corresponding burden on the party opposing the motion to come forward with facts showing the existence of factual issues, and to respond in a manner not unlike pleading to the assertions of allegedly uncontroverted facts set forth by the movant for summary judgment.[90]

Like the *Markman* process, these summary judgment local rules require that the moving and opposing party advance proof of their respective factual positions early in the case. The California and Georgia local patent litigation rules require similar early selection of evidence relating to invalidity and validity of the patent at issue. The theory of both the summary judgment and *Markman* local rules is the same: early and mandatory identification of the critical evidence supporting the parties' positions should facilitate early

---

[84] FED. R. CIV. P. 8(a)(2) (permitting the pleader to file a pleading setting forth "a short and plain statement of the claim"); Conley v. Gibson, 355 U.S. 41, 47–48 (1957) (interpreting Rule 8 to require only notice pleading).

[85] *See* FED. R. CIV. P. 83(a) (mandating that "a local rule shall be consistent" with other Federal Rules of Civil Procedure).

[86] 289 F.3d 761, 762 (Fed. Cir. 2002).

[87] *Id.* at 774.

[88] *See* BRUNET ET AL, *supra* note 28, at 55.

[89] *See, e.g.*, N.D. ILL. L.R. 56.1(a)(3) (requiring a movant to file a statement of the material facts that it contends are not at issue).

[90] *See, e.g.*, Stonkus v. City of Brockton Sch. Dep't, 322 F.3d 97, 102 (1st Cir. 2003) (affirming summary judgment for defendant and deeming facts set forth by moving party to be true where nonmoving party did not file statement of contested facts); Tatalovich v. City of Superior, 904 F.2d 1135, 1139, 1140, 1142 (7th Cir. 1990) (upholding summary judgment where the non-movant failed to file a response in violation of a local rule that mandated a response to movant's statement of uncontroverted facts).

decisions on critical issues in the case. Similarly, each of these types of local rules makes the trial court's life a bit easier by mandating the identification of critical evidence used to rule on the nature of a claim or a summary judgment request.

I do not seek to suggest that the local rules for summary judgment and patent litigation are identical. Claim construction may represent the critical moment in a patent case; summary judgment is merely a type of procedure applicable to every type of case.[91] The patent local rules are much more specific and narrow than the local rules relating to summary judgment. In addition, the primary function of the patent local rules is to jump start the process of claim construction. The chief function of the summary judgment local rules is probably to create structure for a routine motion process that has begun to be overly complex for the district judge.

IV. SUMMARY JUDGMENT'S TIMING IMPLICATIONS FOR PATENT LITIGATION PROCEDURE

Part III demonstrates clear similarities between the claim construction hearing and summary judgment. This section, Part IV, attempts to use these similarities to defend the present ambiguities and the trial court discretion inherent in the *Markman* process.

A. In Defense of Discretionary Decisions Relating to Claim Construction Timing

Summary judgment lacks a fixed norm mandating its use at a specific time. The implications of this feature of summary judgment timing are potentially relevant for patent claim construction. Numerous commentators have opined that a particular time for a *Markman* hearing is needed or, alternatively, have criticized the present ambiguity as to when claim construction is held.[92] Thoughtful judges have declared that timing the *Markman* hearing at the close of discovery is optimal to avoid "constitutional concerns arising from conducting such a hearing too soon to efficiency concerns arising from conducting the hearing too late."[93] Such thinking, while surely attractive at a visceral level, may be overly simplistic. A rigid timing schedule set forth in a rule is also flatly inconsistent with the giant grant of discretion given to district judges when applying Rule 56.[94]

---

[91] *See* BRUNET ET AL, *supra* note 28, at 222–228 (describing federal summary judgment as a "transsubstantive" concept, applicable to every type of case and not merely to selected causes of action). *See generally* Robert M. Cover, *For James Wm. Moore: Some Reflections on a Reading of the Rules*, 84 YALE L.J. 718 (1975) (setting out a transsubstantive philosophy for interpreting the Federal Rules of Civil Procedure).

[92] *See, e.g.*, Lee & Krug, *supra* note 7, at 86 (concluding that "there is generally one 'right' time for a Markman hearing: after all discovery has been completed, at the time the court considers the parties' summary judgment motions").

[93] Amgen, Inc. v. Hoechst Marion Roussel, Inc., 126 F. Supp. 2d 69, 80 (D. Mass. 2001).

[94] Of course, the district judge may, in an exercise of judicial management and discretion, set forth a schedule including a claim construction hearing date.

There may be no specific point in the litigation chronology that constitutes the perfect time for claim construction. In some cases, the intrinsic evidence establishing a claim may be so clear that little discovery is necessary and an early *Markman* hearing is warranted.[95] This may be especially true when the court assigned the case is a repeat, experienced player as a patent judge. Judge Robert Keeton, former Chair of the Rules Committee of the Judicial Conference, has defended early claim construction held before the completion of discovery because it "enable[s] the parties and the court to focus discovery in a way that makes more efficient use of party and court resources as the case proceeds."[96] In affirming Judge Keeton and rejecting the argument that the court adopt a uniform rule that the claim construction hearing be held no earlier than the close of discovery, the Federal Circuit has appropriately stressed that "the stage at which the claims are construed may vary with the issues, their complexity, the potentially dispositive nature of the construction, and other considerations of the particular case."[97] This language should be seen as a ringing and appropriate endorsement of the use of district court discretion regarding the timing and nature of the claim construction hearing.[98]

Retaining district court discretionary power to hold an early claim construction hearing received a warm and recent endorsement in the *Manual for Complex Litigation (Fourth)*, published in 2004. The *Manual* notes that early *Markman* hearings narrow the issues and focus discovery.[99] It also embraces the possibility of enhanced settlement opportunities and the greater ability, post claim construction, to resolve the litigation through dispositive motions.[100] In addition, the *Manual* notes that early claim construction permits counsel to plan to try the case with a firm idea of claim construction, thereby "eliminating the need to propose alternative claim constructions to the jury and reducing the expense and complexity of the trial."[101] As noted by Professor Chisum, "The interpretation of a claim sets the framework for litigation of a patent dispute . . . ."[102]

The above efficiencies associated with an early claim construction hearing do not justify routine holding of early *Markman* hearings. A rookie patent judge faced with uncertain intrinsic evidence might need every bit of available

---

[95] *See, e.g.*, Aspex Eyewear, Inc. v. E'Lite Optik, Inc., No. 3:98-CV-2996-D, 2001 U.S. Dist. LEXIS 2088, at *5–6 (N.D. Tex. Feb. 27, 2001) (supporting conducting claim construction before the end of discovery because the "patent is clear and the invention is sufficiently described to enable one to determine[] the proper scope of the claims").

[96] Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc., 997 F. Supp. 93, 95 (D. Mass. 1997), *aff'd*, 200 F.3d 795 (Fed. Cir. 1999).

[97] Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc., 200 F.3d 795, 803 (Fed. Cir. 1999).

[98] *See* Ballard Med. Prods. v. Allegiance Healthcare Corp., 268 F.3d 1352, 1358 (Fed. Cir. 2001) (emphasizing the "wide latitude" possessed by the district judges in how they construe claims, and noting that "the court may approach the task in any way that it deems best").

[99] MANUAL FOR COMPLEX LITIGATION (FOURTH), *supra* note 3, at 608.

[100] *Id.* (citing Macneill Eng'g Co. v. Trisport Ltd., 126 F. Supp. 2d 51, 52 (D. Mass. 2001)).

[101] *Id.* at 609.

[102] 5A CHISUM, *supra* note 17, § 18.06[2][a][vii], at 18-1116.

discovery, including expert witness testimony with live cross-examination and a great quantum of extrinsic evidence, in order to decide claim construction after discovery is closed or on the eve of trial.[103] Early claim construction hearings might prove an unnecessary expense to litigation that might settle without the substantial cost of a full claim construction hearing.

Flexibility and discretion are helpful to the judge who is contemplating the nature of a claim construction hearing. The length of a *Markman* hearing might be longer for such a judge who faces ambiguous intrinsic evidence.[104] In this factual context, the admission of experts at the *Markman* hearing may be advisable. The *Markman* hearing sometimes can be efficiently focused to cover only selected phrases in the claim.

The nature and timing of a *Markman* hearing depend on uncertain facts that are unique to every case. The time of optimal claim construction cannot be preordained or set in stone. While waiting until the close of discovery might work effectively in many cases, mandating this time may be inefficient in other cases, particularly for the repeat player judge or the movant with strong intrinsic evidence. In such cases, early consideration of claim construction may make particular sense to reduce the cost of potentially unnecessary discovery and trial time.

The trial judge's choice to hold the claim construction as phase one of the plenary trial and to leave a claim construction order until the close of the trial raises questions. Holding a *Markman* hearing at trial, while certainly not an abuse of discretion, is highly inefficient. This timing negates any advantage of reducing discovery by formulating certain claims earlier in the case. It also prevents achieving any attorney planning advantages useful in preparing for trial and frustrates settlement by fomenting uncertainty regarding the scope of the claim. A trial *Markman* determination creates the worst-case scenario for trial expense: a lengthy trial on all issues requiring huge preparation due to the uncertain nature of claims leading to trial itself.

In many cases, the time for the *Markman* hearing will be determined initially by the trial judge with little input from opposing counsel. There is good reason to support the informed district judge who seeks to manage the time for claim construction. Like counsel who knows when to move for summary judgment, the judge may have information leading her to set a time for a *Markman* hearing. For example, the filing of a motion for summary judgment

---

[103] *See id.*, § 18.06[2][a][vii], at 18-1117 (stating that the "trial judge may be understandably reluctant to interpret a patent claim based on a 'cold' written record, especially if the implicated technology is complex").

[104] Claim construction hearings come in different shapes and sizes; their nature varies with the type of case and district judge. *See, e.g.*, Intel Corp. v. VIA Techs., Inc., 319 F.3d 1357, 1365 (Fed. Cir. 2003) (describing a one-day claim construction hearing regarding a patent on the interface protocols by which computers communicate); Altiris, Inc. v. Symantec Corp., 318 F.3d 1363, 1367 (Fed. Cir. 2003) (describing a two-day *Markman* hearing held two and one-half years after the filing of an infringement case); Mediacom Corp. v. Rates Tech., Inc., 4 F. Supp. 2d 17, 21–22 (D. Mass. 1998) (observing that *Markman* hearings "run the gamut from mid-trial sidebar conferences that undergird relevance rulings, . . . to virtual mini-trials extending over several days and generating extensive evidentiary records").

by a member of the patent specialty bar can signal the court that the time for claim construction may be ripe. Courts may facilitate setting a time for claim construction by raising the topic at the first pre-trial conference held under Rule 16.

In other cases, the setting of the time for a claim construction hearing can be accomplished largely through the adversary strategy of counsel. For example, the early filing of a motion for summary judgment attaching unambiguous intrinsic evidence may create the conditions that prompt a district judge to rule on claim construction. In this situation the court takes cues from counsel as to the form and nature of the *Markman* process. The advantage of linking summary judgment with the claim construction hearing is its ability to streamline the process. The court may efficiently limit the issues to be tried at the *Markman* hearing to those questions raised by the summary judgment motion.[105]

The court's receptivity to change or amend its initial claim construction ruling should be inherent in the discretion used to construe claims early in a case. There will be cases where the close of discovery reveals facts that may call into question an early claim construction conducted before full discovery. Under these circumstances, the court may want to reexamine an earlier claim construction. Judge Keeton endorsed such a flexible approach in *Vivid Technologies, Inc. v. American Science & Engineering, Inc.*, where he reasoned that after a "better developed record . . . the court will be prepared to reconsider its interlocutory ruling on claim construction and modify or vacate it . . . ."[106] In this context, judicial discretion is a virtue that permits an accurate outcome by basing decisions on more complete information.

The Federal Circuit and trial bench seem to approve of "rolling claim construction," the flexible concept of a court amending a claim interpretation as the evidence unfolds in a case.[107] The source of the power to reconsider a prior construction is the "inherent discretion" of the trial court.[108] The power to

---

[105] *See* MANUAL FOR COMPLEX LITIGATION (FOURTH), *supra* note 3, at 610 (noting that when a court combines a summary judgment and a claim construction hearing, "only those elements of the claims that are truly in dispute will be presented for construction"). In this situation, the motion for summary judgment constitutes a way to frame the issues in a pleading-like manner.

[106] Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc., 997 F. Supp. 93, 95 (D. Mass. 1997), *aff'd*, 200 F.3d 795 (Fed. Cir. 1999).

[107] *See* Oakley, Inc. v. Sunglass Hut Int'l, 316 F.3d 1331, 1345 (Fed. Cir. 2003) (asserting that a "district court can issue 'tentative' or 'rolling' claim constructions 'when faced with construing highly technical claim language on an expedited basis'"); Jack Guttman, Inc. v. Kopykake Enters., Inc., 302 F.3d 1352, 1361 (Fed. Cir. 2002) (endorsing "rolling claim construction, in which the court revisits and alters its interpretation of the claim terms as its understanding of the technology evolves"); Edward V. Filardi & Douglas R. Nemec, *The Effect of Markman on Patent Litigation: Practical Considerations*, *in* HOW TO PREPARE & CONDUCT *MARKMAN* HEARINGS 2002, at 225, 253 (PLI Intellectual Prop. Course, Handbook Series No. G-714, 2002) (asserting that "[d]istrict court judges have shown an overwhelming willingness to revisit claim construction rulings").

[108] Intellectual Prop. Dev., Inc. v. UA-Columbia Cablevision of Westchester, Inc., No. 94 Civ. 6296 (WHP), 2002 U.S. Dist. LEXIS 17, at *15, 17 (S.D.N.Y. Jan 3, 2002) (asserting that the trial judge possesses the "inherent discretion to reconsider the claim

change pretrial orders entered early in litigation can be likened to judicial orders in preliminary injunction cases. These are decisions based on possibly incomplete data that may need obvious change once subsequent information becomes clear. As a trial judge's information increases or "deepens,"[109] the odds of reaching a more accurate decision are enhanced. In upholding the district court's power to refuse to conclusively determine a claim while presiding over a preliminary injunction request, the Federal Circuit has asserted that "[a] trial court may exercise its discretion to interpret the claims at a time when the parties have presented a full picture of the claimed invention and prior art."[110] Other courts specifically based their ability to issue rolling claim constructions upon the power to change the conclusions and findings entered in ruling on preliminary injunction requests.[111]

Nonetheless, rolling claim construction and district court willingness to reconsider a claim already construed should be the exception, not the norm. Reconsideration of a claim comes with immense costs. This practice normally means that the prior expenditures spent interpreting the claim are lost. This includes the time the court spent initially construing the claims as well as the sums expended by counsel. In addition, the likelihood of reconsideration creates uncertainty surrounding the patent claim, thereby inhibiting a positive climate for settlement. Settlement conditions need certainty, and the fragile atmosphere created by a likely reconsideration of a claim can be detrimental to settlement.[112]

---

construction in this action" and conducting a reappraisal of the claim, where "prior claim construction took place long before discovery was complete"); Murr Plumbing, Inc. v. Scherer Bros. Fin. Servs. Co., 48 F.3d 1066, 1070 (8th Cir. 1995) (concluding that the trial court has the "inherent power to reconsider and modify an interlocutory order any time prior to the entry of judgment").

[109] *See* Applera Corp. v. MJ Research, Inc., 297 F. Supp. 2d 453, 459 (D. Conn. 2004) (stating that "the Federal Circuit encourages a rolling claim construction commensurate with the Court's deepening and evolving understanding of the asserted claims" but concluding that an initial claim construction order would not be altered).

[110] Sofamor Danek Group, Inc. v. DePuy-Motech, Inc., 74 F.3d 1216, 1221 (Fed. Cir. 1996); *accord* Sport Squeeze Inc. v. Pro-Innovative Concepts Inc., No. 97-CV-115 TW(JFS), 1999 WL 395328, at *7 (S.D. Cal. April 1, 1999) (concluding that earlier claim construction would not prevent trial court from revising interpretation of claim where new evidence was presented).

[111] *See, e.g.*, Int'l Communication Materials, Inc. v. Ricoh Co., 108 F.3d 316, 318 (Fed. Cir. 1997) (asserting that claim construction issue may be reopened following the preliminary injuction stage); Kemin Foods, L.C. v. Pigmentos Vegetales del Centro S.A. de C.V., 319 F. Supp. 2d 939, 942–43 (S.D. Iowa 2004) (refusing, in trial court's discretion, to hold a new *Markman* hearing upon remand of the case from the Federal Circuit that had ruled in an appeal from a preliminary injunction, and accepting as "persuasive" the construction of the court of appeals).

[112] *See* Steven Shavell, *Alternative Dispute Resolution: An Economic Analysis*, 24 J. LEGAL STUD. 1, 11 (1995) (noting that uncertainty or "differences of opinion" lead parties and their attorneys to trial rather than to settlement).

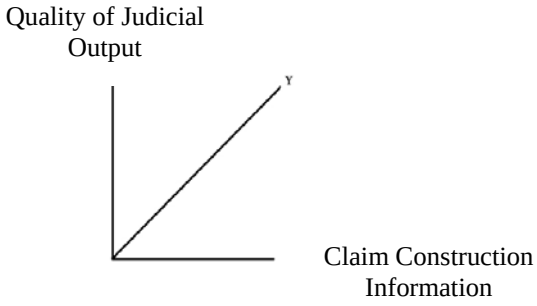
B. A Healthy Dose of Judicial Discretion in Markman *Timing Decisions Appears to Be Efficient*

In an earlier article, I theorized that a trial court's judicial output of accurate decisions will be enhanced by the assimilation of added units of accurate information, and that the costs of adding new evidentiary inputs needs to be weighed against the costs of inaccurate results.[113] This proposition appears true after contemplating the judicial task of claim construction. The court needs a quantum of accurate information to rule correctly and to avoid possible reversal.[114] In some cases there may be clear but incomplete statements available early in a dispute that describes the patent claim and also the nature of the allegedly infringing device. The trial court might rationally rule under such circumstances, only to question and then reevaluate such a ruling when additional information is revealed later in a case, perhaps following reversal by the Federal Circuit. In such a situation the court should act to assimilate more claim construction information when clarifying the claim carries foreseeable gains.

This process can be illustrated graphically.[115]

FIGURE A

Relationship Between Amount of Claim Construction Information and Nature of Judicial Output



Assuming that the judge can efficiently process the additional units of claim construction data, more accurate outcomes can be anticipated as line *Y* slopes to the right and increasing amounts of data are entered into evidence. At the same time, line *Y* also rises, indicating an increase in accurate judicial decision-making. This theoretical argument is based on continually expected

---

[113] *See* Edward J. Brunet, *A Study in the Allocation of Scarce Resources: The Efficiency of Federal Intervention Criteria,* 12 GA. L. REV. 701, 710–720 (1978).

[114] The Federal Circuit also needs enough information regarding claim construction to feel comfortable affirming a district court's interpretation of a claim. In this respect, the timing decision of the trial court is a surrogate for that of the Federal Circuit.

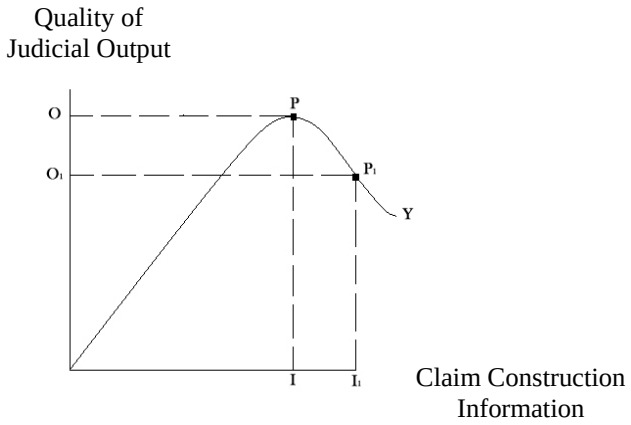
[115] The graphs that follow in Figures A-C are derived from the graphs set out in Brunet, *supra* note 113, at 710-720.

economies of scale in the production of products, including accurate decisions by judges. There will often be situations in which a trial judge (or the Federal Circuit) feels that more evidence is needed in order to rule accurately on claim construction.[116] In such a circumstance the court is not ready to construe a claim and additional discovery seems advisable.

Of course, not all evidence presented to the trial court regarding claim construction will be useful or helpful to reaching an accurate decision. The district judge will sometimes be wise to refuse admission of claim construction evidence or deny party efforts to add to the existing quantum of claim construction discovery data. The continual rise in line *Y* above is not realistic because some information presented to the court will be useless or confusing. In addition, the delay in reaching a conclusion on claim construction may have a cost because a clear, certain construction of the claim can enhance settlement possibilities and also reduce the complexity of a lawsuit. In other words, there will be changes in the slope of line *Y* that will cause it to fall, symbolizing a decline in judicial output, as the amount of information regarding claim interpretation increases. This problem is shown graphically by Figure B.

FIGURE B

Output From Claim Construction Data Beyond Optimality



As line *Y* rises and goes to the right, the quality of the court's claim construction decisions continues to improve with the addition of greater amounts of information relating to the claim. However, as the trial judge tries to assimilate greater amounts of information beyond point *P*, the quality of the court's decisions begins to decrease. At point P_1 the court has allowed

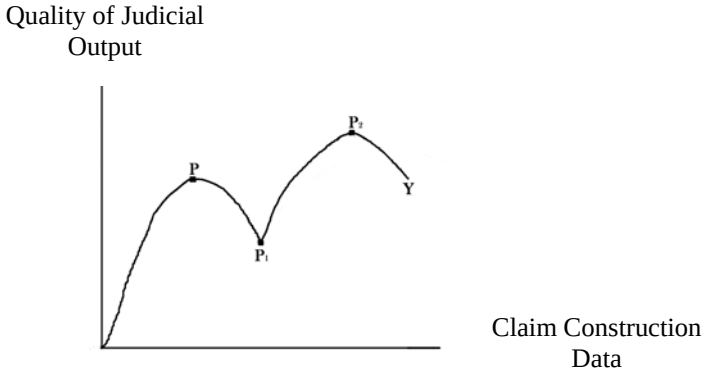
[116] *See, e.g.*, Apex, Inc. v. Raritan Computer, Inc., 325 F.3d 1364, 1375 (Fed. Cir. 2003) (vacating and remanding claim construction on terms "circuit," interface," and "unit"; reasoning that the "record is underdeveloped as to the ordinary meaning" of these terms and characterizing the *Markman* hearing record as "limited").

additional data, I_1 units, but has less to show for it in terms of a quality judicial decision. The quality of judicial output has fallen from *O* to O_1. It would have been optimal for the court to deny reconsideration of the claim construction issue at any time after point *P*. Similarly, the court should deny claim construction discovery efforts after point *P* because their impact would be counterproductive to judicial output, an accurate decision on claim construction. Expressed in the perspective of the Federal Circuit, a claim construction at point P is most likely to be affirmed.

There will be situations, however, where novel or new information, particularly useful to claim construction, emerges later in discovery. This dynamic occurrence might develop after a district judge has decided that the costs of new information greatly exceed the benefits of new claim construction information. In other words, there will be changing circumstances where judicial output might increase following a judicial ruling refusing to admit new claim construction evidence on grounds that the district court's output had already peaked. This fact situation could arise when a court is asked to reassess a claim construction rendered previously in a case. This situation is illustrated by Figure C.

FIGURE C

Reassessing Claim Construction Following An Earlier Refusal to Consider New Evidence



In Figure *C*, line Y first rises to point P, then falls to its nadir at point P_1, but then rises to point P_2. In this situation, a court should be willing to admit claim construction evidence at point P_2 because the quality of judicial decision-making, accurate outcomes, is increasing and exceeds point *P*. Some trial court willingness to reassess claim construction seems appropriate in this context.

The value of these graphs and accompanying insights, of course, is purely heuristic. Figures A, B, and C illustrate the changing, dynamic nature of the costs and benefits of claim construction evidence and discovery. The court and parties will not be likely to know when point *P*, P_1, or P_2 is reached or when the optimal amount of claim construction evidence is discovered and presented

to the trial court. The court might also be uncertain of the true costs of allowing additional discovery because the costs of delaying a claim construction are difficult to predict. Yet, the graphs aid our understanding that there is some point during patent litigation discovery where the overall cost of discovery exceeds its benefits. Equipping the district judge with a healthy dose of judicial discretion should advance the court's ability to save resources and reach accurate decisions relating to the claim construction issue and the quantum of discovery leading to a decision interpreting the claim. Without a grant of trial court discretion to weigh considerations as to the optimal timing of a claim construction ruling, the district judge would have her hands tied inefficiently by a rigid rule that forced consideration of claim construction at a preordained point in the case.

A judge who chose to delay the claim construction hearing until the trial itself would likely reduce judicial output substantially. While my primary thesis is to adopt a flexible norm of discretion on the timing and nature of the *Markman* hearing, I urge an outright ban on the practice of delaying claim construction until trial, or, put differently, of consolidating the claim construction trial with the remainder of the patent issues to be tried. The delay costs of this course of action are so likely to be substantial that an outright prohibition of the practice seems justified.[117] There is a point where the benefits of a perfectly accurate claim construction are considerably less than its costs. The delay until trial practice represents that point.

V. CONCLUSION

Markman hearings take many forms. The nature of a claim construction hearing may involve the submission and judicial consideration of only intrinsic evidence in written form. *Markman* hearings may feature limited live evidence with oral testimony and cross-examination of lay witnesses. They may be live mini-trials with a full panoply of live witnesses, including experts. They may involve a few hours or, in contrast, a few days of live testimony. Claim construction hearings, in form, vary greatly.

The timing of claim construction also varies considerably. While a few judges boldly construe claims with little prior discovery, most courts prefer to consider this matter after most or all discovery. The majority of courts seem to prefer to rule on Rule 56 motions after the receipt of *Markman* hearing evidence. This process has the claim construction hearing set up as the "closer" device of summary judgment.

In this respect claim construction hearings and summary judgment work in tandem. This should come as no surprise, because summary judgment and

[117] In theory, there might be a case where the value of delaying a claim construction until trial exceeds its costs. In practice, it is difficult to imagine such a situation. There are times where the value of a broad rule that prohibits a practice is so great that the rule is justifiable even if it could conceivably ban efficient conduct. *See, e.g.*, United States v. Container Corp. of Am., 393 U.S. 333, 341 (1969) (Marshall, J., dissenting) (noting that "[*p*]*er se* rules always contain a degree of arbitrariness [because] [t]hey are justified on the assumption that the gains from imposition of the rule will far outweigh the losses and that significant administrative advantages will result").

Markman procedures share many common traits. Both summary judgment and the *Markman* hearing process are subspecies of bifurcation, raise coordination questions with ongoing discovery, are capable of incorporating live or written testimony, and work to arrive at "judgments as a matter of law." Each device involves giant grants of district court discretion regarding timing.

The primary conclusion of this Article is that criticisms of the ambiguities of the *Markman* process appear overblown in light of the teachings of summary judgment. I applaud the discretion inherent in the present claim construction process, which I perceive as a virtue. I defend the Federal Circuit and Judge Keeton's discretionary vision of claim construction hearings set forth in the *Vivid Technologies* litigation, which leaves it to the district judge to time and shape the *Markman* decisional process. I criticize those who would prefer to erect a wooden, fixed time to hold a *Markman* hearing. The analogous law of summary judgment is full of ambiguities, such as when the motion is heard and decided and the nature of the summary judgment evidence itself. The law of bifurcation is almost wholly discretionary with the district court holding all the power as to whether to sever a case into one or more parts. These devices share many traits with the claim construction process set forth by the *Markman* decision. Accordingly, we should not be surprised that the Federal Circuit has chosen to retain useful judicial discretion in the claim construction process. The uncertainty of the *Markman* process permits it to operate efficiently and according to the strengths and weaknesses of each district judge. Trial judges need discretion to manage unique, complex cases. This should be as true for patent cases as it is for other types of paradigmatic "big case" litigation.

Flexibility is the key to optimal timing of claim construction. While I fear the practice of permitting the trial judge to delay claim construction until trial itself, I oppose a cookbook-type rule which would set the *Markman* hearing at a fixed point in the litigation chronology. Informed discretion exercised by the trial judge, normally the complete master of matters relating to trial administration and timing, should yield the right time to construe claims.