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**TEVA V. SANDOZ: IDENTIFYING YOUR PERSON OF ORDINARY SKILL
IN THE ART; PROCEED WITH CARE**

In *Teva v. Sandoz*, the main issue related to the proper standard of appellate review to be utilized by the Court of Appeals for the Federal Circuit ("Federal Circuit") when reviewing a claim construction ruling. As we know, the scope of a patent is defined by its claims. The meaning of terms in the claims is a question of law, and therefore, conclusions relating to the scope of claims are reviewed *de novo*, meaning that the Federal Circuit will give little deference to the lower court's findings. However, according to the Supreme Court in *Teva*, the District Court made a factual determination during the Markman hearing (favoring one expert's conclusion over another) that was dispositive on whether certain claims were definite (sufficiently clear enough to understand their scope). On appeal, the Federal Circuit did not afford deference to the District court's finding of fact, i.e., it reviewed the case *de novo* and made its own definiteness determination. The Supreme Court found that standard of review applied by the Federal Court to be in error. Because the District Court's determination as to the credibility of an expert was a determination of fact, the Supreme Court held that the Federal Circuit should have reviewed that factual finding using the deferential "clearly erroneous" standard. In our view, this holding raises concern for IP lawyers as it requires the Federal Court to apply a highly deferential standard to certain determinations made during the claim construction process that it deems to be a factual versus legal.

As a result, we believe the Federal Circuit will be constrained to review claim construction rulings and parse the District Court's determination to identify questions of law and questions of fact in order to decide which standard of review it must employ. Those determinations will likely overlap with whether the evidence considered by the District Court was intrinsic (e.g., specification, claims, file wrapper) or extrinsic (e.g., dictionary, expert report, etc.).

As many issues in the *Markman* (claim construction) hearing include experts and other information which are inherently factual, preparation for the Markman hearing has now become even more crucial. This is particularly true with regard to the identification of a Person of Ordinary Skill in the Art ("POSA"). The identification of such a person is vital in a patent dispute because the definition of claim terms, and questions of patentability, like obviousness and definiteness, are understood with



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reference to the POSA; meaning that the definition of a POSA is inextricably intertwined with the claim construction process. As a result, during patent prosecution, it is essential to continue to avoid limiting the identification of the POSA so that more options are available if the patent is ever the subject of litigation. During the claim construction process, it is essential to zealously argue your identification of the POSA because the District Court's ruling on this issue will likely be given substantial deference and will only be overturned if the Federal Circuit finds that the District Court's determination related to POSA was clearly erroneous, an extremely deferential standard. As the identification of the POSA is rarely found in the intrinsic evidence, the decision will frequently be based on facts including expert testimony. Therefore, proper preparation and diligence is necessary when identifying the POSA, as a party will essentially have only one opportunity to prove its position regarding the identification of the POSA.

As the Supreme Court has held, factual determinations made by the District Court, e.g., the identity of a POSA, must be an afforded substantial deference by the Federal Circuit and likely will not be overturned unless the Federal Circuit found the District Court's determination related to the identification of the POSA was clearly erroneous. If you have any questions or comments with regard to this alert or with respect to your patent practice, please contact us.



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