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AMERICAN BAR ASSOCIATION

July 2, 2018

Via email: PTABNPR2018@uspto.gov

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Attn: Vice Chief Administrative Patent Judges Michael Tierney or Jacqueline Wright Bonilla, PTAB Notice of Proposed Rulemaking 2018

Re: Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board

I write on behalf of the American Bar Association Section of Intellectual Property Law (“Section”) to respond to the United States Patent and Trademark Office (“USPTO”) invitation for comments on its Notice of Proposed Rulemaking regarding *Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board*, published at 83 Fed. Reg. 21221 (PTO-P-2018-0036, May 9, 2018). The views expressed herein have not been approved by the House of Delegates or the Board of Governors of the American Bar Association and, accordingly, should not be construed as representing the policy of the ABA.

The Section thanks the USPTO and Director Iancu for this opportunity to comment on the proposal to change the claim construction standard used by the Patent Trial and Appeal Board (“PTAB”). The Section applauds the Director’s efforts to improve the public’s perception of the America Invents Act (“AIA”) trial procedures. The Section looks forward to continuing to work with the USPTO on future reforms to AIA trials.

The USPTO has proposed to change the claim construction standard for AIA trials, which are conducted directly before the PTAB, *i.e.*, *inter partes* review (IPR), post-grant review (PGR) and covered business method patents (CBM) from broadest reasonable interpretation (BRI) to the standard applied in civil actions and in proceedings before the International Trade Commission (the ITC), *i.e.*, the standard outlined in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (*en banc*). As proposed, the standard would apply to all current and future AIA trial proceedings pending before the PTAB. The Section Supports Applying the *Phillips* Standard in AIA trials.

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The Section supports the proposed rule change for the PTAB to apply the same claim construction standard applied by district courts when determining the patentability of issued claims. This is also the same standard the PTAB currently applies to patents that have expired or will soon expire. Utilizing the *Phillips* standard in AIA trials should lead to greater conformity in claim construction rulings between the PTAB, the district courts and the ITC, and should reduce the risk of inconsistent patentability/validity determinations, especially in parallel proceedings.

One of the original purposes of AIA trial proceedings was to provide a more cost-effective alternative to validity challenges in district courts. AIA trial proceedings also were intended to afford patent owners an opportunity to amend challenged claims, which was one of the original reasons for use of the BRI standard. In application, the original rules promulgated by the USPTO have applied a BRI standard without a presumption of validity, and motions to amend have been largely futile. At the same time, patent claims have been construed more narrowly for infringement purposes in district court, but under a slightly broader BRI standard for patentability purposes before the PTAB. The results have been inconsistent and unpredictable.

Applying the same claim construction standard before the PTAB as the standard used in district courts and by the ITC should help to level the playing field for all parties involved and may lead to more predictability and consistency. It should also help to keep parties in check from taking inconsistent positions in different fora. The PTAB already has experience applying the *Phillips* standard, the standard is not new, and caselaw is well-developed.

To the extent amended claims are permitted in a particular PTAB proceeding, it is highly unlikely that new terminology not subject to the *Phillips* standard could be introduced in such claims because those claims must be based on the existing specification and will be subject to the patent's prosecution history. The application of the *Phillips* standard for both original and amended claims avoids the potential of added complexity and inconsistencies between PTAB and district court proceedings. Additionally, consistent claim construction standards in the PTAB and the district courts provide greater certainty and predictability about the scope of a patent right for the benefit of both patent owners and alleged infringers alike, and it avoids the risk of differing opinions on the same patent at the United States Court of Appeals for the Federal Circuit upon parallel appeals of PTAB and district court decisions.

The USPTO proposes the following rule change defining the claim construction standard used in AIA trials:

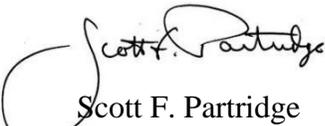
Sections 42.100, 42.200, and 42.300: Each of §§ 42.100(b), 42.200(b), and 42.300(b) is proposed to be amended to replace the first sentence with the following: a claim of a patent, or a claim proposed in a motion to amend, “shall be construed using the same claim construction standard that would be used to construe such claim in a civil action to invalidate a patent under 35 U.S.C. 282(b), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.”

(Emphasis added).¹ The Section recommends deleting the underlined portions to eliminate any possible argument that the standard that the USPTO proposes differs in any way from the standard used in a civil action to invalidate or determine infringement of a patent under 35 U.S.C. § 282(b). This revision will make clear that the USPTO will apply the same standard as district courts.

The Section recommends that with respect to applying the new standard to pending proceedings, the Office should give due consideration to rolling out the standard in a manner that is fair to all parties and the Board. For example, the Office should consider providing parties with the opportunity to file supplemental briefs or information directed to the impact of the revised claim construction standard in appropriate cases.² In addition, the time for issuing final written decisions should be extended, where appropriate, to accommodate any additional briefing, discovery or hearings.

The Section continues to appreciate the USPTO's outreach for stakeholder feedback and the opportunities to provide such feedback. The Section understands that the USPTO is considering additional reforms to AIA trials and welcomes more opportunities to provide feedback on such reforms. Additional reforms to consider include whether to unify the claim construction standard used for all post-grant proceedings, including reissue and reexamination. The Section would be happy to provide comments on such reform proposals.

Very truly yours,



Scott F. Partridge

Scott F. Partridge
Chair, ABA Section of Intellectual Property Law

¹ “Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board,” 83 FR 21221, 21224 (May 9, 2018).

² In applying this new standard to pending cases, the USPTO will need to be mindful of *Bowen v. Georgetown University Hospital*, 488 U.S. 204 (1988) (“statutory grant of legislative rulemaking authority will not, as a general matter, be understood to encompass the power to promulgate retroactive rules unless that power is conveyed by Congress in express terms”), when considering requests from parties for retaining the BRI standard for their individual cases because of exceptional or special circumstances.