



July 9, 2018

**Via email: [PTABNPR2018@uspto.gov](mailto:PTABNPR2018@uspto.gov)**

The Honorable Andrei Iancu  
Under Secretary of Commerce for Intellectual Property and  
Director of the United States Patent and Trademark Office  
Alexandria, Virginia

**Re: PTO-P-2018-0036**

Dear Under Secretary Iancu:

I am the General Counsel & Corporate Secretary of Adaptive Spectrum and Signal Alignment, Incorporated (“ASSIA”), based in Redwood City, California. ASSIA owns or controls nearly 500 patents and patent applications worldwide and is a market-leading supplier of broadband and cloud-based wi-fi management software to broadband service providers worldwide. We thank the USPTO for the opportunity to provide comments on the Office’s proposed Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board, published in 83 Fed. Reg. 21221 (May 9, 2018).

Innovative companies like ASSIA depend on the reliability and predictability of the U.S. patent system to guide their investment in and enforcement of their intellectual property, which are among their most valuable assets. If the interpretation of a patent claim varies depending on where the patent is challenged, as is the case now, it necessarily encourages forum shopping by implementers of patented technology. Despite Congress’s stated intent for Patent Trials and Appeals Board (“PTAB”) trial proceedings to “limit unnecessary and counterproductive litigation costs,”<sup>1</sup> the divergent claim construction standards in PTAB and court trials encourages forum shopping and parallel proceedings, typically increasing effort and expense for both patent owners and accused infringers. This is evident from the fact that nearly 90% of *inter partes* review (“IPR”) or covered business method (“CBM”) challenged patents are also being litigated in the federal courts.<sup>2</sup> Serial IPR proceedings filed by accused infringers or third parties exacerbates the problem, increasing total cost of the system. We believe, as do others, that this inconsistency, uncertainty, and inefficiency in patent opposition procedures underlies in part the drop in the international ranking of the U.S. Patent System from #1 in 2016 to #12 in 2018.<sup>3</sup>

Thus, ASSIA fully supports the USPTO’s proposed change to the claim construction standard used in PTAB trial proceedings from broadest reasonable interpretation (“BRI”) to that same *Phillips*<sup>4</sup> standard

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<sup>1</sup> H.R. Rep. No. 112-98, at 40 (2011).

<sup>2</sup> Saurabh Vishnubhakat, Arti K. Rai, Jay P. Kesan, *Strategic Decision Making in Dual PTAB and District Court Proceedings*, 31 Berkeley Tech. L.J. 45, 69 (2016).

<sup>3</sup> *Compare Create*, U.S. Chamber of Commerce International IP Index (6<sup>th</sup> ed. Feb, 2018), available at [http://globalipcenter.wpengine.com/wp-content/uploads/2018/02/GIPC\\_IP\\_Index\\_2018.pdf](http://globalipcenter.wpengine.com/wp-content/uploads/2018/02/GIPC_IP_Index_2018.pdf), and *Infinite Possibilities*, U.S. Chamber of Commerce International IP Index (4<sup>th</sup> ed. Feb, 2016), available at [http://globalipcenter.wpengine.com/wp-content/uploads/2017/04/GIPC\\_Index\\_Report\\_2016.pdf](http://globalipcenter.wpengine.com/wp-content/uploads/2017/04/GIPC_Index_Report_2016.pdf).

<sup>4</sup> *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (*en banc*).

used by federal district courts and International Trade Commission. While we understand that there is some opposition to the proposed rule change, no one is questioning the USPTO's authority to make the rule. 35 U.S.C. section 316 ("The Director shall prescribe regulations— ... "(4) establishing and governing inter partes review under this chapter and the relationship of such review to other proceedings under this title"). As the Supreme Court has stated regarding the claim construction standard in PTAB trial proceedings, "[t]he Patent Office is legally free to accept or reject ... policy arguments on the basis of its own reasoned analysis. ... [W]e do not decide whether there is a better alternative as a policy matter. That is a question that Congress left to the particular expertise of the Patent Office."<sup>5</sup> ASSIA applauds the USPTO's exercise of its expertise in proposing these changes and agrees that adopting the same standard will improve consistency and predictability across different fora in which patent validity may be challenged.

To the extent that some argue that the rule change undermines Congress's intent in enacting the America Invents Act ("AIA"), the legislative history indicates that Congress intended to convert "*inter partes* reexamination from an examinational to an adjudicative proceeding,"<sup>6</sup> similar to a federal district court adjudication. Furthermore, the differences between the newly created PTAB patent trial proceedings and the existing *ex parte* reexamination procedure accentuate the propriety and reasonableness of the proposed rule change. *Ex parte* reexamination uses BRI but is very different from the AIA patent trial proceedings. The enacting legislation for *ex parte* reexamination expressly states that "reexamination will be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133 of this title." 35 U.S.C. § 305 (emphasis added). Based on this language and the fact that *ex parte* reexamination applied only to a "substantial new question of patentability" 35 U.S.C. § 305 (emphasis added), the Federal Circuit concluded that 35 U.S.C. § 282's presumption of validity did not apply to reexamination proceedings. This contrasts sharply with the statutory basis for the AIA patent opposition procedures, which lack any language indicating an intent to apply "initial examination" procedures. The enacting legislation for PTAB trial proceedings requires only a "reasonable likelihood of success" or "more likely than not" unpatentability, allowing institution based on previously reviewed prior art. 35 U.S.C. § 314, 324. Therefore, it is clear that Congress intended PTAB trial proceedings to be analogous to federal district court adjudication of validity, which uses the *Phillips* standard and carries with it a presumption of validity.

The USPTO's proposed changes will also bring the claim construction standard used in PTAB trial proceedings closer to that used in European patent opposition proceedings, the equivalent of post-grant proceedings. In Europe, "the standard for claim construction in European opposition proceedings parallels the standard used in European courts, so claim construction of a European patent is less likely to turn on forum than in the United States."<sup>7</sup> In addition, the European claim construction standard resembles the plain and ordinary meaning standard used by U.S. courts.<sup>8</sup> ASSIA believes that bridging this gap with our global competitors will better protect American innovators and maintain the United States' position as the world's most innovative country.

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<sup>5</sup> *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2146 (2016).

<sup>6</sup> H.R. Rep. No. 112-98, at 46 (2011).

<sup>7</sup> Jennifer Turchyn, *Improving Patent Quality Through Post-Grant Claim Amendments: A Comparison of European Opposition Proceedings and U.S. Post-Grant Proceedings*, 114 Mich. L. Rev. 1497, 1514 (2016).

<sup>8</sup> *Id.*

Below, ASSIA offers three specific recommendations related to implementation of these proposed changes for the USPTO's consideration for inclusion in the final rules:

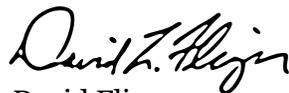
**First**, to ensure consistency of claim construction in different proceedings, the final rules should include a disclosure requirement such that parties in a PTAB trial proceeding must disclose to the PTAB: (1) any claim construction order related to the same patents or related patents<sup>9</sup> issued by a federal district court, appellate court, International Trade Commission (ITC), and (2) any claim constructions of the same patents or related patents the parties or their privies have offered in any federal district court, appellate court, or ITC proceedings.

**Second**, if a federal court or the ITC has already construed the claims of the same patents or related patents before the PTAB does, the PTAB should be required to expressly consider such claim constructions and remain consistent with them to absent a compelling justification. Because the claims will have been construed under the same *Phillips* standard, existing claim construction by a federal court or the ITC should at least be persuasive to the PTAB in construing the claims.

**Third**, during the transition period, the USPTO should promulgate additional guidance and training on the differences between the BRI standard and the *Phillips* standard to assist patent practitioners and PTAB judges in applying the *Phillips* standard in future PTAB trial proceedings. Such guidance and training should address rules of claim interpretation typically used by federal courts and the ITC when applying the *Phillips* standard.

In conclusion, ASSIA welcomes the USPTO's proposed changes to the claim construction standard used in PTAB trial proceedings. ASSIA believes that these proposed changes will bring much-needed consistency between federal court and PTAB trial proceedings as well as between domestic and international patent enforcement and opposition.

Very truly yours,



David Fligor  
General Counsel and Corporate Secretary  
Adaptive Spectrum and Signal Alignment, Incorporated

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<sup>9</sup> By related patents, we mean patents sharing the same specification or having substantially the same specification.