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United States Patent and Trademark Office
600 Dulany Street
P.O. Box 1450
Alexandria, VA 22313

RE: Docket No. PTO-P-2018-0036

To Whom It May Concern:

Eagle Forum Education and Legal Defense Fund, a nonprofit organization founded by Phyllis Schlafly¹ in 1981, supports the proposed changes in the Notice of Proposed Rulemaking PTO-P-2018-0036. This proposal would replace “broadest reasonable interpretation” (BRI) for patent claim construction in post-grant proceedings with the *Phillips* standard, which is the standard that federal courts apply in patent validity determinations.

Given that a patent secures property rights, it is important that heightened care be taken, by federal courts and by the U.S. Patent and Trademark Office (PTO), when assessing after-the-fact whether a patent is valid or not. This NPRM moves in the right direction by changing the claim construction standard the Patent Trial and Appeals Board (PTAB) uses when determining patent validity.

PTO’s stated goal of “implement[ing] a fair and balanced approach, providing greater predictability and certainty in the patent system,” is meritorious and deserves adoption. The proposal here follows through on pursuing that goal.

We urge PTO to adopt the proposed changes made by this NPRM. Our support is based upon the *Phillips* standard being more appropriate in post-grant proceedings and on the inordinately more severe invalidations issuing from PTAB. These reasons are discussed below.

Appropriate Claim Construction Standard Depends on the Stage

We strongly support the use of the *Phillips* standard in all post-grant proceedings at the PTAB, instead of the BRI standard. This would be the more appropriate standard to apply once an invention or discovery has undergone examination and a patent has been granted.

During patent examination, broadly interpreting the construction of patent claims is reasonable and appropriate. Broadest reasonable interpretation during examination and comparing such claim construction to prior art yield a solid foundation for ascertaining that the invention meets the criteria for patentability of novelty, usefulness, and non-obviousness.

¹ Phyllis Schlafly was an outspoken advocate of the rights of inventors, emphasizing the importance of those traditional rights to our national prosperity and security. She wrote often about this topic.

Essentially, BRI at patent examination enables determining the metes and bounds of the newly created property. This standard at this stage helps ensure patent quality.

After examination and issuance of a patent, however, certain rights of exclusivity to the invention or discovery are secured. This heightens the level of deference — or honors the statutory presumption of validity — due to an issued patent. Because a patent’s validity may be challenged in either federal court, PTAB, or both implies that any future reexamination of a patent must ascertain what the state of the art in the patented invention was at the time of issuance, not what the state of the art has advanced to by some future date. The application of BRI months or years after the patent was granted is fundamentally unfair and inappropriate. Title 35 of the U.S. Code contains a presumption of patent validity for a reason.

Under *Phillips v. AWH Corp.*, “words of a claim are generally given their ordinary and customary meaning, . . . the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application.”² Further, the purpose of patent claim construction during validity challenges is to “seek out the correct construction — the construction that most accurately delineates the scope of the claim invention.”³

Plainly, an invention’s characteristics as reduced to practice at the time its patent issues is intended to facilitate the progress of the state of the art during the term of the patent, not to be used against the same patent later for its invalidation. The appropriate claim construction at that future date should be what the words meant when the patent was applied for.

Further, that federal courts and the International Trade Commission (ITC) construe patent claims in validity challenges using the *Phillips* standard leaves PTAB as the outlier and the source of unreasonably high patent invalidation rates by comparison.

Therefore, to promote fairness, balance, predictability, and certainty in the patent system, all fora in which patent validity is challenged should use the same claim construction standard, and the only appropriate standard to use is the *Phillips* standard.

Different Outcomes in Judicial and PTAB Reviews

The uncertainty and unreliability caused by PTAB’s exceedingly high rate of patent invalidation, especially when compared with the invalidations rendered by Article III courts, stems from a number of troubling procedural and related factors, including the respective use of BRI versus *Phillips* standards in claim construction. Such inconsistency could be expected to be mitigated by use of a uniform standard.

² 415 F.3d 1303, 1312-13 (Fed. Cir. 2005) (inner quotations omitted).

³ *PPC Broadband, Inc. v. Corning Optical Communs. RF, LLC*, 815 F.3d 734, 740 (Fed. Cir. 2016).

As the NPRM notes, the vast majority of patents face validity challenges brought before both PTAB and federal court. A uniform claim construction standard should be used in each venue. As discussed above, the appropriate claim construction standard in patent validity claims, regardless of venue, is the *Phillips* standard. Therefore, the proposed change in PTAB’s claim construction standard merits adoption. This change as proposed would advance certainty, predictability, and judicial efficiency.

The present difference in patent invalidation rates between Article III courts and PTAB — about 30 percent of patent claims in federal court⁴ and 65 percent of all the claims of a challenged patent and 17 percent of some claims invalidated by PTAB⁵ — calls into question the use of BRI at PTAB, suggesting that PTAB’s standard is unreasonable.

In addition, by the beginning of 2018, PTAB had invalidated 58 patents on the same statutory grounds as a federal court had considered and upheld the same patents as valid.⁶ The authors who reported this astounding statistical fact observed that “the claim that district courts and the PTAB reach the same conclusions when you focus only on [Section] 102 and 103 grounds is so grossly exaggerated as to be literally false.”⁷ This figure epitomizes the crying need to reform PTAB, starting with replacing BRI claim construction with the *Phillips* standard.

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Eagle Forum Education and Legal Defense Fund supports the proposed reforms in PTAB’s claim construction standard because this change would begin to introduce fairness, balance, predictability, and certainty into PTAB’s to-date unfair, imbalanced, and predictably anti-patent operations. Thank you for your consideration of these comments.

Respectfully submitted,

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⁴ John R. Allison, et al., “Understanding the Realities of Modern Patent Litigation,” 92 Tex. L. Rev. 1769, 1787 (2014).

⁵ U.S. Patent & Trademark Office, Inter Partes Reexamination Filing Data, 2012-2017.

⁶ Steve Brachmann and Gene Quinn, “58 Patents Upheld in District Court Invalidated by PTAB on Same Grounds,” IPWatchdog, January 8, 2018.

<http://www.ipwatchdog.com/2018/01/08/58-patents-upheld-district-court-invalidated-ptab/id=91902/> (viewed 7/8/18).

⁷ *Id.*