



3 July 2018

Vice Chief Administrative Patent Judges Michael Tierney
and Jacqueline Wright Bonilla
Mail Stop Patent Board
Director of the U.S. Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Via email: PTABNPR2018@uspto.gov

Re: PTAB Notice of Proposed Rulemaking 2018

Dear Vice Chief Judges:

Intellectual Property Owners Association (IPO) appreciates the opportunity to respond to the USPTO's request for comments, published on 9 May 2018 in the *Federal Register*, concerning proposed rule changes to 37 C.F.R § 42 for claim construction in inter partes review (IPR), covered business method (CBM) review, and post grant review (PGR). We generally support the rule change and include comments below.

IPO is an international trade association representing companies and individuals in all industries and fields of technology who own, or are interested in, intellectual property rights. IPO's membership includes about 200 companies and more than 12,000 individuals who are involved in the association either through their companies or as inventor, author, law firm, or attorney members. IPO membership spans over 30 countries. IPO advocates for effective and affordable IP ownership rights and offers a wide array of services, including supporting member interests relating to legislative and international issues; analyzing current IP issues; providing information and educational services; and disseminating information to the public on the importance of IP rights.

In 2013 and 2014, the IPO Board of Directors adopted two resolutions supporting the use of the claim construction standard under *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc) in IPR, PGR, and CBM proceedings before the Patent Trial and Appeal Board (PTAB) instead of the broadest reasonable interpretation (BRI) standard applied by the USPTO in original examinations. We support the USPTO's proposed rules changes to require the PTAB to apply the same claim construction standard in IPR, PGR, and CBM proceedings as applied in civil proceedings before federal courts. The claim construction standard applied in civil actions is the more appropriate standard for IPR, PGR, and CBM proceedings because Congress intended these proceedings to function as an alternative to federal court litigation. Employing the same standard in IPR, PGR, and CBM proceedings and federal court proceedings reduces the possibility of inconsistent claim construction determinations by the PTAB and federal courts, increases the predictability of patent validity disputes, and promotes confidence in the patent system. We understand that the proposed rules are not intended to change the PTAB's current practice of applying the BRI standard in ex parte appeals of rejections in pending patent applications, reissues, or reexaminations.

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We support requiring PTAB to construe the patent claims in IPR, PGR, and CBM proceedings in accordance with *Phillips*. The PTAB should construe claim terms in accordance with their ordinary and customary meaning, or “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,” *Phillips*, 415 F.3d at 1315, unless the patentee has acted as his or her own lexicographer or disavowed claim scope, or the claim is drafted in means-plus-function format under 35 U.S.C. § 112(f). We understand that the use of the phrase “including the prosecution history pertaining to the patent” in the proposed rules is exemplary and is not intended to limit the scope of evidence available for construing claims in IPR, PGR, and CBM proceedings under *Phillips*. We believe that the proposed rules require the PTAB to consider how the patentee used the claim term in context of the entire patent, including the claims, specification, prosecution history, and any pertinent extrinsic evidence in the context of the intrinsic evidence in accordance with *Phillips*. PTAB should also consider how the patentee and USPTO used the claim terms during prosecution and other USPTO proceedings, including reissues, reexaminations, and other IPR, PGR, and CBM proceedings involving the same patent.

PTAB should consider claim construction rulings issued by federal courts and the International Trade Commission (ITC) for purposes of formulating its claim constructions in IPR, PGR, and CBM proceedings. Federal courts and the ITC construe claims by considering briefings, evidence, and arguments submitted by the parties. In some cases, those forums consider live testimony from experts in the relevant art in arriving at their claim construction rulings. Accordingly, the PTAB should consider those prior claim construction rulings and defer to those rulings, as appropriate, including considering the doctrine of collateral estoppel. Where the PTAB departs from a prior claim construction ruling under *Phillips*, it should explain in writing the reasons why it reached a different claim construction in the IPR, PGR, or CBM proceeding under the same *Phillips* standard.

In terms of implementing the rule, the *Phillips* claim construction standard should apply to all IPR, PGR, and CBM proceedings over which the PTAB maintains jurisdiction, upon the effective date of the new rule, subject to its authority to do so. PTAB should also provide parties with the opportunity to file briefs directed to the impact of the change in the claim construction standard in those proceedings, if requested. The time for issuing final written decisions should be extended, as appropriate, to accommodate consideration of the impact of the rule changes on the proceedings.

We again thank the USPTO for permitting IPO to provide comments and would welcome any further dialogue or opportunity to provide additional information.

Sincerely,



Henry Hadad
President

INTELLECTUAL PROPERTY OWNERS ASSOCIATION