

**DEPARTMENT OF COMMERCE
Patent and Trademark Office
37 CFR Part 42
Docket No. PTO-P-2018-0036**

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

Agencies: Patent and Trademark Office

Comments Close: 07/09/2018

**Association Submitting: Japan Business Machine and Information System Industries
Association (JBMIA)**

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DESCRIPTION OF JBMIA

Japan Business Machine and Information System Industries Association (JBMIA) is the industry organization which aims to contribute the development of the Japanese economy and the improvement of the office environment through the comprehensive development of the Japanese business machine and information system industries and rationalization thereof.

<http://www.jbmia.or.jp/english/index.php>

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SUMMARY OF SUBMITTED COMMENTS

We disagree with the Office's proposed change to the claim construction standard for the reasons set forth below. We believe the Office should maintain the BRI standard for interpreting claims in the AIA trial proceedings including IPR, PGR, and CBM, etc. and thus, we, JBMIA, request a withdrawal of the proposed change.

REASONS OF REQUEST

1. Consistency in claim construction with single administrative agency

Reconsidering granted patents by administrative agency is the original purpose for the AIA trials such as IPR. In particular, if patent examination had a defect and patent was wrongly granted on the claimed invention, the defect can be corrected even after the patent grant by these trials. If the claim construction standard is replaced with the Phillips standard as in the Office's proposed change, single administrative agency including USPTO and PTAB will have double standard using different standards in claim construction in patent examination and trial proceedings. In the light of the original purpose of reconsideration of granted patents, and of the fact that the same agency handles both patent examination and trial proceedings, the claim construction standard applied in the trials should be the same approach applied in the patent examination, i.e. the BRI standard. In addition, considering the fact that the BRI standard is used in re-examination long-established as an approach to reexamine granted patents and reissue examination, we believe it will be unreasonable and break uniformity to use different claim construction standard on the same patent when the patent is re-examined both in re-examination (or reissue examination) and IPR (or PGR).

2. Opportunity of claim amendment

Patentees are permitted to amend claims in IPR as well as in patent examination. On the other hand, claim amendment is not allowed in a challenge to the validity of the patent during litigation in the courts. The IPR can make the claim scope clearer by limiting improperly broadened scope to proper scope using the BRI standard. With the proper claim scope made by amendment, since claims can be construed in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art, it can match with the Phillips standard used in the courts. On the contrary, if the Phillips standard is applied in IPR, since claims will be construed with no amendment in accordance with the ordinary and customary meaning of specification, IPR will help produce patents having elusive claim scope, for example, patents having broad claim language, but its claim scope to be limited by claim

construction, and vice versa. Since the patents have public right aspect, it is ideal that claim scope can be clearly understood by reading the claim language itself.

3. IPR for operating companies

Unreasonable patent enforcement by Non-Practicing Entities (NPEs) has been a huge issue for operating companies. In many of such enforcement, NPEs use patents with improperly broadened claim scope, and we believe this is caused partly by the Phillips standard used in the courts. Because the courts construe claims in accordance with the ordinary and customary meaning of specification, claim construction remains broad and blurred and therefore, the NPEs can get easy money from operating companies hating risk in exchange for settling the litigation. IPR has been a great tool for the operating companies to counter this by invalidating claims or limiting the claim scope of patents with improperly broadened scope, using the BRI standard. Changing the claim construction standard applied in IPR to the Phillips standard will lead to significantly decrease the value of IPR for operating companies.

FURTHER DETAILS

The Supreme Court of the United States (SCOTUS) set forth in its majority opinion for Oil States case, “Inter partes review is simply a reconsideration of that grant, and Congress has permissibly reserved the PTO’s authority to conduct that reconsideration…” Oil States Energy Services, LLC v. Greene’s Energy Group, LLC, 138 S. Ct. 1365 (2018). This is one of the reasons the SCOTUS concluded it is constitutional. However, if the proposed change in the claim construction standard is enacted, since the standard used in IPR is different from the one used in patent examination, IPR will no longer be considered a reconsideration of grant and it will be inconsistent with the SCOTUS decision. This proposed change could lead to an impairment in constitutionality of IPR proceeding.

In addition, the SCOTUS unanimously ruled in its Cuozzo case that it affirms CAFC’s decision to apply the BRI standard in IPR. Cuozzo Speed Technologies, LLC v. Lee, 136 S. Ct. 2131 (2016).

As explained above, we, JBMIA, hereby demand a withdrawal of the proposed change.