

July 9, 2018

VIA EMAIL ONLY (PTABNPR2018@uspto.gov)
Vice Chief Administrative Patent Judge Jacqueline Wright Bonilla
Vice Chief Administrative Patent Judge Michael Tierney
PTAB Notice of Proposed Rulemaking 2018
Mail Stop Patent Trial and Appeal Board
P.O. Box 1450
Alexandria, VA
22313-1450

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

I. INTRODUCTION

Nokia supports the United States Patent and Trademark Office's ("PTO") proposed rule change to Title 37 of the Code of Federal Regulation, part 42, for claim construction in post-grant proceedings (i.e., *inter partes* review ("IPR"), covered business method ("CBM") review, and post grant review ("PGR")) published on May 9, 2018 in the Federal Register. *See* 83 FR 21221.

II. CORPORATE OVERVIEW

Nokia is a leading innovator in the telecommunications industry. Nokia¹ has cumulatively invested nearly \$140 billion in research and development relating to mobile communications, including over \$5 billion in 2017, and as a result of this commitment, currently owns more than 12,000 issued patents in the United States, and nearly 46,000 worldwide. Nokia was one of the largest manufacturers of wireless handsets for many years, and is currently a global leader in fixed and wireless networks and technology-related services for an internet-protocol connected world. Powered by the research and innovation of Nokia Bell Labs, Nokia serves communications service providers, governments, large enterprises, and consumers, with the industry's most complete, end-to-end portfolio of products, services, and licensing. For example, business units within Nokia continue to develop and license innovations that are powering the next revolution in computing and mobility: the "programmable world" where intelligent connections bring millions of everyday objects online. This work includes a team of experts in areas including digital multimedia, imaging and sensing, wireless connectivity and power

¹ References to Nokia in this section include Nokia Technologies Oy and its parent and affiliates.

July 9, 2018

management, advanced materials, and others. Nokia's Networks business unit is a leader in the development of cellular telecommunications technologies for infrastructure equipment and handsets that employ the latest cellular standards. As a result of its various business segments, Nokia continues to invest heavily in research and development, as well as to expand and license its industry-leading patent portfolio.

III. DISCUSSION

Nokia supports changing the claim construction standard for construing unexpired and proposed amended claims in Patent Trial and Appeal Board ("PTAB") post-grant proceedings from giving claims their broadest reasonable interpretation ("BRI") to construing claims in accordance with the framework laid out in *Phillips v. AWH Corp.* See 415 F.3d 1303, 1313 (Fed. Cir. 2005). Importantly, Nokia believes that harmonization of standards between PTAB post-grant proceedings and federal district courts and International Trade Commission proceedings ("courts") is beneficial because it will tend to promote uniformity and predictability of outcomes, increased judicial efficiency, and will reduce the perception of unfairness in PTAB proceedings.

A. Harmonization of standards

Nokia supports the PTO's proposed rulemaking regarding adoption of the well-developed framework laid out in *Phillips* for all post-grant challenges. One of the primary purposes for post-grant challenges is to have an efficient and streamlined forum that is a fair and balanced alternative to litigation. H.R. REP. NO. 112-98(I), pt. 1, at 40 (2011) ("The legislation is designed to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs."). Synchronization of standards between the PTAB and the courts promotes these originally stated goals in so much as the harmonization of claim construction standards will tend to promote uniformity and predictability of outcomes while eliminating unproductive and costly gamesmanship.

The need for uniformity is illustrated by the fact that about 85 percent of post-grant proceedings involve patents already in litigation and already subject to a construction under the framework laid out in *Phillips*. There is also a need for uniformity in the positions taken by parties on claim construction across the forums so as to reduce the cost of post-grant proceedings and to increase judicial efficiency. That is, having the same standard in each forum will discourage a party from engaging in new briefing in a post-grant proceeding because it is arguing for a broad construction to invalidate a claim before the PTAB and a narrow construction to avoid infringement before the courts. Instead, parties and judges alike will be able to rely on the same briefing and testimony across all forums. Once the standards are aligned and the gamesmanship is eliminated, it should be more likely that the PTAB and the courts will reach consistent conclusions as to the validity of claims.

Having the same standard will also help to eliminate any perception of unfairness at the PTAB. Not only would the PTAB favor a construction that preserves claim validity under *Phillips*, but a construction adopted according to the framework laid out by *Phillips* may result in a construction that is narrower than what it would have been under

July 9, 2018

the broadest reasonable interpretation standard. In such cases, it is believed that the current disparity—where about 42.6 percent of patent claims are found invalid in district courts whereas around 81 percent² of patents are found to have at least one instituted invalid claim in the PTAB—will shrink. See John R. Allison et al., *Our Divided Patent System*, 82 U. CHI. L. REV. 1073 (2015); United States Patent and Trademark Office, *Trial Statistics IPR, PGR, CBM* (May 2018), available at https://www.uspto.gov/sites/default/files/documents/trial_statistics_20180531.pdf.

B. Amendment process

Nokia also recognizes that the application of the framework laid out in *Phillips* should be applied to claims that are amended in a post-grant proceeding. By adopting the same standard for both issued and amended claims, the PTAB allows a party to understand the scope of the claims and more effectively file any motion to amend. A post-grant proceeding differs from an examination in which an applicant is free to amend its claims throughout prosecution so as to achieve the desired claim scope as part of the negotiation with the examiner. That process does not exist currently in post-grant proceedings, as patent owners have only a limited opportunity to file any motion to amend.

In addition, in the current amendment process available at the PTAB, any proposed amendment must not enlarge the scope of the claims, must address patentability challenges made toward the original claims, and is limited in the number of substitute amended claims. These factors further support the application of the framework laid out in *Phillips*.

C. Pending post-grant proceedings

Nokia also believes that the *Phillips* framework should be applied to all pending post-grant proceedings before the PTAB so long as parties are given a full and fair opportunity to address claim construction. As noted above, changing the claim construction standard benefits parties by more efficiently resolving the proceedings, increasing the uniformity between PTAB trials and parallel court cases, and by decreasing the overall cost of litigation. Nokia believes that the benefits of a uniform claim construction standard should be available to all parties to promote fairness and avoid any tactical advantage based on the filing date of a given post-grant proceeding.

D. Prior claim construction

Nokia also agrees with the PTO's proposal that it is proper for the PTAB to "take consideration" of any prior claim construction determination by the courts that is timely made of record. Nokia believes that requiring the PTAB to "take consideration" is the most fair and balanced option as it allows for consistency of proceedings while simultaneously allowing the PTAB to correct erroneous claim construction

² Based on current statistics, in 65 percent of final written decisions, the PTAB finds all instituted claims unpatentable, and in another 16 percent of final written decisions, the PTAB finds some instituted claims unpatentable. United States Patent and Trademark Office, *Trial Statistics IPR, PGR, CBM* (May 2018).

July 9, 2018

determinations when the facts and the law are adequately demonstrated to support such a correction.

IV. CONCLUSION

Nokia applauds the Director and the PTAB for this proposed rulemaking and for taking steps to align post-grant proceeding with the courts so as to provide a more consistent, balanced, and efficient forum. The harmonization of claim construction standards is a step in the right direction. Nokia appreciates the opportunity to comment and looks forward to participating in further reforms in the near future.