

To: Andrei Iancu, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office

From: Joshua Sarnoff, Professor of Law, DePaul University  
Shubha Ghosh, Crandall Melvin Professor of Law, Syracuse University College of Law

Re: Comments on Proposed Rule “Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board”;  
Docket Number PTO-P-2018-0036

Date: July 6, 2018

Dear Director Iancu:

Thank you for the opportunity to comment on the proposed Patent and Trademark Office (PTO) rule to change the post-grant Patent Trial and Appeals Board (PTAB) standards for claim construction from the “broadest reasonable interpretation” (BRI) of the meaning of the claim terms read in light of the specification to the current methodology for claim interpretation used by the courts in construing issued patent claims in infringement actions – the *Phillips* methodology. See 83 Fed. Reg. 21221, 21226 (May 9, 2018) (proposing revisions to 37 C.F.R. §§ 42.100, 42.200, and 42.300). We generally support the idea of a unitary post-grant interpretive standard in the PTO and the courts. However, we do not support the proposed change. We believe that a *non-unitary* approach is preferable to adopting the *wrong* post-grant construction standard in the PTO. However, both a unitary approach and the correct interpretive approach are possible. We therefore encourage you to *seek legislation to require the courts* to adopt BRI for infringement litigation. In contrast to adopting the *Phillips* methodology, adopting BRI in both the courts and the PTO achieves the goal of avoiding inconsistent determinations in different adjudicatory forums while also assuring greater clarity and consistency of interpretation for the public, the PTO, and the courts. Further, any concerns that the PTO may have regarding limited opportunities for amendment in post-grant proceedings or in judicial actions are best addressed by the legislative provisions for post-grant amendments (subject to intervening rights) in reissues and reexaminations. The PTO thus should not proceed to adopt the proposed rule, if it is to achieve the stated goal “to implement a fair and balanced approach, providing greater predictability and certainty in the patent system.” 83 Fed. Reg. at 21223/1.

As discussed in more detail below, the PTO should not follow the courts in adopting the *Phillips* methodology for post-grant claim construction. The *Phillips* approach exacerbates problems with uncertainty and unfairness. This is because: **(a)** the *Phillips* method is conceptually flawed (as well as is contrary to binding Supreme Court infringement precedent) and is subject to much greater subjectivity and uncertainty of application than is the BRI method; **(b)** post-grant administrative review is based on error correction, which should occur under the *same* standards as original prosecution; and **(c)** the *Phillips* method unduly restricts consideration of relevant prior art and thereby provides less assurance that unjustified claims will be revoked. If, however, the PTO does proceed as planned, we strongly encourage revision of the proposed rules to clarify that under the *Phillips* standard the *best* construction of a term may include *plural*

meanings. We thus propose adding an “s” to make this clear: “in accordance with the ordinary and customary meanings of such claim as understood by one of ordinary skill in the art.”

A. The *Phillips* Approach is Flawed, Contrary to Precedent, and Will Further Increase Uncertainty and Unfairness.

In theory the BRI and *Phillips* approaches should normally converge on the same meanings of claim language. See generally Joshua D. Sarnoff and Edward D. Manzo, *An Introduction to, Premises of, and Problems with Patent Claim Construction*, in PATENT CLAIM CONSTRUCTION IN THE FEDERAL CIRCUIT § 1:5 (2017 on-line edition) (“the difference between the BRI and the post-*Phillips* approach to claim construction is often misunderstood and overstated”); Rochelle Cooper Dreyfuss, *Giving the Federal Circuit a Run for Its Money: Challenging Patents in the PTAB*, 91 NOTRE DAME L. REV. 235, 261 (2015) (“In most cases, the approaches yield similar results in any event....”). But they often do not reach the same result in practice for three important reasons.

The first reason is that the *Phillips* method, unlike the BRI method, fails to provide any guidance for the proper construction of claim language that is reasonably susceptible of either broader or narrower meanings to a person having ordinary skill in the art (PHOSITA), as that person would read the claim language in light of the specification, of the examples that the specification provides, and of the prosecution history. Rather, courts following the *Phillips* approach tend to adopt a “best” interpretation that has a *single* meaning for a disputed claim term (of either broader or narrower scope), rather than acknowledge that term reasonably may have plural meanings. (Dicta from cases cited in the proposed rule’s preamble similarly may wrongly imply that there is normally a *single meaning* rather than *plural meanings* to claim terms, when referring to the “correct construction.” 83 Fed. Reg. at 21223/2-3 (quoting *PPC Broadband, Inc. v. Corning Optial Comm’ns RF, LLC*, 815 F.3d 734, 740-42 (Fed. Cir. 2016)).) Judges often disagree under the *Phillips* approach as to whether to adopt a broader or the narrower meaning, even after considering all relevant evidence. This is clearly evidenced by the language of the Federal Circuit in the *Phillips* case itself, where the court acknowledged that the line between improperly importing limitations and construing claims narrowly in light of the examples is hard to draw. See *Phillips*, 45 F.3d 1303, 1323 (Fed. Cir. 2005) (en banc). Different judges in that very case reached opposing results using the exact same methodology, demonstrating the problem of the judicial subjectivity of the *Phillips* approach. Compare *id.* at 1324-26 with *id.* at 1328-30 (Lourie, J. and Newman J., dissenting).

Although such inter-judge disagreements are possible under the BRI method (given different views of what is a “reasonable” interpretation), they are much less likely to occur under the BRI method. The BRI method settles the precise question of broad versus narrow interpretation if a choice is required – adopt the broader interpretation. In fact, the BRI method actually requires that *both* the narrower and the broader constructions are to be adopted (particularly when embodiments of the narrower meaning are not fully encompassed within the broader meaning) whenever the claim is *reasonably* susceptible of either construction in light of the same evidence as applied in *Phillips*. Further, the terminology of “broadest reasonable interpretation” forces adjudicators who disagree about the choice of plural or singular meanings to explain and to justify why the alternative interpretation is in fact “unreasonable.” This

additional discipline of justification further helps to make any differences of judicial judgment based more on factual evidence than on subjective perspective – or worse, on unstated policy preferences.

The second reason that the construction under the BRI method may differ from that under the *Phillips* method is also the reason that *Phillips* is contrary to binding Supreme Court precedent. Whatever the outcome of the *Phillips* analysis of the “best” meaning of claim terms in light of the evidence, that meaning must be abandoned for an *even narrower* meaning whenever necessary and possible to thereby preserve claim validity. This approach to claim interpretation was clearly foreclosed by the Supreme Court in *McCarty v. Lehigh Valley R. Co.*, 160 U.S. 110 (1895). *McCarty* prohibited courts from importing unstated limitations into claim terms having broader meanings that, absent such narrowing construction, would be held invalid. The relevant language from the Supreme Court bears repeating below, but it is important to understand that the language in *Phillips* exerts pressure to adopt narrowing constructions even when the doctrine of “construing narrowly to avoid invalidity” is not formally invoked.

There is no suggestion in either of these claims that the ends of the bolster rest upon springs in the side trusses, although they are so described in the specification and exhibited in the drawings. *It is suggested, however, that this feature may be read into the claims for the purpose of sustaining the patent.* While this may be done with a view of showing the connection in which a device is used, and proving that it is an operative device, *we know of no principle of law which would authorize us to read into a claim an element which is not present, for the purpose of making out a case of novelty or infringement.* The difficulty is that, if we once begin to include elements not mentioned in the claim, *in order to limit such claim, and avoid a defense of anticipation, we should never know where to stop.* If, for example, a prior device were produced exhibiting the combination of these claims plus the springs, the patentee might insist upon reading some other element into the claims, such, for instance, as the side frames and all the other operative portions of the mechanism constituting the car truck, to prove that the prior device was not an anticipation. It might also require us to read into the fourth claim the flanges and pillars described in the third. *This doctrine is too obviously untenable to require argument.*

*McCarty*, 160 U.S. at 116 (emphasis added).

Although the *Phillips* decision includes *McCarty* in a string cite, 415 F.3d at 1313, it fails to acknowledge in the relevant discussion that *McCarty* superseded *Klein v. Russell*, 86 U.S. (19 Wall.) 433 (1873) (on which the *Phillips* court continued to rely). Instead, the *Phillips* decision states only that the doctrine of adopting narrowing constructions to preserve validity is of “limited utility.” *Phillips*, 415 F.3d at 1328. Nevertheless, that doctrine formally continues to *require* changes to the construed “best” meaning of claim terms whenever needed and feasible to preserve a claim’s validity. It therefore not only creates additional uncertainty over the actual scope of claim language, but also prevents determination of that scope until litigation can resolve whether the “best” meaning will result in invalidation of the claim – thereby requiring that the “best” meaning must be altered. Again, this generates greater uncertainty and unfairness than the

BRI method. It also wrongly encourages adjudicators to base their interpretations on validity doctrines rather than on the actual meaning that the terms would have to a putative PHOSITA viewing the claims, specification and prosecution history – which both the Phillips and BRI standards agree is the proper interpretive reading frame for claim construction. *See, e.g., Phillips*, 415 F.3d at 1313; *Liberty Mut. Ins. Co. v. Progressive Cas. Ins. Co.*, No. CBM2012-00003, at 10 (Feb. 11, 2014), *aff'd*, *Progressive Cas. Ins. Co. v. Liberty Mut. Ins. Co.*, No. 2014-1466, 2015 WL 5004949 (Fed. Cir. Aug. 24, 2015). *See generally* Sarnoff & Manzo, *supra*, at § 1.5 (“[C]laims should be construed based on the best understanding of their meaning to a P[H]OSITA, and courts should allow the substantive patent eligibility and patentability doctrines to do the work of assessing validity.”).

The third, and related, reason for divergence is that the *Phillips* method – unlike the BRI method – tends to encourage adjudicators to substitute their own beliefs as to the meaning and scope of claim terms for that of the PHOSITA. This is because the *Phillips* standard *discourages* resort *initially* to extrinsic evidence of the meaning of claim terms to a PHOSITA. Rather it implies (without stating) that resort to such extrinsic evidence should occur only when the meaning of the claim terms remains uncertain *after* reviewing the intrinsic evidence of the claims, the specification, and the prosecution history. *See Phillips*, 415 F.3d at 1314 (recognizing that ordinary and customary meaning may have a particular meaning in a field of art that is not apparent; reciting the relevant sources of understanding of the terms in the order of the claims, the specification, the prosecution history, and – finally – extrinsic evidence of actual meaning in the art); *id.* at 1321, 1324 (rejecting reliance on dictionary meanings to initially determine meaning to the PHOSITA and stating that the specification is “the single best guide to the meaning of a disputed term,”; adhering to the view that “certain types of evidence are more valuable than others”). But the only way to know how a PHOSITA would understand the meaning of a term in context is either to be a PHOSITA (which the PTO examiners and PTAB judges better approximate than do federal judges) or to consider at the start of the interpretive process actual *evidence* of the meaning of the terms to a PHOSITA. The BRI approach permits such evidence to be considered. The *Phillips* approach discourages it, unless the adjudicator is willing to candidly acknowledge that he or she lacks the knowledge to evaluate the meaning of the claims terms based on intrinsic evidence without *any* access to evidence from the relevant art.

In sum, adopting the *Phillips* method of construction post-grant in the PTAB will make claim construction substantially less certain for the public. It will make claim meaning more likely to depend on the subjective views (and unstated policy preferences) of judges rather than on the objective evidence of meaning to the PHOSITA. It may force the public either to avoid using inventions that should be in the public domain, or to capitulate to unjustified litigation threats where they might otherwise be willing to defend (in light of the additional costs and uncertainties of post-grant review or litigation that the *Phillips* claim construction methodology imposes). As the Supreme Court warned in *Markman v. Westview Instruments, Inc.*, when requiring judges rather than juries to construe claims:

“[t]he limits of a patent must be known for the protection of the patentee, the encouragement of the inventive genius of others and the assurance that the subject of the patent will be dedicated ultimately to the public.” Otherwise, a “zone of

uncertainty which enterprise and experimentation may enter only at the risk of infringement claims would discourage invention only a little less than unequivocal foreclosure of the field," and "[t]he public [would] be deprived of rights supposed to belong to it, without being clearly told what it is that limits these rights." It was just for the sake of such desirable uniformity that Congress created the Court of Appeals for the Federal Circuit as an exclusive appellate court for patent cases...

517 U.S. 370, 390 (1996) (quoting *General Elec. Co. v. Wabash Appliance Corp.*, 304 U.S. 364, 369 (1938); *United Carbon Co. v. Binney & Smith Co.*, 317 U.S. 228, 236 (1942); *Merrill v. Yeomans*, 94 U.S. 568, 573 (1877)). By adopting the *Phillips* method, the Federal Circuit has defied that legislative purpose. The PTO should not follow the Federal Circuit's lead and make matters worse. Rather, the PTO should seek legislation to require that *the courts* adopt the BRI method of claim construction, creating a unitary post-grant standard.

B. Post-Grant Procedure is Based on Error Correction and Should Adopt the Same Approach as Pre-Grant Construction, i.e., the BRI Method.

It was precisely to avoid the methodology of adopting narrowing constructions to preserve validity that the PTO originally adopted the BRI, rejecting the lower courts' approach in infringement litigation. Although the rationale for doing so included the ability of applicants to amend claims, the PTO also adopted BRI *to properly define the invention* subject to evaluation. *See, e.g., Application of Prater*, 415 F.3d 1393, 1404-05 (C.C.P.A. 1969); *Application of Kebrich*, 201 F.2d 951, 954 (C.C.P.A. 1953). As stated as early as 1924:

After a patent has issued, and it no longer is possible for the patentee to control the phraseology of his claims, the courts will so interpret them, if possible, as to protect him; *but there is no reason, as we many times have observed, why an applicant in the Patent Office should not draw his claims to cover his actual invention only.* For this reason, we have uniformly ruled that claims will be given the broadest interpretation of which they reasonably are susceptible. *This rule is a reasonable one, and tends not only to protect the real invention, but to prevent needless litigation after the patent has issued.*

*In re Carr*, 297 F. 542, 543-44 (D.C. Cir. 1924) (emphasis added). For the same reasons, the PTO and courts subsequently extended BRI to the post-grant contexts of reissue and reexamination (as well as to post-interference prosecution). *See, e.g., In re Reuter*, 670 F.2d 1015, 1019 (C.C.P.A. 1981); *In re Yamamoto*, 740 F.2d 1569 (1984); *In re Zletz*, 893 F.2d 319, 321-22 (Fed. Cir. 1989). Nothing in the America Invents Act precludes the PTO from continuing to use BRI for post-grant proceedings, as the Supreme Court held in *Cuozzo Speed Techs., LLC v. Lee*, 136 S.Ct. 2131, 2142-46 (2016). And opportunities to amend claims exist in such post-grant proceedings.

Further, there is no good reason to alter the normal and proper BRI construction methodology in the PTO so as to preserve claim validity in *post-grant* proceedings. This is because the premise of post-grant review is *error correction* of initial granting decisions. As the Supreme Court just noted:

Inter partes review is simply a reconsideration of that grant, and Congress has permissibly reserved the PTO’s authority to conduct that reconsideration.... Inter partes review is “a second look at an earlier administrative grant of a patent.”... The Board considers the same statutory requirements that the PTO considered when granting the patent.”... Thus, inter partes review *involves the same interests* as the determination to grant a patent in the first instance....

The primary distinction between inter partes review and the initial grant of a patent is that inter partes review occurs *after* the patent has issued. *But that distinction does not make a difference here.* Patent claims are granted subject to the qualification that the PTO has “the authority to reexamine—and perhaps cancel—a patent claim” in an inter partes review.

*Oil States Energy Servs., LLC v. Green’s Energy Grp., LLC*, 138 S.Ct. 1365, 1373-74 (2018) (emphasis added).

The basis for having extended the broadest reasonable construction standard to reexaminations and reissues was precisely to assure that such post-hoc reviews are treated the same way as original examination. There is no good reason not to apply the same standard for error correction in IPRs, PGRs, and CBM reviews. As Professor Dreyfuss has explained:

[T]he PTAB applies patentability criteria using the preponderance of the evidence standard for invalidation and the broadest reasonable interpretation of the claims, its decisions *do what the examiners would have done* had they had the PTAB’s extra time, resources, and expertise, and had they understood the law as enunciated in recent Supreme Court interventions. Application of the law *nunc pro tunc* goes a longer way than litigation can towards safeguarding the public’s interest in the free availability of technology that should not be privately controlled.

Dreyfuss, *supra*, at 261 (first emphasis added).

C. The BRI Method, Unlike *Phillips*, Tends To Promote Better Patentability Evaluations.

In *KSR International Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007), the Supreme Court held that a PHOSITA may consider prior art that might solve *any* problem that would lead to the invention, including through the use of common sense and creativity.

As our precedents make clear, however, the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.

....

The first error of the Court of Appeals in this case was to foreclose this reasoning by holding that courts and patent examiners should look only to the problem the patentee was trying to solve. 119 Fed.Appx., at 288. The Court of Appeals failed

to recognize that the problem motivating the patentee may be only one of many addressed by the patent's subject matter. The question is not whether the combination was obvious to the patentee but whether the combination was obvious to a person with ordinary skill in the art. Under the correct analysis, any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.

The second error of the Court of Appeals lay in its assumption that a person of ordinary skill attempting to solve a problem will be led only to those elements of prior art designed to solve the same problem.

*Id.* at 418, 420.

Nevertheless, the lower courts (and consequently the PTO) continue improperly to apply the “analogous art” doctrine of *In re Clay*, 966 F.2d 656 (Fed. Cir. 1992). As articulated by the Federal Circuit, prior art under Section 102 should be considered for patentability evaluations under Section 103 only if: “(1) ... the art is from the same field of endeavor, regardless of the problem addressed, [or] (2) if the reference is not within the field of the inventor's endeavor, [if] the reference still is reasonably pertinent to *the particular problem with which the inventor is involved.*” *Id.* at 658 (emphasis added). Further, “[a prior art] reference is reasonably pertinent if, even though it may be in a different field from that of the inventor’s endeavor, it is one which, because of the matter with which it deals, logically would have commended itself to an inventor’s attention *in considering his problem.*” *Id.* (emphasis added). This standard clearly fails to accord with *KSR*’s admonition to consider *any problem* that might lead to the invention, from *any field* of endeavor. And this often has led to improperly reversing invalidations, permitting claims to be considered valid (or at least requiring reconsideration) that should properly be rejected (and may in fact have been rejected by the PTO). *See, e.g., Smith & Nephew v. Hologic, Inc.*, 721 Fed. Appx. 943, 949 (Fed. Cir. 2018) (“Even though both ended up with similar *mechanical* solutions, it is beyond a stretch to say that Galloway ‘logically would have commended itself to an inventor’s attention in considering his problem.’ ... Because Galloway is not analogous prior art, the Board erred by affirming Rejections 5 and 8.”).

Retaining the BRI approach to claim construction will help to minimize the error of continuing to apply the analogous arts doctrine. This is because the focus on the broadest *reasonable* construction will invoke a broader range of meanings for claim terms, and thus will likely also invoke a broader range of contexts and problems that a PHOSITA would look to when applying creativity to generate the claimed invention. The BRI approach thus tends to improve the “error correcting” function of post-grant reviews, where such art may not have been discovered during initial prosecution. In contrast, the *Phillips* approach will tend to treat more of such relevant art as “not analogous” because of the constrained meaning given to claim terms. It thus will permit more improperly granted patents to survive review, when they should not do so. Further, the BRI approach should encourage post-grant reviewers (like pre-grant examiners) to think more broadly about the different fields of art that might supply a PHOSITA with elements and an “apparent reason to combine” them so as to create the claimed invention. *KSR*, 550 U.S. at 418 (all the evidence is considered “in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.”).