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To: TrialsRFC2014

Subject: Response To Request for Comments on Trial Proceedings Under the AIA Before the PTAB

Dear Scott R. Boalick, Vice Chief Administrative Patent Judge (Acting),

Thank you for reaching out to the patent community to request comments on the new post-issuance administrative trial proceedings as provided for in the Leahy-Smith America Invents Act (“AIA”). The undersigned are all patent litigators and registered patent attorneys who have been representing patent owners, patent applicants, and accused infringers for many years. These comments are submitted on behalf of the undersigned, and do not necessarily represent the views and/or opinions of the law firm with which we are affiliated, McDonnell Boehnen Hulbert & Berghoff LLP, or any of the clients that we represent.

One of the most controversial provisions included in the April 2012 Final Rules implementing these proceedings was the adoption of the “broadest reasonable interpretation” standard for claim construction. We are grateful to have the opportunity to provide our thoughts on the first of the highlighted issues for which you requested comments: “Under what circumstances, if any, should the Board decline to construe a claim in an unexpired patent in accordance with its broadest reasonable construction in light of the specification of the patent in which it appears?” It is our opinion that the justifications for implementing this standard have either been rendered moot or proven to be incorrect. We therefore believe that that the Board should adopt the same standard for construing claim terms as used by federal courts as articulated in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (*en banc*).

The AIA was silent as to what claim construction standard should apply to *inter partes* review (“IPR”), post-grant review, and covered business method patent review proceedings. Nevertheless, in its “Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents; Final Rule,” the Patent Office justified the use of the broadest reasonable interpretation standard because it was allegedly consistent with the legislative history of the AIA. See 77 FR 48680, 48697-99 (Aug. 14, 2012) (“The adoption of the ‘broadest reasonable interpretation’ standard is further consistent with the legislative history of the Leahy-Smith America Invents

Act, which indicates that Congress was aware of the ‘broadest reasonable interpretation’ standard and expected the Office to apply the standard to the new Leahy-Smith America Invents Act review proceedings.”). The Patent Office concluded that neither “Congress [nor] the drafters of the legislation considered a different standard for [these proceedings].” *Id.* at 48697.

Even if the Patent Office was correct regarding the events leading to the passage of the AIA, subsequent actions have made explicit what Congress believes the standard should be. On December 5, 2013, the House of Representative passed H.R. 3309 (the Innovation Act) by an overwhelming majority. Section 9 of this Act was entitled “Improvements and Technical Corrections to the Leahy-Smith America Invents Act,” and contained subpart (b) “Use of District-Court Claim Construction in Post-Grant and Inter Partes Reviews.” This section clarified the intent of Congress for at least these two types of proceedings: “each claim of a patent shall be construed as such claim would be in a civil action to invalidate a patent under section 282(b), including constructing each claim of the patent in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent” Moreover, with regard to concurrent actions at the Patent Office and federal court, the Act provided that “if a court has previously construed the claim or a claim term in a civil action in which the patent owner was a party, the Office shall consider such claim construction.” The comparable Senate bill, S1720 (the Patent Transparency and Improvements Act of 2013), contained a similar provision (Section 7). Even though the Senate bill stalled in committee for reasons unrelated to this section, there was little to no opposition to these changes to the AIA. As such, Congress has made its view explicit – the Board should be using the same claim construction standard as used in federal court.

In addition, the Patent Office partially justified its use of the broadest reasonable interpretation standard on the provision of the AIA that allows a patent owner to amend the claims at issue. See 77 FR at 48697. However, even under the best of circumstances, a patent owner’s ability to amend claims is severely limited. Section 316(d) of the AIA provided for only one opportunity to file a motion to amend, with the possibility of a subsequent request if submitted jointly by both parties and only for the purpose of materially advancing settlement. Practice has shown, however, that the ability to substantively amend claims in these post-issuance proceedings is largely illusory. In fact, only one motion to amend has been granted for an IPR proceedings, and that motion was unopposed by the petitioner. See *International Flavors & Fragrances Inc. v. The United States of America*, IPR2013-00124, Paper

No. 12 (PTAB May 20, 2014). This vanishingly small possibility of amending the claims can no longer support the justification for this broad claim construction standard.

As a further justification, the Patent Office pointed to the use of the broadest reasonable interpretation standard in other patent office proceedings, such as reexaminations and reissue applications. See 77 FR at 48699. However, the Patent Office has made it clear that the new post-issuance proceedings are more adjudicative in nature. For example, during the spring AIA Trial Roundtables, the Patent Office explained that one of the reasons behind the low grant rate for claim amendments was that the Board is forced to consider such amendments in the absence of a prior art search. The burden, therefore, falls to the patent owner to demonstrate that the amended claims are patentable in view of the prior art – the opposite burden that exists during prosecution. Similarly, with regard to the issue whether federal litigation prosecution bars would apply to IPR proceedings, a panel of the Board concluded that “[a]n *inter partes* review is neither a patent examination nor a patent reexamination.” See *Google Inc. v. Jongerius Panoramic Techs., LLC*, IPR2013-00191, Paper No. 50, at 4 (PTAB Feb. 13, 2014). Because an IPR is “a trial, adjudicatory in nature and constitutes litigation,” this panel ruled that the prosecution bar would not prevent the attorney in question from participating in the proceeding. See *id.* With the Board’s clear differentiation between these “litigation” proceedings and other patent office prosecution, the continued reliance on the claim construction standard used during prosecution is inappropriate.

Finally, from a practical standpoint, applying a different interpretation standard during such validity proceedings within the Patent Office than what federal courts apply in connection with both validity and infringement allegations appears on its face to be misguided. Many of the IPRs currently pending before the Board have either arisen out of or are related to a parallel patent infringement litigation in federal court; indeed, one of the primary purposes of the IPR regime was to give defendants another option to challenge patents in litigation. Requiring patentees to defend, from a prior art perspective, a patent scope before the Patent Office that they will not be able to use in parallel infringement litigation in federal court appears contradictory to the intent of Congress on its face. Further, federal courts could gain insight from the Patent Office’s interpretation of claims if the Board applied the same interpretation standard. In many ways, even without the broadest reasonable interpretation standard, the lower invalidity burden in IPRs and other such Board adjudicative procedures already evens the playing field as compared to federal court litigation. Applying this broad standard while at the

same time curtailing the ability of the patentee to amend the claims effectively stacks the deck in favor of patent challengers and seriously impacts the value of issued U.S. patents.

In conclusion, we reiterate that we believe the Board should adopt the same standard for construing claim terms that is used by federal courts. As explained above, the Patent Office's justifications for the use of broadest reasonable interpretation standard as articulated in the Final Rules (77 FR 48680) have either been rendered moot by subsequent events or are no longer applicable in view of positions taken by the Board in the interim. Thank you for your consideration of this comment.

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