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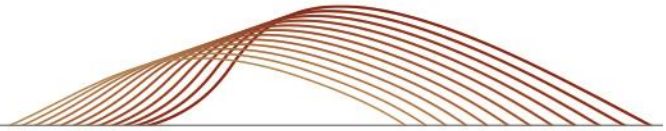
USPTO Proposes Changing Claim Construction Standard for IPRs, PGRs, and CBMs

By Paromita (Mita) Chatterjee, Phillip W. Citroen, Michael A. Stramiello, Joseph E. Palys, & Naveen Modi

Yesterday, the U.S. Patent and Trademark Office ("USPTO") published a proposed rules package that would change the standard for construing unexpired and proposed amended claims in trials under the America Invents Act. 83 Fed. Reg. 21221 (May 9, 2018). Specifically, the proposal would replace the Patent Trial and Appeal Board's ("PTAB's") current broadest reasonable interpretation ("BRI") claim construction standard with the *Phillips* standard used by federal district courts and the International Trade Commission ("ITC"). The "goal is to implement a fair and balanced approach, providing greater predictability and certainty in the patent system." *Id.* at 21223. Though it may take many months for the USPTO to finalize the proposed rules, parties should not delay in considering their potential impact, as the USPTO has indicated that changes will apply to all IPR, PGR, and CBM proceedings—including those that are pending at the time the proposed rules take effect. *Id*. at 21224.

Currently, the PTAB uses the BRI standard when reviewing unexpired patent claims and proposed amendments in *inter partes* review ("IPR"), post-grant review ("PGR"), and covered business method patents ("CBM") proceedings. 37 C.F.R. §§ 42.100(b), 42.200(b), 42.300(b) ("A claim in an unexpired patent that will not expire before a final written decision is issued shall be given its broadest reasonable construction in light of the specification of the patent in which it appears.") The PTAB does, however, permit requests for a district court-type construction if a party certifies that the involved patent will expire within eighteen months from the entry of the Notice of Filing Date Accorded to the Petition. 81 Fed. Reg. 18750, 18766 (April 1, 2016).

Despite the USPTO's longstanding and judicially approved use of the BRI standard, the proposed rules abandon it in favor of the framework and principles set forth in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc), and its progeny. Thus, claims and proposed amended claims would be construed "in accordance with the ordinary and customary meaning of such claim[s] as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent." 83 Fed. Reg. 21224. The PTAB would interpret claims based on the record of the IPR, PGR, or CBM proceeding, taking into account the claim language, specification, prosecution history pertaining to the patent, and any relevant extrinsic evidence. *Id.* The prosecution history taken into account would be any prosecution history that occurred previously in proceedings at the USPTO prior to the proceeding at issue, including another IPR, PGR, or CBM proceeding, or before an examiner during examination, reissue, and reexamination. *Id*. The USPTO also proposes a rule change that would require the PTAB to "consider any prior claim construction determination concerning a term of the involved claim in a civil action, or an ITC proceeding, that is timely made of record in an IPR, PGR, or CBM proceeding." *Id*. at 21222. Acknowledging significant overlap between district court litigation and post-grant



proceedings before the PTAB, the USPTO intends for the proposed changes to improve "uniformity and predictability of the patent grant" and to "increase judicial efficiency." *Id*. at 21222–21223. The proposed rules also aim to alleviate concerns that patent claims may be canceled in IPR, PGR, or CBM trials due to claim scope that would not apply in an infringement proceeding. *Id*. at 21223.

The USPTO now seeks comments, due July 9, 2018, on the proposed rule changes and how it should implement them if adopted. *Id.* at 21224.

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If you have any questions concerning these developing issues, please do not hesitate to contact any of the following Paul Hastings Washington lawyers:

Naveen Modi
1.202.551.1990
naveenmodi@paulhastings.com

Paromita (Mita) Chatterjee
1.202.551.1997
mitachatterjee@paulhastings.com

Michael A. Stramiello
1.202.551.1958
michaelstramiello@paulhastings.com

Joseph E. Palys
1.202.551.1996
josephpalys@paulhastings.com

Phillip W. Citroen
1.202.551.1991
phillipcitroen@paulhastings.com