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Why It Is Inappropriate to Use the “Broadest Reasonable Interpretation” (“BRI”) for Patent Claims in Post-Grant Review, Inter Partes Review, and Covered Business Method Proceedings

Why BRI Is Appropriately Used by the USPTO in the Initial Examination of Patent Applications, in Reexaminations and Reissues

Every inventor wishing to obtain a patent on his/her invention is required to begin that process by filing a patent application that contains a specification concluding with one or more patent claims. The specification of the patent application must contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connect, to make and use the same.¹ In addition, the specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.² Each claim serves as a definition of the invention to be patented.

After receiving the patent application, the United States Patent and Trademark Office (USPTO) assigns examination of the application to a patent examiner who specializes in the field of technology which most closely pertains to the invention. The examiner's job is to determine whether the invention as claimed constitutes a patentable subject matter, and if so, whether it is both novel and not obvious to those of ordinary skill in the field.³ This process necessarily involves determining what the claims mean, and deciding whether the invention or subject matter defined by each claim meets the requirements of patentability.

Because at that point, the only sources the USPTO has available to it for determining the meanings of the claims are the words of the claims themselves and the related description of the invention in the specification, the patent examiner initially looks only at these two sources to arrive at an initial interpretation of what the claims cover. In so doing, the examiner adopts the broadest reasonable interpretation (BRI) of the claims.⁴

¹ 35 U.S.C. §112(a).

² *Id.*, §112(b).

³ 35 U.S.C. §§101, 102 and 103.

⁴ As stated in the USPTO's Manual of Patent Examining Procedure (MPEP) § 2111, "During patent examination, the pending claims must be given their broadest reasonable interpretation consistent with the specification." The Federal Circuit's *en banc* decision in *Phillips v. AWH Corp.*, 415 F.3d 1303, 75 USPQ2d 1321 (Fed. Cir. 2005) condones this use:

The Patent and Trademark Office (PTO) determines the scope of claims in patent applications not solely on the basis of the claim language, but upon giving claims their broadest reasonable construction in light of the specification as it would be interpreted by one of ordinary skill in the art. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). Indeed, the rules of the PTO require that application claims must conform to the invention as set forth in the remainder of the specification and the terms and phrases used in the claims must find clear support or antecedent

By using BRI to construe patent claims in initial examination, patent examiners are usually able to prepare an Office Action rejecting some or all of the claims of the patent application as failing to meet one or more of the conditions of patentability. The patent applicant is then given an opportunity to file a Response to the Office Action amending the original claims to narrow or clarify them, to present written arguments to the USPTO as to why the claims should be construed more narrowly and/or to argue why the original rejections were ill founded.

The Examiner will then consider the amendments and/or arguments made in the Response, and may rely upon them in determining that some or all of the claims are patentable and/or may issue a further rejection to which the applicant may file a further Response. This back and forth process may continue, including with the applicant filing continuation applications to have examination continue, until the application is either ultimately rejected, at which point the application is either abandoned or the applicant files an appeal, or until the application is allowed and a patent is issued.

BRI, as it is used in these proceedings, serves as a useful procedural protocol to ensure that the claims will be given their broadest reasonable interpretations to assist the examiner in determining whether the claims might cover inventions and subject matter already known to the public, i.e., already in the public domain. If so, the applicant may narrow the claims by amending them or by advancing limiting arguments, so that, if the claims are ultimately approved, their scopes will appropriately not cover what was previously known or done by others, e.g., the prior art. This iterative process, the written record of which is referred to as the prosecution history of the patent, is akin to a contract negotiation where the applicant and examiner arrive at an agreement as to the meaning and scope of the patent's claims and of the patentability of subject matter defined by the claims. Once the patent issues, this prosecution history is routinely reviewed and relied upon by practitioners and the courts in interpreting the scope of the patent, and in deciding its validity and infringement.

Even though this procedure requires applicants to make more amendments and arguments than would be needed if the claims were originally construed more narrowly, this protocol does not prejudice applicants because in original examination applicants have the right to make as many amendments and arguments as are needed in response to the USPTO's rejections in order to arrive at the proper claim scope.⁵

basis in the description so that the meaning of the terms in the claims may be ascertainable by reference to the description.+37 CFR 1.75(d)(1).

⁵ In *In re Yamamoto*, 740 F.2d 1569 (Fed. Cir. 1984) the court explains that in original patent examinations, reexamination and reissue proceedings:

An applicant's ability to amend his claims to avoid cited prior art distinguishes proceedings before the PTO from proceedings in federal district courts on issued patents. When an application is pending in the PTO, the applicant has the ability to correct errors in claim language and adjust the scope of claim protection **as needed**. This opportunity is not available in an infringement action in district court. District courts may find it necessary to interpret claims to protect only that which constitutes patentable subject matter to do justice between the parties. *Id.* at 1404, 162 USPQ at 550, 56 CCPA at 1395. . . In any reexamination proceeding under this chapter, **the patent owner will be permitted to propose any amendment to his patent and a new claim or claims thereto, in order to distinguish the invention as claimed from the prior art cited under the provisions of section 301 of this title, or in response to a decision adverse to the patentability of a claim of a patent.** (bolding added).

In contrast, it has long been the case that in certain USPTO proceedings, where a patent owner does not have the right to amend the patent's claims, the BRI approach is not used. An example is the reexamination of a patent that has expired, which may occur when an issue exists as to a licensee's or alleged infringer's liability for pre-expiration activities. In those instances where the patent owner no longer has the free right to amend the patent's claims, the USPTO does not use BRI.⁶

Why BRI is Not Used in The Federal District Courts and the ITC

Once a patent issues, it may become necessary for a patent owner to protect its rights by filing suit in federal district court to stop infringement and recover damages for past infringement. After litigation has been instituted, but before the case is tried, judges typically interpret the meanings of the claims of the patent in a so-called *Markman* hearing, to establish what definitions of the claims will be used for purposes of then assessing whether the claims as so interpreted are valid in light of the prior art, and whether the accused product or process infringes the claims as so interpreted.⁷

At this point, the courts do not rely on the original BRI interpretation of the claims, but rather interpret them in view of the prosecution history created during examination of the claims in the USPTO, giving the claims their ordinary and customary meanings to a person of ordinary skill in the art. Using this approach, claims are usually construed more narrowly than they were at the beginning of the examination process in recognition of the effects of narrowing amendments to the claims, the need to hold applicants to the representations they made about the claim scope during prosecution, and any agreements or understandings ultimately reached with the examiner that led to the allowance of the patent. Consideration of the entirety of this so-called intrinsic evidence, including the examiner's statements and reasons for allowance, allows the court to construe the claims as they were construed when allowed, and as the public, looking at the same body of intrinsic evidence, has construed them in the meantime.

Prior to enactment of the Leahy-Smith America Invents Act (AIA), the Federal Circuit distinguished the USPTO's BRI approach from the claim constructions applied in the federal courts on the basis that, in original examinations, reissues and reexamination proceedings, applicants have the ability to freely amend their claims to arrive at their proper scopes:

An applicant's ability to amend his claims to avoid cited prior art distinguishes [patent examination] proceedings before the PTO from proceedings in federal district courts on issued patents. When an application is pending in the PTO, the applicant has the ability to correct errors in claim language and adjust the scope of claim protection as needed. This opportunity is not available in an infringement action in district court. District courts

⁶ See MPEP § 2258, ¶ G. In a reexamination proceeding involving claims of an expired patent, claim construction pursuant to the principle set forth by the court in *Phillips v. AWH Corp.*, 415 F.3d 1303, 1316, 75 USPQ2d 1321, 1329 (Fed. Cir. 2005) (words of a claim are generally given their ordinary and customary meaning as understood by a person of ordinary skill in the art in question at the time of the invention) should be applied since the expired claim are not subject to amendment.

⁷ In patent infringement actions, the court's function is to determine whether the accused infringer has raised a defense under 35 U.S.C. §282 that is sufficient to defeat the claim of infringement, and if so, to what remedies the patentee is entitled. Pursuant to this statute, courts determine the defenses of non-infringement, absence of liability, unenforceability, invalidity for non-compliance with a condition of patentability, and certain other specified defenses.

may find it necessary to interpret claims to protect only that which constitutes patentable subject matter to do justice between the parties.⁸

Accordingly, in the federal courts and the ITC, claims are construed with reference to, and reliance upon, the prosecution histories of the patents at issue, looking not at where the examination process began but rather where it ended, taking into account what limiting amendments and arguments were made, what understandings were reached with the patent examiner, and what the ordinary and customary meanings of the claim terms are, all for the purpose of arriving at a proper construction of each asserted patent claim.⁹

The New Proceedings Created by the AIA Should Interpret Patent Claims as the Courts Do

To reduce the cost of litigating patents, three new post-grant procedures were created by the AIA to allow members of the public to challenge patent validity in adjudicative proceedings in the USPTO, rather than the courts. In Chapter 32, the AIA established a nine-month window after patent issuance when members of the public could seek the institution of a Post Grant Review (PGR) on any ground that could be raised relating to the invalidity of the patent or any claim.¹⁰ In Chapter 31, the AIA established a life-of-the patent opportunity for members of the public to seek the institution of an Inter Partes Review (IPR) only on a ground that could be raised under section 102 [novelty] or 103 [obviousness] and only on the basis of prior art consisting of patents or printed publications.¹¹ Finally, Section 18 of the AIA established a transitional program relating to covered business method patents (CBMs) which may also be challenged.¹² These new adjudicatory procedures were conceived to be lower cost and more expeditious alternatives to expensive, time-consuming district court litigation to determine patent validity.

The AIA contemplates that the prosecution history of the patent sought to be challenged should be considered by the Director of the USPTO when deciding whether or not to institute the proceeding. The policy rationales for this are to ensure that the same or similar issues not be considered twice, that the Director have the benefit of the full history of the prior prosecution of the patent, that patent owners not be burdened with unnecessary defenses of their patents, and that inconsistent results be avoided. In particular, the AIA provides:

In determining whether to institute or order a proceeding under this chapter [32 establishing PGR] or chapter 31 [establishing IPR] the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.¹³

As further provided in Section 301 of the AIA, the Office is encouraged to consider all prior statements of the patent owner filed in a proceeding before a Federal court or the Office in which the patent owner took a position on the scope of any claim of a particular patent,¹⁴ but

⁸ *In re Yamamoto*, 740 F.2d 1569 (Fed. Cir. 1984), citing *In re Prater*, 415 F.2d 1393, 1404 (CCPA 1969).

⁹ *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc).

¹⁰ AIA, Section 321(b).

¹¹ AIA, Section 311(b).

¹² Since the default procedures for these challenges are those of PGR proceedings, for purposes of this paper, CBM proceedings are treated as a sub-set of PGR proceedings, and not discussed separately.

¹³ AIA Section 325(d)

¹⁴ AIA Section 301(a)(2).

only for the purpose of construing the patent claims challenged in the proceeding. Section 301(d) of the AIA provides:

(d) LIMITATIONS. . A written statement submitted pursuant to subsection (a)(2) shall not be considered by the Office for any purpose other than to determine the proper meaning of a patent claim in a proceeding that is ordered or instituted pursuant to section 314 [IPR], or 324 [PGR]¹⁵

Accordingly, the intention of the AIA is that the prosecution histories of patent claims subject to a request to institute a PGR or IPR be considered by the Director (or his designee, the PTAB) and taken into account when deciding whether to institute the proceeding. In addition, the AIA contemplates that the USPTO consider, just as the courts do, not only the portions of that prosecution history that constitute statements of the patent owner filed in the prosecution of that patent, but also those made in any proceeding before a Federal court or the Office (in that or other proceedings before the Office) in which the patent owner took a position on the scope of any claim of the patent.

Of the two available approaches to claim construction, it is thus evident that the BRI approach was not intended for use in PGR and IPR proceedings, as that approach would require the USPTO to ignore probative evidence that the AIA indicates the USPTO should consider. On the other hand, the use of the same claim construction approach that is used in the courts to construe claims, where the prosecution history of the patent forms a principal basis for determining the claim meanings, and where the prior statements of a patent owner to secure issuance of the claims are considered, is the only approach that is entirely consistent with the express provisions of the AIA, and the one that plainly was intended for use both in deciding whether to institute, and in finally deciding, PGR and IPR proceedings.

Unfortunately, contrary to the recommendations of all three of the major IP bar associations, in promulgating its implementing regulations, the USPTO specified that it would use the broadest reasonable interpretation approach to construing patent claims for all purposes in IPR and PGR proceedings. Since this approach mandates that only the words of the patent specification and claims are to be considered -- and thus that the prosecution history and prior statements of the patent owner may be completely ignored -- it is plainly inconsistent with the above-described portions of the AIA that require not only the consideration of the prosecution history, but also other intrinsic evidence such as the patent owner's prior representations concerning the scopes of the claims, in construing them. As a result, instead of starting its consideration of claim scope with the benefit of what previously took place in the USPTO and the courts, the BRI approach starts all over, treating the patent claims as if they had never been examined, and as if there had never been a back and forth between the applicant and the patent examiner leading to agreements as to their meanings and patentability.

But even if the AIA had been silent on these issues, the use of a BRI approach would still have been inappropriate in PGR and IPR proceedings. This is because, as discussed above, the courts have authorized the USPTO to use the BRI approach only in cases where the patent applicant or owner has the iterative right to freely amend claims in response to rejections of them. But in both PGR and IPR, there is no free right to amend the challenged patent claims. While the AIA could have been drafted to allow the direct amendment of those claims in an examination format, as is allowed in other USPTO proceedings, it was not. Indeed, the AIA expressly eliminated inter partes reexamination and replaced it with inter partes review. Unlike

¹⁵ AIA Section 301(d).

in reissue and reexamination proceedings where applicants have an unfettered right to amend their claims to avoid cited prior art,¹⁶ in PGR, IPR, and CBM proceedings patent owners do not have the right to freely amend their patent claims. They must either stand as issued or be cancelled and abandoned. While patent owners do have the right to propose substitute claims for any that have been cancelled, they are afforded a single opportunity to file a motion to submit one substitute claim for each challenged claim (and must show the patentable distinction of the proposed amended claim over all prior art¹⁷). Finally, a patent owner has no right to amend the patent's claims to meet any new arguments or evidence advanced by a challenger against the proposed substitute claims, nor, as noted above, any right to amend the proposed substitute claims after learning what the USPTO's position is on their patentability.

Why the Use of BRI Can Be Prejudicial to Both Parties

There are numerous reasons why the use of the BRI claim interpretation protocol for PGR and IPR proceedings is inappropriate and unfair to patent owners. Unlike an initial examination where a patent applicant is given the opportunity to amend the claims to narrow their scope and/or to submit new claims after receiving an examiner's objections, in PGR and IPR proceedings, patent owners are not given any indication by the Patent Trial and Appeal Board (PTAB) of its view of the validity of their patent's claims before they must propose amended or substitute claims. Thus, patent owners must propose amended or substitute claims without any indication from the PTAB of whether they are necessary, or how the claims might be changed to avoid an adverse ruling on validity.

The use of BRI in PGR and IPR proceedings will also unnecessarily burden patent owners by forcing them to defend their patents against challenges which would not have instituted in the first place had the USPTO interpreted the claims in the same manner as they are in district court infringement actions. While designed to be less expensive than district court litigation, defending these new post-grant proceedings still costs patent owners several hundred thousand dollars per proceeding. Such expenses should not be placed upon patent owners unless it is clear that the claims of their patents, when construed in the scope as allowed by the USPTO, are likely invalid, as otherwise required by the criteria for instituting a PGR or IPR.

While often overlooked, the Office's use of BRI may also prejudice accused infringers who are defending against charges brought in court that they are infringing the patent at issue. This is because once a claim emerges from a PGR or IPR review using BRI, the courts in ensuing infringement actions will have little choice but to apply the broader PTAB claim construction, especially if it has been affirmed by the Federal Circuit. By then, the proceedings of the PGR or IPR will themselves have become part of the patent's prosecution history and under current claim construction law will be required to be considered and taken into account by the courts in interpreting the claims. The result will be that a broader claim construction for infringement purposes will be applied than would have been applied had BRI not been used in the PGR or IPR review. As a consequence, some accused products that would not have been found to be infringing will be, and further uncertainty will be injected into the system, defeating the patentee's and public's rights to rely upon the original (limited) scopes of issued patents when designing, developing and marketing their commercial products.

¹⁶ *In re Yamamoto*, 740 F.2d at 1572.

¹⁷ Presentation by Acting Vice Chief Judges Horner and Boalick to Patent Public Advisory Committee, Feb. 12, 2014, available at http://www.uspto.gov/about/advisory/ppac/20140212_PPAC_PTABUpdate.pdf

Conclusion

It makes no sense to interpret the scope of a patent one way in court or before the ITC, and in a different way before the USPTO in an IPR or PGR proceeding. Assuming the evidence is the same in both places, patents that would be found valid in court should be found valid in IPR or PGR proceedings, and vice versa. It is a fundamental tenet of patent law that issued claims being adjudicated should be interpreted the same for purposes of determining validity and infringement.

Nor is there any reason to ignore the effort and expense invested by the patent applicant and USPTO during the original examination of a patent, in favor of an approach that starts over at the beginning, as BRI does, instead of where the USPTO left off at the time it concluded the patent should be granted. The BRI approach injects a high degree of uncertainty into the patent system, and undermines the innovator community's right to rely upon the USPTO's grant of a patent as providing the kind of protections upon which investments can be made, factories be built and people be hired. By the same token, once a patent issues, the public's right to rely on the scope of the patent as determined by the USPTO should not be abridged, as the public may wish to negotiate for licenses to the patent, or rely upon limitations in those claims in designing around them to produce and market competitive products.

Section 9(b) of HR 3309, the Innovation Act, and section 7(b) of S. 1720, the Patent Transparency and Improvements Act of 2013, restore the balance envisioned by Congress when it established these new procedures and ensures that fair and uniform claim interpretation rules will be applied to patent claims involved in all adjudicatory proceedings, whether in federal courts or in the new IPR and PGR reviews in the USPTO. For the same reason, the use of BRI should not continue in CBM review proceedings. The Coalition for 21st Century Patent Reform strongly supports these corrective measures.

The Coalition has approximately 50 members from 18 diverse industry sectors and includes many of the nation's leading manufacturers and researchers. The coalition's steering committee includes 3M, Caterpillar, General Electric, Johnson & Johnson, Eli Lilly and Procter & Gamble. Visit <http://www.patentsmatter.com> for more information.