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Federal Circuit Affirms Patent Office's "Broadest Reasonable Interpretation" Standard for Inter Partes Reviews

By Scott A.M. Chambers, Ph.D. and Matthew D. Zapadka

On February 4, the Federal Circuit approved the use of the "broadest reasonable interpretation" (or "BRI") standard by the Patent Trial and Appeal Board ("PTAB") in *inter partes* review proceedings ("IPR"). The decision in [In re Cuozzo Speed Technologies, LLC](#) is the first to approve applying the BRI standard to construe claim terms of patents at issue in the IPR process adopted by the 2012 America Invents Act ("AIA"). Congress intended the IPR system to "provid[e] quick and cost effective alternatives to litigation" by providing a new administrative proceeding to decide certain issues of patent validity.

In *Cuozzo*, the PTAB instituted an IPR filed by Garmin on the grounds that the claimed technology, for GPS speed monitoring, was previously known or would have been obvious at the time of invention. The Federal Circuit not only affirmed the PTAB's determinations regarding the standard of claim construction, but also held that the PTAB's decisions to institute IPRs are virtually nonappealable.

The Patent and Trademark Office ("PTO") uses the BRI standard to construe the claim terms and apply prior art references in both patent prosecution and IPR. The patent statutes do not explicitly define the standard that is to be used, but the Court opined that BRI was consistent with the congressional intent of the AIA. To the extent that that this intent was not clear, the Court determined that the AIA explicitly gave rulemaking authority to the PTO for IPRs under 35 U.S.C. § 316(a)(4). Because of the implied intent

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and the statute's rulemaking provisions coupled with the PTO's long history of applying BRI, the Court held that it is appropriate to apply this standard to IPRs. The Office has historically applied this standard because patent applicants have the ability to amend their claims. During IPRs, a patent owner has the ability to amend the claims once, even though such attempts are seldom successful. Although a patent owner may not amend the claims as a matter of right, the Court held that the ability to amend means claims should be given their broadest reasonable interpretation during IPRs.

The Federal Circuit's decision means that the standard for construing claims will be different in IPR proceedings from that used by District Courts in patent litigation, where claims are given their correct construction as understood by a person of ordinary skill in the field of the invention.

The Court additionally held that it lacked authority to review the PTAB's decision to institute an IPR. The AIA added 35 U.S.C. § 314(d) to the patent statute, which states that the PTAB's decision to institute an IPR "shall be final and nonappealable." The Court interpreted this provision to mean that all institution decisions are barred from review even after the PTAB issues a final decision. The court suggested that mandamus may be available to challenge these PTAB decisions, but grants of mandamus are rare and much more nuanced than appellate determinations of law.

Judge Newman dissented from the majority's opinion, as has been frequent with recent Federal Circuit decisions. In her dissent, Judge Newman disagreed with both holdings, writing that "the majority fail[ed] to implement the statutory purpose [of the AIA]."

Patent Office Launches Patent Quality Initiative

By Scott A.M. Chambers, Ph.D. and Matthew D. Zapadka

The acting Director of the Patent and Trademark Office ("PTO"), Michelle Lee, unveiled on February 5 her plan to improve patent quality, titled the "[Enhanced Patent Quality Initiative](#)." Lee, whose nomination to head the PTO is pending before the Senate is launching the Initiative with a "Quality Summit" scheduled for March 25 and 26. The Summit is intended to give the public and patent

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practitioners the opportunity to comment on present initiatives and make suggestions. Lee had previously announced the appointment of Valencia Martin-Wallace as the PTO's first Deputy Commissioner for Patent Quality.

Lee noted some recent programs focused on improving patent quality, such as the Glossary Pilot, Quick Path IDS Program, First Action Interview Pilot, and the After Final Consideration Pilot. Lee has stated that the Initiative is taking place at an opportune time because of the large reduction in the backlog of pending applications from 2009 to today.

The Initiative is also aimed internally at PTO employees and patent examiners. The objective is to adhere to three "Patent Quality Pillars," excellence in (1) work product, in the form of issued patents and Office Actions; (2) measuring patent quality, including appropriate quality metrics; and (3) customer service. The Initiative also includes inviting experts to volunteer to lecture at the PTO to increase examiner understanding, production of a technical glossary, enhanced legal training for examiners, and expansion in international work sharing efforts along with crowd sourcing of prior art references.

Finally, the Initiative recites six quality proposals. These include proposals such as requests for additional review of rejected patent applications, improvements in prior art searches, alterations to the "compact prosecution" model, and improvements in interviews with examiners.

Please contact any of the attorneys of the IP group at Porzio, Bromberg & Newman P.C. for more information about the Initiative.