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INTELLECTUAL PROPERTY CLIENT ALERT

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USPTO Changes Claim Construction Standard Used In AIA Trial Proceedings

On October 10, 2018, the United States Patent & Trademark Office (USPTO) published a final rule that changes the current “broadest reasonable interpretation” or BRI standard used in **inter partes** review (IPR), post grant review (PGR) and covered business method review (CBM) proceedings to the standard used in federal courts to construe patent claims. The rule further specifies that any prior claim construction determination in a civil action or an ITC proceeding that is made of record “will be considered” by the Patent Trial and Appeal Board (PTAB). This rule change becomes effective on November 13, 2018, and will apply to proceedings on petitions filed on or after that date. The final rule will be published in the **Federal Register** on October 11, 2018, and the unpublished rule is available [here](#).

The Leahy-Smith America Invents Act (the AIA) is now more than six years old.^[1] Among the many changes it worked on the American patent system, the AIA introduced administrative trial proceedings before the USPTO’s PTAB, including IPR, PGR and CBM proceedings. They take place before a panel of administrative patent judges of the PTAB and operate under the same umbrella rules, which are designed to make for a faster, more efficient alternative to validity challenges in federal court litigation.

Since September 16, 2012, the USPTO has applied a BRI standard for the construction of unexpired patent claims in IPR, PGR and CBM proceedings. On May 9, 2018, the USPTO published a notice of proposed rulemaking to modify the claim construction standard for the interpretation of unexpired and proposed substitute claims used in these proceedings.^[2] After receiving 374

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comments on this proposed rule change, the USPTO has issued its final amended rule. As amended, 37 C.F.R. §§ 42.100(b), 42.200(b) and 42.300(b) recite:

“[A] claim of a patent, or a claim proposed in a motion to amend under [§§ 42.121 and 42.221] shall be construed using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. 282(b), including construing the claim 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. Any prior claim construction determination concerning a term of the claim in a civil action, or a proceeding before the International Trade Commission, that is timely made of record in the [IPR, PGR or CBM] proceeding will be considered.”

According to the USPTO, while use of the BRI is consistent with its longstanding examination practice, more than 80 percent of patents that are the subject of AIA trial proceedings are also the subject of district court litigation. The USPTO said this context supported its adoption of the federal court standard: “Minimizing differences between claim construction standards used in the various fora will lead to greater uniformity and predictability of the patent grant, improving the integrity of the patent system. In addition, using the same standard in the various fora will help increase judicial efficiency overall.” The amended rule provides that prior determinations made of record “will be considered” but does not indicate what weight, if any, prior claim construction determinations should be accorded. The USPTO suggested some nonexclusive factors it might consider, including the thoroughness of the reasoning, “similarities between the record[s],” and “whether the prior claim construction is final or interlocutory,” but it stopped short of making any of these considerations mandatory in the final rule.

This change in the claim construction standard provides new opportunities and challenges for patent owners and petitioners—both at the PTAB and in litigation before federal courts. For patent owners, the change will help to level the playing field, with challenged claims being interpreted under the same rules in federal courts and before the PTAB. For petitioners, this change may raise the bar for challenges made in AIA trial proceedings. However, the final rule change will not impact the preponderance of the evidence burden of proof standard used before the PTAB to determine unpatentability versus the clear and convincing evidence standard that is applied in invalidity determinations in federal courts.

As a practical matter, this change increases the chances that claim construction determinations made by federal courts or the ITC

will be considered and given some weight by the PTAB and vice versa. Parties to federal court and AIA trial proceedings should assume that positions they take in one forum will be considered that party's position in all related fora involving the assertions or challenges of the same patent. In addition, parties should consider the possibility that issue preclusion will apply across different fora, now that claims will be construed under the same standard.

[1] Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011).

[2] “Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceeding Before the Patent Trial and Appeal Board,” 83 FR 21221 (May 9, 2018).

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