



**CHANGES TO THE CLAIM CONSTRUCTION STANDARD
FOR INTERPRETING CLAIMS IN TRIAL PROCEEDINGS
BEFORE THE PATENT TRIAL AND APPEAL BOARD**

Docket No. PTO-P-2018-0036

COMMENTS OF THE ELECTRONIC FRONTIER FOUNDATION

The Electronic Frontier Foundation (“EFF”) welcomes this opportunity to provide comments on the United States Patent and Trademark Office’s (“USPTO”) Notice of Proposed Rulemaking for Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings before the Patent and Trial Appeal Board (“PTAB”), Docket No. PTO-P-2018-0036, published Wednesday, May 9, 2018 (“Notice”).

EFF is a nonprofit civil liberties organization that has worked for more than 25 years to protect consumer interests, innovation, and free expression in the digital world. EFF and its more than 37,000 dues-paying members care deeply about ensuring that intellectual property law in this country serves the goal set forth in the Constitution: promoting the progress of science and technological innovation. EFF’s involvement on behalf of the public’s interest is one of few exceptions to the rule of insularity in patent litigation, where “[a]s a general matter, the only interests represented are those of the patent holder and its competitors or potential licensees.”¹ To ensure the voices of consumers, end users, and developers are heard, EFF has often provided comments on behalf of the public’s interest in the patent system to the USPTO, including on closely related topics, such as the conduct of AIA proceedings and means of enhancing patent clarity.²

¹ The Honorable Timothy B. Dyk, *Ten Prescriptions for Patent Law*, 17 Stan. Tech. L. Rev. 345, 352 (2014); *see also id.* at 353 (“The Electronic Frontier Foundation has also been involved in a number of cases.”) (citing Brief of Amicus Curiae Electronic Frontier Foundation in Support of Defendant, *Akamai Techs., Inc. v. Limelight Networks, Inc.*, 693 F.3d 1301 (Fed. Cir. Aug. 9, 2011) (No. 2009-1372)).

² *See* Comments of EFF and Public Knowledge Regarding Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board, Docket No. PTO-P-2015-0053 (Nov. 18, 2015), at <https://www.uspto.gov/sites/default/files/documents/PTAB%20Rules%20Aug%202015%20Corp%20EFF%20Comments.pdf>; Comments of EFF Regarding Trial Proceedings under the America Invents Act Before the Patent Trial and Appeal Board, Docket No. PTO-P-2014-0031 (Oct. 16, 2014), at https://www.uspto.gov/sites/default/files/ip/boards/bpai/eff_20141016.pdf.

I. INTRODUCTION

EFF is grateful for the opportunity to voice its concerns about the harm the proposed amendment will have on the ability of our patent system to serve the goals that Congress had when it created the proceedings under consideration—improving the efficiency of patent litigation and the quality of issued patents.

The USPTO should maintain its longstanding practice of giving issued patent claims their broadest reasonable interpretation (“BRI”), including in the proceedings Congress created in the America Invents Act (“AIA”). As the USPTO once agreed, there are compelling reasons for the agency to apply the same claim construction standard in all examinational and adjudicatory proceedings based on the language and structure of the AIA, agency practice, and considerations of fairness and efficiency.

Nothing in the Notice explains the USPTO’s sudden—and unprecedented—change of course. Nor has any change in fact or law occurred that could cast the agency’s earlier reasoning into doubt. Accordingly, the EFF believes, as the USPTO once did, that the same century-old claim construction standard that applies in other PTAB proceedings, like interferences and reexaminations, should apply in PTAB proceedings created by the AIA.

Given the USPTO’s historical support for using the BRI standard in agency proceedings, the agency should at least conduct some study to assess the impact of its proposed amendment on economic growth, innovation, the efficiency of patent litigation, and the quality of issued patents. The proposed amendment would impose additional burdens on technology developers, users, and consumers in this country by making it more expensive and difficult for practicing entities to invalidate patents that should never have issued. These economic harms must not be taken lightly, especially here, where no evidence of any countervailing public benefit exists.

If the USPTO nevertheless opts to change its approach to claim construction in AIA proceedings, EFF respectfully requests that it revise its proposed amendment in response to comments such as this, and then promulgate a revised version for formal rulemaking and public comment. In particular, EFF objects to the aspect of the current proposal that would have the PTAB construe claims to preserve their validity in AIA proceedings. If the PTAB must construe ambiguous claim language as valid, it cannot conduct an objective validity analysis, and will produce decisions sustaining claims that the agency should have rejected during examination.

This aspect of the proposal would make it extremely difficult, if not impossible, for practicing entities to invalidate patents the USPTO should not have issued, undermining Congress’s intent in creating the AIA proceedings at issue: to improve the efficiency of patent litigation and quality of issued patents by empowering the PTAB to cancel (or require the amendment of) overbroad, ambiguous patent claims that ultimately thwart more innovation than they encourage.

II. COMMENTS

A. The USPTO Should Adhere to its Longstanding Practice of Giving Claims their Broadest Reasonable Interpretation Standard in Examination and Adjudication

EFF recommends that the USPTO reconsider its proposal to depart from the agency-wide claim construction standard that it has used in examinational and adjudicatory proceedings for over 100 years. Until recently, the USPTO took the same position that EFF takes now: Congress intended for the USPTO to apply the same claim construction standard in the new PTAB proceedings the AIA created that the agency has historically applied to claim construction in all agency proceedings, whether examinational, adjudicatory, or hybrid in nature.

As the agency explained to the Supreme Court at the oral argument in *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131 (2016):

The PTO has reasonably decided to use its longstanding broadest-reasonable-construction approach in inter partes review proceedings because . . . they are materially more like all of the other proceedings that the PTO, and before that, the Patent Office, has had. . . .

And it has expressly used [the BRI standard] when it is possible for claim amendments to be made because it promotes the improvement of patent quality that Congress was interested in promoting in the America Invents Act”

Cuozzo Speed Techs., LLC v. Lee, 136 S. Ct. 2131 (2016) Oral Argument Tr. at 26:15-27:3.

No change in fact or law has occurred that calls the USPTO’s reasoning in *Cuozzo* into question: AIA proceedings are far more like other agency proceedings at the USPTO than they are like civil actions in district court. One critical difference, *inter alia*, is the opportunity that patent owners in AIA proceedings have to amend issued claims in order to narrow or clarify their scope. No such option exists in district court. There, patent claims must stand or fall as written.

EFF believes, as the USPTO once did, that “these inherent differences between *inter partes* review and traditional litigation indicate that Congress intended not simply to reduce ‘litigation costs,’ but also to ‘improve patent quality’ in ways that are not possible in ordinary litigation.” USPTO *Cuozzo* Br. at 30. *See also Cuozzo*, 131 S. Ct. at 2146 (holding that “the possibility of inconsistent results is inherent to Congress’ regulatory design” of AIA trial proceedings). In other words, the USPTO should not assume the difference in claim construction standards was trivial or incidental to Congress’ design.

If the PTAB would sustain a claim under the *Philips* standard, but reject it under the BRI standard, that is exactly the kind of low quality patent claim Congress intended to address through the AIA proceedings at issue here. No unfairness results from invalidating claims that do not qualify as patentable under the claim construction standard used in patent examination. By minimizing the differences between agency and court proceedings, the USPTO’s proposed amendment minimizes the ability of the patent system to produce the benefits Congress intended.

B. The USPTO Should Not Change the Claim Construction Standard Without Evidence that Doing So Will Produce Any Benefit to the Public that Outweighs the Harm to the Efficiency of Patent Litigation and Quality of Issued Patents.

The USPTO should not abandon longstanding agency policy without first assessing the impact of such a change. Although the USPTO asserts “[t]his rulemaking is not economically significant,” and “would not have a significant economic impact on a substantial number of small entities,” it does not cite any evidence to support those assertions. Fed. Reg. at 21222 & 21225. Apparently, the USPTO has proposed this amendment without conducting an impact study of any kind.³

EFF believes there must be some assessment of the proposed amendment’s impact on economic growth and innovation before it takes effect. EFF is especially concerned about the burden of increased litigation costs on small businesses that are most sensitive to litigation costs and thus vulnerable to threats of patent litigation. Patent owners and challengers alike will face increased costs if the PTAB adopts in AIA proceedings the same claim construction standard used in federal litigation.

In district court, the process of construing claim language in accordance with *Philips* typically involves discovery, briefing, expert reports, and oral argument. And these make litigation more expensive for the parties and more time-consuming for the court. Because the PTAB has applied the BRI standard in AIA proceedings, the parties do not typically devote the same resources to claim construction disputes that they do in district court. Nor should they. There is no reason to make the parties engage in the same intensive and expensive claim construction procedure in district court and at the USPTO. All that will do is make patent litigation more expensive, time-consuming, and redundant.

If the USPTO believes that changing the PTAB’s claim construction standard will produce other benefits, it should disclose those benefits along with any supporting evidence, to the public.

C. Even If the USPTO Amends its Regulations, the Amendment Should Bar the PTAB Giving Claims Validity-Saving Constructions and Require the PTAB to Give Claims their Ordinary Meaning Within the Context of the Patent.

Although EFF agrees with the USPTO’s previous position in favor of an agency-wide claim construction standard, it also wishes to emphasize its concerns about a particular aspect of the proposed amendment: the PTAB’s use of the canon of district court claim construction that

³ The only study the Notice references is one showing that 86% of patents reviewed in AIA proceedings are also litigated in district court. *See* Notice at 212223. But even if 86% of patents that are reviewed in IPR proceedings are also litigated in district court, that does not guarantee any claim construction decisions made during an AIA trial proceeding will be relevant to the district court. What matters is whether the same claim language is disputed in both proceedings. If not, the PTAB’s decision will be irrelevant to the district court. In those instances, changing the PTAB’s claim construction standard will not produce any efficiencies or other benefits.

requires construing ambiguous claim language in ways that will preserve the claim's validity. Applying a thumb on the scale in the favor of validity is contrary to the purpose of AIA proceedings. *See* H.R. Rep No. 112-98 at 39-40 (purpose of law is to create a "more efficient system for challenging patents that should not have issued"). Indeed, the fact that the *Phillips* standard incorporates this canon shows that the agency's initial decision to apply BRI is more consistent with Congress's intent.

As the USPTO acknowledges, the canon of construing claims to preserve their validity is part of the *Phillips* claim construction rubric that district courts employ. *See* Notice, Fed. Reg. Vol. 83, No. 90 at 21223. Whatever the doctrine's utility in district court litigation, it is directly contrary to the efficacy of AIA proceedings as a means of improving patent quality. If the PTAB must choose a validity-saving interpretation of claim language over others, it cannot objectively assess the validity of that claim. In practice, the USPTO's proposal may give the PTAB little to do but act as a rubber stamp for patent owners. That would prevent the PTAB from weeding out bad patents by making it virtually impossible to invalidate them in AIA proceedings while rewarding the drafters of ambiguous patent claims and encouraging future applicants to do the same.

If ambiguity in claim language arises in the course of AIA proceedings, the patent owner can—and should—move to amend the ambiguous claim language because "[a] reasonable, yet unlawfully broad claim might discourage the use of the invention by a member of the public." *Cuozzo*, 136 S. Ct. at 2144-45. As the Supreme Court has held, applying the BRI standard in USPTO proceedings, where a patent owner or applicant can address ambiguity through amendments, "helps to protect the public" by promoting greater precision in claim drafting and preventing the innovation-chilling effects of overly broad patent claims. *Id.* at 2144.

III. CONCLUSION

EFF again thanks the USPTO for the opportunity to comment on its proposed changes to the claim construction standard used in AIA proceedings, and looks forward to continued dialogue with the USPTO regarding this matter.

Respectfully submitted,

/s/

Electronic Frontier Foundation

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