THE BOSTON PATENT LAW ASSOCIATION

July 9, 2018

Via E-Mail: *PTABNPR2018@uspto.gov*
Office of Patent Legal Administration
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Re: Comments on Notice of Proposed Rulemaking for Changes to Patent Trial and Appeal Board Trial Claim Construction Standard, in response to requests for comments at 83 Fed. Reg. 21221 (May 9, 2018)

Dear Sir:

The Boston Patent Law Association ("BPLA") thanks the United States Patent and Trademark Office ("USPTO") for the opportunity to comment on the USPTO's proposed rule to implement changes to the claim construction standard used in trial proceedings before the Patent Trial and Appeal Board ("PTAB" or "Board").[1] The BPLA is an association of intellectual property professionals, providing educational programs and a forum for the exchange of ideas and information concerning patent, trademark, and copyright laws in the First Circuit, focusing on the greater Boston area. These comments were prepared with the assistance of the Patent Office Practice and Contested Matters Committees of the BPLA. The BPLA submits these comments solely as its consensus view. They are not necessarily the views of any individual member, any firm, or any client.

We appreciate the USPTO's efforts to promote consistency between trial proceedings at the PTAB, federal district court litigation, and proceedings at the International Trade Commission ("ITC"). We offer these comments on the Proposed Rule to assist the USPTO in its efforts to implement the changes proposed therein.

[1] Notice of Proposed Rulemaking for Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board, 83 Fed. Reg. 21221 (May 9, 2018) ("the Proposed Rule").

I. The BPLA Does Not Oppose Replacing the Broadest Reasonable Interpretation (''BRI'') Standard with the *Phillips* Standard

As indicated in the Proposed Rule, the USPTO proposes to replace the broadest reasonable interpretation ("BRI") standard for construing unexpired patent claims and proposed claims in trial proceedings before the PTAB[2] with a standard that is the same as that applied in federal district courts and ITC proceedings (*i.e.*, the *Phillips* standard).[3] The BPLA does not oppose changing the standard.

We support the USPTO's efforts to achieve "greater uniformity and predictability of the patent grant." *See* 83 Fed. Reg. at 21222. We note, however, that decisions construing the same or similar claims in different fora can be different, even where the same claim construction standard is applied. The BPLA therefore anticipates that the practical impact of this change on claim construction determination outcomes may be modest, as the BPLA does not believe that many cases will have a different outcome based on the application of a different claim construction standard. That said, at minimum, the proposed change should eliminate arguments relating to different claim construction standards across venues, and accordingly should lead to cost savings for all patent litigants involved in matters that include proceedings before the PTAB and in federal district court and/or the ITC. The BPLA therefore believes that the proposed change will help achieve the stated goal of "increas[ing] judicial efficiency overall." *See* 83 Fed. Reg. at 21223.

II. The USPTO Should Give Additional Consideration to Promulgating Rules Governing the Timing, Effective Date, and Applicability of the Proposed Rule

The Proposed Rule indicates that the change in the claim construction standard "would be applied to all pending IPR, PGR, and CBM proceedings before the PTAB," but provides no further details. 83 Fed. Reg. at 21224.[4] The BPLA believes that, in the absence of additional details and guidance, the implementation of the proposed retroactivity would result in uncertainty and confusion for patent litigants. Accordingly, the BPLA respectfully submits that the USPTO should give further consideration to additional rulemaking governing implementation of the proposed change.

For example, the USPTO should consider the potential impact of the application of the *Phillips* standard to proceedings (1) that have been filed, but that have not yet received a Decision on Institution, (2) that have been instituted, (3) in which oral argument has been held or is imminent, (4) that have received a final written decision ("FWD") that has been appealed to

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[2] *I.e.*, *Inter Partes* Review ("IPR"), Post-Grant Review ("PGR"), and Covered Business Method ("CBM") proceedings.

[3] 83 Fed. Reg. at 21221; *see also Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc).

[4] *See also* Slides accompanying June 5, 2018 "Chat with the Chief" webinar hosted by PTAB Chief Judge David Ruschke and Vice Chief Judge Tim Fink ("USPTO intends that any proposed rule changes adopted in a final rule would be applied to all pending AIA trial proceedings"), available at https://www.uspto.gov/sites/default/files/documents/chat_with_chief_june_6.5.18.pdf (last visited July 4, 2018).

the Federal Circuit, (5) that have been remanded by the Federal Circuit for further proceedings before the PTAB following appeal of a FWD, and (6) that involve the same patents and/or parties as earlier-filed proceedings evaluated under the BRI standard. The BPLA suggests that the differential impact of an across-the-board application of the *Phillips* standard to proceedings at these various stages as presently suggested would result in exactly the type of uncertainty which it is the USPTO's stated goal to eliminate. *See* 83 Fed. Reg. at 21223 ("The Office's goal is to implement a fair and balanced approach, providing greater predictability and certainty in the patent system.").

Furthermore, given the potential estoppel effect of 35 U.S.C. § 315(e), the USPTO should consider whether Petitioners should be allowed to unilaterally withdraw or request dismissal of a pending trial proceeding prior to a FWD under 35 U.S.C. § 318(a) in view of the differential claim construction standard. This should include consideration of the potential impact of such an action on both Petitioners (who would avoid the potential application of estoppel based on an increased burden of demonstrating unpatentability that was applied after the Petition was filed) and Patent Owners (who could face subsequent challenges from the same Petitioner or a related real party in interest despite having partially presented their case in opposition of the Petition).

For these reasons, the BPLA suggests that the USPTO consider promulgating more detailed rules governing the applicability and procedure of the Proposed Rule in pending cases. Specifically, the USPTO should make a clear delineation of the applicability and implementation of the proposed change to proceedings at different stages of review, including whether supplemental briefing may be permitted in pending proceedings to allow parties to address substantive changes that may result from the proposed change. Clarity on implementation would be helpful to stakeholders facing strategic decisions in ongoing proceedings, and would help to ensure consistency across panels in implementing the proposed change in pending proceedings.

III. Additional Guidelines for the Consideration of Prior Claim Construction Determinations Would Improve Consistency and Predictability

The Proposed Rule further indicates that the PTAB "will 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." 83 Fed. Reg. at 21221. However, the BPLA suggests that additional parameters that would guide the Board in implementing this provision would be helpful in providing consistent and predictable application of such prior determinations across the various PTAB panels.

For example, the USPTO should clarify how much weight PTAB panels should give to federal district court and/or ITC claim constructions, and under what circumstances, and with what justification, a panel of the Board could decide to apply a claim construction different from a prior determination. This clarification should provide guidance to the Board, including the potential relevance of the doctrines of issue preclusion, judicial estoppel, and *stare decisis*.

IV. The Board Should Not Be Permitted to Construe Claim Terms That Are Relevant to Grounds That Could Not Be Raised in a PTAB Trial Proceeding

The Proposed Rule would apply the same claim construction standard used in federal district court and ITC proceedings. 83 Fed. Reg. at 21221. However, the grounds available for certain PTAB trial proceedings are different, and generally more limited, than those that can be raised in federal district court and/or at the ITC.

There is therefore a potential risk that implementation of the Proposed Rule could encourage attempts by Patent Owners and Petitioners to obtain construction of terms relevant to issues in federal district court and/or ITC proceedings under the claim construction standard used in those fora that could not be raised in the PTAB trial proceeding at issue (*e.g.*, patent infringement and invalidity under 35 U.S.C. § 112). In such a situation, a litigant could effectively commandeer the power of the Board to make findings on terms that could impact and influence grounds at bar in ex-USPTO proceedings that could not be raised in the proceeding at hand, and over which the Board has no jurisdiction. Any such findings would therefore be advisory opinions over which the courts would not have jurisdiction, effectively resulting in unappealable findings that could unfairly prejudice the afflicted party. *See Flast v. Cohen*, 392 U.S. 83, 97 (1968) (reaffirming the prohibition against advisory opinions set forth in Article III of the United States Constitution).

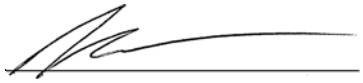
The BPLA accordingly suggests that the USPTO issue guidance assisting the Board in ensuring that it construes only those terms that are relevant to grounds that can be raised in the proceeding at hand.

V. Conclusion

The BPLA appreciates the opportunity to comment on the Proposed Rule. Thank you in advance for your consideration of these comments.

Sincerely,

Boston Patent Law Association

By: 

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