

Broadest Reasonable Interpretation and Claim Amendments in Post-Grant Patent Challenges

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The United States Patent and Trademark Office has used a “broadest reasonable interpretation” (BRI) standard for claim interpretation when examining pending patent applications. Under the [BRI standard](#), a claim term is generally given its broadest reasonable interpretation consistent with the ordinary and customary meaning of the term, its use in the specification, and how it would have been understood by those skilled in the art. Federal district courts, by contrast, have utilized the approach provided in [Phillips v. AWH Corp.](#) Under the *Phillips* approach, courts construe claim terms based on the meaning they would have had to a person of ordinary skill in the art at the time of the invention, based on review of the patent specification, file history, and extrinsic evidence such as dictionaries.



The [America Invents Act of 2011](#) (AIA) established procedures for challenging issued patents at the Patent Office through *inter partes* review (IPR), covered business methods review (CBM), and post-grant review (PGR) proceedings. The Patent Office generally applies the BRI standard to these proceedings rather than the *Phillips* standard. Whether the Patent Office should apply BRI or a *Phillips* construction has been a matter of debate given the nature of these proceedings.

BRI and claim amendments in *In re: Cuozzo*

In [In re: Cuozzo Speed Technologies, LLC](#), now on appeal to the Supreme Court, the Federal Circuit upheld the use of the BRI standard in IPR proceedings in a 2-1 decision. The majority and dissent agreed that the Patent Office’s BRI standard is premised at least in part on the ability to amend claims. The judges disagreed, however, on the implications for IPR proceedings.

Writing for the majority, Judge Dyk identified the ability to amend the claims as one of the rationales for BRI and concluded IPRs provided the ability to amend claims despite some restrictions. In the opinion, Judge Dyke described the “repeatedly stated rationale for using the broadest reasonable interpretation standard” as “that claim language can be modified when problems are identified in the PTO.” He further noted, “Although the opportunity to amend is cabined in the IPR setting, it is thus nonetheless available.” In the majority’s view, if the requirements for claim amendment are too restrictive, they should be revised, but BRI should stand. The court explained, “If there are challenges to be brought against other restrictions on amendment opportunities as incompatible with using the broadest reasonable interpretation standard, they must await another case.” Thus, the majority concluded that the PTO properly applies BRI in IPR proceedings.

Judge Newman, writing in dissent, similarly characterized BRI as premised on the ability to amend, but described the availability of amendments in IPR proceedings as “almost illusory.” Judge Newman concluded that IPRs were more like district court adjudication than Patent Office examination and that a *Phillips* construction should therefore be applied. The dissent argued, “The restricted role of amendment in the America Invents Act proceedings comports with the

intended and expected ‘correct’ claim construction, not the broadest claim construction. It comports with district court practices in adjudication, not PTO practices in examination.”

Developments at the PTO and Federal Circuit since the Federal Circuit’s *In re: Cuozzo* decision

Prior to *In re: Cuozzo*, a panel of judges on the PTO’s Patent Trial and Appeals Board (PTAB) articulated the requirements for claim amendments during IPR proceedings in [Idle Free Systems, Inc. v. Bergstrom, Inc.](#) The panel in *Idle Free* explained that the “burden is not on the petitioner to show unpatentability, but on the patent owner to show patentable distinction over the prior art of record and also prior art known to the patent owner.” Shortly after the *In re: Cuozzo* decision, in [MasterImage 3D, Inc. and MasterImage 3D Asia, LLC v. Reald Inc.](#), the PTAB provided a “clarification” on this requirement. The panel explained that “Prior art of record” means material art from the prosecution history, the current proceeding, and any other proceeding before the Patent Office involving the patent, and that “Prior art known to the patent owner” means “no more than the material prior art that Patent Owner makes of record in the current proceeding pursuant to its duty of candor and good faith.”

More recently, the Federal Circuit in [Synopsys, Inc. v. Mentor Graphics Corp.](#) affirmed the PTAB’s denial of a motion to amend based on a finding that the Patent Owner had failed to demonstrate patentability over the prior art of record. Judge Newman argued in dissent that the PTAB’s requirements for claim amendments were too restrictive and again noted the relationship between BRI and claim amendments. She explained, “The opportunity to amend is an important part of the balance struck in the AIA. The easier standards and lighter burdens for invalidation in AIA proceedings, including the PTAB’s use of the broadest claim interpretation instead of the correct claim interpretation, up-end the delicate balance crafted by Congress.”

Synopsys suggests that even with the PTAB’s “clarification” in *MasterImage*, prevailing on a motion to amend in a post-grant proceeding remains challenging for patent owners. Many practitioners therefore still view the requirements for amending the claims as meriting additional guidance from the PTO and the courts.

BRI and claim amendments in the PTAB’s newly adopted rule changes

As part of the comment period for the PTO’s recent rule changes, the PTO noted it would “continue to make improvements and clarifications via the rule-making process, by updating the Office Patent Trial Practice Guide, and by designating opinions as precedential or informative, as warranted.” However, the newly issued rules, effective May 2, 2016, largely keep intact the PTO’s existing approach to claim interpretation and claim amendments.

The new rules continue to apply BRI to unexpired patents and *Phillips* to expired patents. The [amended rules](#) merely added provisions that *Phillips* applies to patents that are not expired at the time the petition is filed, but that will expire during the proceeding. Thus, the new rules provide for application of BRI where claim amendments are available and *Phillips* where claim amendments are unavailable.

The rule changes did not make any changes to the practice for amending claims either. Instead, the new rules merely note the PTO would “further consider ways to promote uniformity in the

requirements for a motion to amend, such as by designating opinions precedential, issuing a standing order setting forth what requirements govern a proceeding for motions to amend, or other means.”

Open questions after *In re: Cuozzo*

The Supreme Court will hear arguments in *In re: Cuozzo* (now *Cuozzo v. Lee*) on April 25, 2016. If the Supreme Court allows the PTO to apply a different standard than district courts, several open questions will remain. To what extent will the Supreme Court defer to the PTO to interpret and apply BRI versus weighing in on how it should be applied by the PTO? Were the PTAB’s “clarifications” in *MasterImage* sufficient under a BRI standard? Should the requirements for claim amendments be revised to make it easier for Patent Owners to amend under a BRI standard? Likewise, if the Supreme Court requires the PTO to apply the same standard as district courts, open questions will remain. How, if at all, should the procedures for claim amendments be revised under a *Phillips* approach? Should claim amendments be available at all without BRI? Regardless of the outcome, it is likely that additional litigation, and possibly further legislation, will be needed to answer these questions.

Monica Grewal

Monica Grewal's practice focuses on helping clients identify and protect their intellectual property with an emphasis on strategically building their patent portfolios and intellectual property litigation. She is an experienced attorney who has represented a variety of technology clients, particularly those in the technical and medical fields. Over the course of her career, she has advised on all aspects of intellectual property and has represented clients in patent litigation in Federal Courts, before the International Trade Commission and in proceedings before the Patent Trial and Appeal Board. Ms. Grewal serves as co-chair of WilmerHale's Diversity Committee.

With respect to patent advice and prosecution, Ms. Grewal has written patent applications in a wide range of technology areas including: medical devices and procedures, imaging technologies for surgical and diagnostic applications, spectroscopic applications, semi-conductor fabrication, gas turbine engine applications, optics, control systems, computer networking, signal processing, business methods, and other software and telecommunications based technologies.

Ms. Grewal has experience with patent litigation in the International Trade Commission (ITC) and in the Federal Courts, involving various aspects of digital camera technology, computer software and hardware, GPS technology, signal processing, electronic devices and wireless communications technology. She has also represented financial industry clients in proceedings before the Patent Trial and Appeal Board. She has represented clients such as Eastman Kodak Company, Broadcom and Intel in a variety of jurisdictions.

Her recent experience includes being part of the teams that:

- Successfully represented a multinational software company in a patent infringement case against a non-practicing entity and frequent litigator in the Eastern District of Texas on the ground that the asserted claim was unpatentable under 35 U.S.C. § 101 (2013)
- Obtained a summary judgment of non-infringement on behalf of an international financial services group in an action brought by an application hosting and online accounting company in the US District Court for the Southern District of New York (2012)
- Successfully represented three multinational technology companies in a Section 337 proceeding brought by a company that develops passive component solutions for the electronics industry. The ITC issued a final determination terminating the investigation with a finding of no violation (2012).
- Successfully represented a semiconductor manufacturer of analog circuitry in a patent infringement case against a competing semiconductor manufacturer in the District of Massachusetts (2010)
- Successfully represented a digital camera technology company in an action filed against two cellular handset manufacturers resulting in a finding of a violation based on infringement of two patents in a Section 337 proceeding before the ITC. A corresponding patent infringement action was withdrawn prior to the final hearing in Dusseldorf, Germany. *Kodak v. Samsung/LG* (2009).

- Successfully represented a manufacturer of GPS chips in an action against a competing GPS chip company resulting in a finding of a violation based on infringement of six patents in a Section 337 proceeding before the ITC. *Broadcom v. SIRF* (2008).
- Obtained a summary judgment of non-infringement on behalf of a camera manufacturer in an action brought by a non-practicing entity in the District of Delaware and a summary affirmance by the Federal Circuit of a patent relating to electronic image storage systems. Successful in having a related ITC litigation withdrawn in favor of the client.

Learn more about Ms. Grewal's practice and how she can support your startup at WilmerHaleLaunch.com.

Prior to joining the firm, Ms. Grewal was a partner at a local general practice firm, where she co-founded the intellectual property group. Ms. Grewal also worked at two intellectual property boutique firms and served as an in-house intellectual property attorney at Pratt & Whitney Aircraft. Additionally, Ms. Grewal was a former engineer at United Technologies Corporation, Hamilton Standard Division, where she was involved in a variety of United States space programs, including the advanced testing of the NASA spacesuit and shuttle environmental control systems.

Ms. Grewal is the recipient of the several honors and awards including: Recognition of Exemplary Contribution—NASA JSC Crew & Thermal Systems Division (1995) and NASA Group Achievement Award—STS 61 Hubble Telescope Repair Mission (1994).

Michael H. Smith

Michael H. Smith focuses his practice primarily on intellectual property litigation and post-grant proceedings, patent procurement, licensing, and advising clients on intellectual property and policy matters.

Practice

Mr. Smith represents clients in a wide range of intellectual property litigation matters and post-grant proceedings. Mr. Smith has experience litigating patents, trade secrets, licensing agreements, and issues relating to unfair competition in state and federal court, both at the trial and appellate level, as well as before the Federal Trade Commission (FTC) and International Trade Commission (ITC). Mr. Smith additionally has experience representing clients in post-grant proceedings before the United States Patent and Trademark Office (USPTO) and counseling clients on strategic considerations for parallel litigation and USPTO proceedings.

Mr. Smith also represents clients in a wide variety of intellectual property licensing, procurement, and counseling matters. He has patent procurement and counseling experience in technology areas including wireless communications and standards; semiconductors and microprocessors; memory; image processing; networking; and data storage, backup, and computer security. Mr. Smith additionally has experience helping clients license their intellectual property and advising clients on intellectual property legislation and policy.

Prior to joining the firm, Mr. Smith worked at the San Francisco Public Defender's Office, assisting with the representation of individuals charged with felony offenses.

During law school, Mr. Smith represented low-income clients in civil and criminal matters through the Stanford Community Law Clinic. Mr. Smith also completed internships at the Department of Defense Office of the General Counsel and at the International Atomic Energy Agency (IAEA), where he worked on issues relating to national security, technology, and international law.

Mr. Smith has also worked as an undergraduate researcher at UCLA, studying issues relating to image processing, sensor networking, and the intersection of film and technology.