



# THINK FORWARD

## Supreme Court Upholds USPTO's Claim Construction Standard

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The Supreme Court on June 20, 2016, upheld the AIA provisions allowing the USPTO's Patent Trial and Appeal Board ("PTAB") to interpret claims under the broadest reasonable construction (BRI) standard during an *inter partes* review. The Supreme Court further held that the PTAB's decision to institute *inter partes* review is not appealable under 35 U.S.C. §314(d). This decision follows a lively oral argument in April that saw the justices focus on the proper application of the BRI standard during an *inter partes* review.

The Court unanimously upheld the PTAB's use of BRI, recognizing the statutory intent of the AIA to allow the Patent Office to engage in its own rulemaking to fill a statutory "gap" that is silent as to the specific claim construction standard to be used by the PTAB:

*No statutory provision unambiguously directs the agency to use one standard or the other. And the statute "express[ly] . . . authoriz[es] [the Patent Office] to engage in the process of rulemaking" to address that gap. Indeed, the statute allows the Patent Office to issue rules "governing inter partes review," §316(a)(4), and the broadest reasonable construction regulation is a rule that governs inter partes review. (citations omitted).*

The Court also recognized that the U.S. patent system has long provided different tracks for patent review and adjudication through the courts and the Patent Office. Rejecting *Cuozzo's* argument concerning alleged "unfairness" in the system, the Court ultimately concluded that BRI represents a reasonable exercise of rulemaking authority:

*We conclude that the regulation represents a reasonable exercise of the rulemaking authority that Congress dele-gated to the Patent Office. For one thing, construing a patent claim according to its broadest reasonable con-struction helps to protect the public. A reasonable, yet unlawfully broad claim might discourage the use of the invention by a member of the public. Because an examiner's (or reexaminer's) use of the broadest reasonable con-struction standard increases the possibility that the exam-iner will find the claim too broad (and deny it), use of that standard encourages the applicant to draft narrowly. This helps ensure precision while avoiding overly broad claims, and thereby helps prevent a patent from tying up too much knowledge, while helping members of the public draw useful information from the disclosed invention and better understand the lawful limits of the claim.*

The Court also found that the statute, 35 U.S.C. §314(d), is clear that the PTAB's decision to institute *inter partes* review is not appealable. Therefore, absent any findings of "shenanigans," such as violation of a patent owner's constitutional rights, or the Patent Office acting outside of its statutory limits, the PTAB's decision to institute *inter partes* review is not appealable.

USPTO Director Michelle Lee issued the following statement following the Court's *Cuozzo* decision:

*The USPTO appreciates the Supreme Court's decision which will allow the Patent Trial and Appeal Board (PTAB) to maintain its vital mission of effectively and efficiently resolving patentability disputes while providing faster, less expensive alternatives to district court litigation.*

For a review of our earlier analysis of this case following the oral arguments, please follow this [link](#).