



# THINK FORWARD

## Finding Consistency Amongst Different Claim Construction Standards

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During oral arguments in the closely watched *Cuozzo Speed Technologies, Inc. v. Lee*, the Supreme Court heard arguments from both sides describing the merits and consequences of allowing the Patent Trial and Appeal Board (PTAB) to apply the broadest reasonable interpretation (BRI) standard in *inter partes* review (IPR) proceedings.<sup>[1]</sup>

While recognizing the patent owner's arguments about the potential for added confusion and inconsistent results that could be caused by hewing to a BRI standard in IPRs versus an ordinary meaning standard in district court, i.e., the *Phillips* standard,<sup>[2]</sup> the Supreme Court's highly anticipated ruling affirmed the U.S. Patent and Trademark Office's rule-making authority to construe claims under the BRI standard in an IPR.

In light of all the attention given to *Cuozzo*, it is instructive to take a closer look at how the application of the two standards have played out historically, and decide what impact operating under the two standards may have in practice.

### Overlap Between BRI and Phillips

Despite the recognized differences between the two claim construction standards, both practitioners and the courts agree that overlap exists between the BRI and *Phillips* standards.

The PTO has long held rules stating: "Under a broadest reasonable interpretation, words of the claim must be given their plain meaning (ordinary and customary meaning given to the term by those of ordinary skill in the art), unless such meaning is inconsistent with the specification,"<sup>[3]</sup> and that "it is important not to import into a claim limitations that are not part of the claim."<sup>[4]</sup>

The *Phillips* standard states that the words of a claim are generally given their ordinary and customary meaning, which is the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention."<sup>[5]</sup> The *Phillips* standard further states that to ascertain the meaning of a claim term, "the court looks to those sources available to the public that show what a person of ordinary skill in the art would have understood disputed claim language to mean."<sup>[6]</sup> Under the *Phillips* standard, those sources include "the words of the claim themselves, the remainder of the specification, the prosecution history, and extrinsic evidence concerning relevant scientific principles, the meaning of technical terms, and the state of the art."<sup>[7]</sup>

When comparing the two standards, it becomes clear that both the BRI and *Phillips* standards strive to consider the plain and ordinary meaning of a claim term which is understood by a person of ordinary skill in the art. The Federal Circuit has acknowledged this overlap between BRI and *Phillips* by observing "[t]he broadest reasonable interpretation of a claim term may be the same as or broader than the construction of a term under the *Phillips* standard. But it cannot be narrower."<sup>[8]</sup> (Emphasis added).

The Federal Circuit has supported this understanding that the BRI standard starts with the plain

meaning of claim terms. In *Straight Path IP Group, Inc. v. Sipnet EU S.R.O.*, the Federal Circuit reversed an IPR final written decision by the PTAB based on finding an improper application of the BRI standard. Here, the Federal Circuit found it improper for the PTAB to disregard facially clear claim terms and turn immediately to the specification for claim construction. The Federal Circuit provided that even under BRI, “[w]e start with the claim language – which has a meaning that can only be called plain.” [9] In faulting the PTAB for immediately relying on the specification for construing claim terms, the Federal Circuit noted that “[w]hen claim language has as plain a meaning on an issue as the language does here, leaving no genuine uncertainties on interpretive questions relevant to the case, it is particularly difficult to conclude that the specification reasonably supports a different meaning.” [10]

In what can be seen as further reining in the broader scope of BRI, in a pair of related IPR appeals, the Federal Circuit emphasized the broadest *reasonable* standard in view of the claims and specification, and not the broadest *possible* standard that might disregard the plain meaning of a claim term. [11] In the *PPC Broadband* appeals, the Federal Circuit found that the PTAB’s construction of certain claim terms were overly broad because they relied on extrinsic dictionary evidence while ignoring the recited plain claim language calling for a narrower construction (the claim term “maintain electrical continuity” should have considered temporal effects recited in the claims [12]). The Federal Circuit faulted the PTAB for seemingly selecting the broadest definition of claim terms from referenced dictionary definitions, and went on to reason that “[w]hile such an approach may result in the broadest definition, it does not necessarily result in the broadest reasonable definition in light of the specification. The Board’s approach in this case fails to account for how the claims themselves and the specification inform the ordinarily skilled artisan as to precisely which ordinary definition the patentee was using.” [13]

In *Microsoft Corp. v. Proxyconn, Inc.*, the Federal Circuit held that even under the broadest reasonable interpretation, “the Board’s construction cannot be divorced from the specification and the record evidence” and “[a] construction that is ‘unreasonably broad’ and which does not ‘reasonably reflect the plain language and disclosure’ will not pass muster.” [14]

### **Inconsistent Results Do Occur**

In the IPR proceedings of *Rackspace Hosting v. Rotatable Technologies*, [15] the PTAB had the rare opportunity to construe claims previously defined by the district court. In doing so, the PTAB notably construed the claim term “computer display window” differently than did the district court. The district court construed the claim term “computer display window” under the *Phillips* standard to be a graphical user interface displayable on a monitor or screen. The PTAB construed the same claim term “computer display window” as a division of a display screen in which a set of information is displayed. Interestingly, the PTAB rejected both parties’ proposed constructions for “computer display window” and instead relied on the definition provided by a technical dictionary that was found consistent with the specification, where the specification did not provide a definition for “computer display window.” [16] With this, the PTAB’s construction of “computer display window” (not requiring a GUI) permits a potentially broader construction than found by the district court.

In the CBMR proceedings *Jack Henry and Associates, Inc. v. Datatrans Corp.*, the PTAB declined to adopt the district court’s interpretation of the claim term, “subsystem identification information.” [17] The petitioner argued that the district court’s interpretation should be adopted, but the PTAB found that the petitioner provided no persuasive analysis as to how the term is to be interpreted under the BRI standard, which is different from the *Phillips* standard used by a district court.

Inconsistent results also occurred in cases decided by the USPTO’s Board of Patent Appeals and Interferences (BPAI), the predecessor to the PTAB. In *In re Baxter International, Inc.*, the Federal Circuit affirmed a decision by the BPAI that invalidated certain claims of a patent owned by Baxter. [18] This was despite the Federal Circuit’s earlier having upheld a district court’s decision granting judgment as a matter of law, finding that the defendant, Fresenius, failed as a matter of law to show by clear and convincing evidence that their prior art invalidated the same patent claims. Here, Fresenius filed an *ex parte* reexamination challenging Baxter’s patent while the same patent was involved in district court litigation. Notably, Fresenius included new prior art references in the reexamination that were not presented in the district court. Although the Federal Circuit affirmed two inconsistent results from the district court and BPAI, it could be argued that this was due more likely to the new prior art cited in the

reexamination than the different claim construction standards.

### **Conclusion: Toward Congruent Claim Construction**

As noted, inconsistent results have occurred between PTAB proceedings and district courts. However, these can often be attributed to additional circumstances, such as new prior art's being presented between proceedings, a different burden of proof standard, or a party inadequately advocating for consistent claim constructions. Though the possibility of inconsistent results exists, practitioners may best be served by remembering that claim construction analysis takes into consideration the plain meaning of the claim terms in light of disclosure under both the BRI and *Phillips* standards. By doing so, practitioners may be in better position to prepare accordingly.

For instance, practitioners may take advantage of this recognized overlap between standards to advocate for the same claim constructions when it better suits their positions. In other words, while it is important to evaluate claims for potentially different claim constructions in parallel proceedings in district court and before the PTAB, practitioners may analyze whether there exists a single construction that can be advocated with persuasive analysis before both the district court and the PTAB, and that would still be beneficial to their positions. This may be a strategy within the control of parties to ensure consistent results, instead of leaving it entirely up to the courts and the PTAB.

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[1] *Cuozzo Speed Technologies, LLC v. Lee*, 579 U.S. \_\_\_, No. 15-446, 2016 WL 3369425 (U.S. June 20, 2016).

[2] *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005)(*en banc*).

[3] MPEP 2111.01.

[4] *Id.*

[5] *Phillips* at 1312.

[6] *Phillips* at 1314 (quoting *Innova/Pure Water, Inc. v. Safari Water Filtration Systems, Inc.*, 381 F.3d 1111, 1116 (Fed.Cir.2004).

[7] *Id.*

[8] *Facebook, Inc. v. Pragmatus AV, LLC*, 2014 WL 4454956, 4 (Fed. Cir. Sep. 11, 2014) (non-precedential).

[9] *Straight Path IP Group, Inc. v. Sipnet EU S.R.O.*, 806 F.3d 1356, 1360 (Fed. Cir. 2015).

[10] *Id.* at 1361.

[11] *PPC Broadband, Inc. v. Corning Optical Comm'ns*, Appeal No. 2015-1361, et al. (Fed. Cir., Feb. 22, 2016); and *PPC Broadband, Inc. v. Corning Optical Comm'ns*, Appeal No. 2015-1364 (Fed. Cir., Feb. 22, 2016).

[12] Representative claim 1 of U.S. Patent No. 8,323,060 recites, in part: "... so as to maintain electrical continuity between the coupler and the post when the coupler is in the partially tightened position on the interface port, even when the coupler is in the fully tightened position on the interface port, and even when the post moves relative to the coupler."

[13] *PPC*, Appeal No. 2015-1364 (Slip Op., at 7).

[14] *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1298 (Fed. Cir. 2015) (quoting *In re Suitco Surface, Inc.*, 603 F.3d 1255, 1260 (Fed.Cir.2010)).

[15] *Rackspace Hosting v. Rotatable Technologies*, IPR2013-00248.

[16] *Id.* paper 10 at p. 9

[17] *Jack Henry and Associates, Inc. v. Datatransury Corp.*, CBM2014-00056 (PTAB, Paper No. 16).

[18] *In re Baxter Intern., Inc.*, 678 F.3d 1357 (Fed. Cir. 2012).