



July 2, 2018

The Honorable Andrei Iancu  
Under Secretary of Commerce for Intellectual Property  
Director of the United States Patent and Trademark Office  
U.S. Patent and Trademark Office  
600 Dulany Street  
Alexandria, VA 22314

Via email: [PTABNPR2018@uspto.gov](mailto:PTABNPR2018@uspto.gov)

**AUTM Comments on USPTO's Proposed Changes to the Claim Construction Standard Used in PTAB Proceedings (Docket number: PTO-P-2018-0036)**

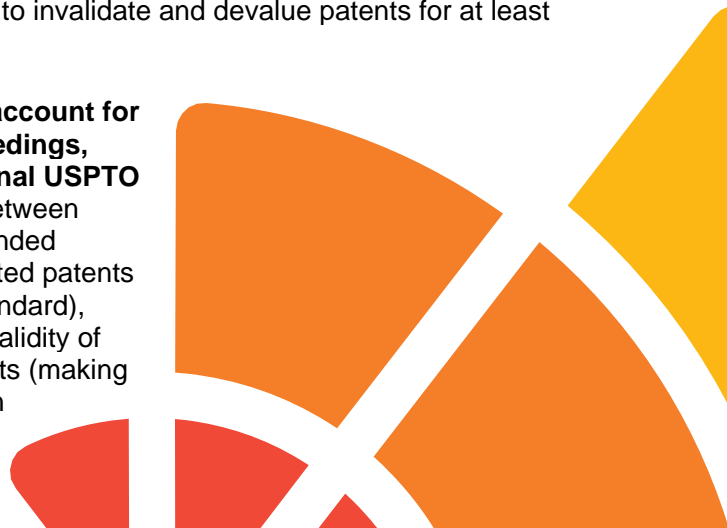
Dear Under Secretary Iancu:

AUTM, a non-profit organization that supports innovation commercialization globally, applauds USPTO Director Andrei Iancu for proposing recommendations to modify PTAB proceedings in order to give patent owners greater due process protections and achieve greater consistency in court.

The USPTO's recommendation to follow the *Phillips* standard of "ordinary and customary meaning" used by the courts in patent infringement cases, rather than the broadest reasonable interpretation (BRI) standard normally used in the patent prosecution process, serves to increase the reliability, predictability, and consistency across the entire U.S. patent system, and works to support a robust innovation economy. AUTM leadership met in May with Director Iancu to support these and other changes.

Under the current *inter partes* review (IPR) regime, the disparity in claims construction standards between the BRI standard currently in use by the USPTO in IPRs, and that which is used by the courts in patent infringement cases, has become a serious issue for patent holders. Instead of being an alternative to court, IPRs have now become a second way to invalidate and devalue patents for at least the following reasons:

**The current BRI standard used in IPRs fails to account for the elementary distinctions between IPR proceedings, which are adjudicatory, and other more traditional USPTO examination procedures.** There is a distinction between procedures, such as reexamination, which are intended primarily to be remedial in correcting errors in granted patents (making BRI the appropriate claim construction standard), versus IPRs which are intended to adjudicate the validity of granted patents, not to correct errors in such patents (making BRI an inappropriate claim construction standard in IPRs).



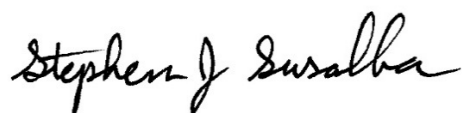
**The current BRI standard represents an unrealistic understanding of how the Patent Trial and Appeal Board (PTAB) currently conducts IPRs.** Using the comparison with reexamination, where the ability to amend claims is much more generous, amending a claim during an IPR proceeding has currently been nowhere near as available as an amendment in the reexamination context, including, up until recently, requiring the patent owner to demonstrate in an IPR that the proposed “substitute claims” would be patentable over the prior art of record, and over prior art not of record but known to the patent owner. Only recently has the Federal Circuit, by its bare majority en banc ruling in the case of *In re Aqua*, established that the petitioner instigating the BRI still has to burden of prove that these “substitute claims” are unpatentable over the prior art of record/not of record. In conjunction with the recent *Aqua* ruling, an additional change to the *Phillips* claim construction standard would make it more likely that PTAB would greatly increase the number of instances where such “substitute claims” would be permitted.

**The current BRI standard frustrates the intent by Congress to establish equal parallel proceedings between PTAB and the district courts.** IPRs were intended to be a complement to, rather than a replacement for, district court litigation. That means the two proceedings should use the same (not different) standards for determining validity. For that to occur, each of these proceedings should use the same claim construction standard so that the results obtained on validity are consistent and similar no matter which of these two proceedings is involved.

**The current BRI standard is not the claim construction standard required by Congress for IPRs.** Nowhere does the literal text of the AIA specify or require that BRI be *the* claim construction standard for IPRs. If the claim construction standard for BRI is to be treated, per the Supreme Court ruling in *Cuozzo Speed*, as a matter of procedure for the USPTO to determine, then the USPTO, through appropriate rule making, has the authority to change the current BRI claim construction standard to the *Phillips* claim construction standard.

In conclusion, we agree with the Notice of Proposed Rulemaking that the Supreme Court, in its ruling in *Cuozzo Speed*, has itself endorsed allowing the USPTO to choose the approach it believes is best. We also agree that having a uniform *Phillips* claim construction standard, whether patent validity is determined in an IPR or a court setting, will help minimize gamesmanship by parties using both IPRs and the courts to challenge patents.

Sincerely,



Stephen J. Susalka, PhD, CLP, RTTP  
Chief Executive Officer  
AUTM

