



# Client Memorandum

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## Supreme Court Upholds “Broadest Reasonable Interpretation” for *Inter Partes* Review Claim Construction

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Defending against a claim of patent infringement in court can be expensive and time consuming. Accordingly, parties accused of patent infringement or concerned with being accused of patent infringement will often challenge the validity of one or more claims of a patent at issue in order to avoid or possibly stay litigation. One option available for such a challenge is *inter partes* review.

The Leahy-Smith America Invents Act created *inter partes* review (IPR), under which a third party can request that the United States Patent and Trademark Office (USPTO) review the validity of an issued U.S. patent. Reviews are limited to issues raised under 35 U.S.C. §§ 102 and 103 (novelty and obviousness, respectively) and may only be based on prior art patents and printed publications. A proper request will be granted if the USPTO’s Patent Trial and Appeal Board (PTAB) determines that there is a reasonable likelihood that the requester would prevail with respect to at least one of the challenged claims.

Once an IPR is granted, the PTAB examines the claims at issue, giving the claims their broadest reasonable interpretation. The claims must be shown to be invalid by a preponderance of the evidence. In contrast, during litigation, district courts considering the validity of patent claims construe the claims more narrowly, giving the claims their “ordinary meaning ... as understood by a person of skill in the art.” In addition, a claim challenged in district court must be shown to be invalid by clear and convincing evidence. The broader claim construction and lower evidentiary standard for invalidity in IPRs as compared to litigation has made IPRs an attractive option for accused infringers or potential infringers to invalidate patents.

In *Cuozzo Speed Technologies v. Lee* (case number 15-446), the U.S. Supreme Court recently considered the use of the PTAB’s broadest reasonable interpretation standard for claim construction during an IPR. In 2004, Cuozzo Speed Technologies LLC (Cuozzo) obtained U.S. Patent No. 6,778,074 (Cuozzo Patent) directed to a speed limit indicator for a vehicle. In 2012, Garmin International, Inc. and Garmin USA, Inc., filed a petition seeking *inter partes* review of all 20 claims of the Cuozzo Patent. During the IPR, the PTAB concluded that Claims 10, 14, and 17 of the Cuozzo Patent were obvious in view of prior art patents and ordered Claims 10, 14, and 17 canceled.

Cuozzo appealed the PTAB’s decision to the Court of Appeals for the Federal Circuit (CAFC), arguing, *inter alia*, that the PTAB’s use of the broadest reasonable interpretation standard for claim construction was inconsistent with the district court’s narrower “ordinary meaning ... as understood by a person of skill in the art.” Cuozzo argued that the PTAB should use the district court’s narrower claim construction. The CAFC rejected Cuozzo’s arguments and affirmed the PTAB’s decision.

Cuozzo appealed the CAFC decision to the U.S. Supreme Court. The Supreme Court unanimously upheld the CAFC decision regarding claim construction, stating:

We conclude that the regulation represents a reasonable exercise of the rulemaking authority that Congress delegated to the Patent Office. For one thing, construing a patent claim according to its broadest reasonable construction 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 construction standard increases the possibility that the examiner 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.

In view of the Supreme Court's affirmation of the PTAB's authority to use the broadest reasonable interpretation standard for claim construction, IPRs remain an attractive option for parties seeking to invalidate an issued U.S. patent. Specifically, the broader claim construction and the lower evidentiary burden used in IPRs increase the chances that challenged claims will be found invalid. When these factors are considered in combination with the shorter time to final disposition and the significantly reduced costs of an IPR as compared to litigation, it is clear that the use of IPRs should be given serious consideration by parties accused of or risking the accusation of infringement.

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