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To: The Honorable Andrei Iancu,
Under Secretary for Commerce for Intellectual Property
Director of the United States Patent and Trademark Office
Email: PTABNPR2018@uspto.gov

June 28, 2018

RE: Comments on the proposed "Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board", Docket No. PTO-P-2018-0036, RIN 0651–AD16, published at 83 FR 21221(5/9/2018).

Dear Director Iancu:

I am a patent attorney. I have been practicing before the Patent Board (then the BPAI, now the PTAB) since the mid 1990's. I represent both Patent Owners and Petitioners.

I write to commend your proposal to change the claim construction standard applied in PTAB AIA proceedings from the BRI standard to the standard applied to construe claims in patent infringement litigation before federal district courts. That federal district court standard is currently based upon *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). If an appropriate version of your proposed rule is promulgated, it will force alignment of arguments regarding the scope of claims in district court patent litigation and PTAB AIA proceedings, thereby increasing the efficient administration of justice and reducing costs of litigation.

I observe however that the proposed rule could be clarified to better implement this goal.

First, I observe that the language of the proposed rule is not aligned with the "Summary" of the proposed rule. The "Summary" of the proposed rule states in part that:

> the Office proposes to replace the broadest reasonable interpretation (‘‘BRI’’) standard for construing unexpired patent claims and proposed claims in these trial proceedings with *a standard that is the same as the standard applied in federal district courts and International Trade Commission (‘‘ITC’’) proceedings*.

However, the proposed rule does not state that the claim construction standard "*is the same as the standard applied in federal district courts and International Trade Commission (‘‘ITC’’) proceedings*." Instead, the proposed rule states that:

> (b) In a post-grant review proceeding, a claim of a patent, or a claim proposed in a motion to amend under [§ 42.121 or § 42.221], shall be construed using the same claim construction standard that would be used to construe such claim in a civil action to invalidate a patent under 35 U.S.C. 282(b), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.

Second, the proposed rule quoted above has an "including construing" clause which is either surplusage or not consistent the what precedes that clause. What precedes the "including construing" clause in the proposed rule quoted above states that a claim in a PTAB AIA proceeding "shall be construed using the same claim construction standard that would be used to construe such claim in a civil action to invalidate a patent under 35 U.S.C. 282(b)." That defines a standard. What follows that clause therefore is either redundant or not consistent with the standard. Accordingly, that "including construing" clause is improper.

I also note that the current proposed rule relies upon a standard in "a civil action to *invalidate* a *patent* under 35 U.S.C. 282(b)." I note that, while 282(b)(2) refers to "Invalidity of the patent or any claim in suit," normally *claims* are found invalid, not *patents*. Accordingly, it would be more accurate to recite "a civil action to *invalidate* a *claim* under 35 U.S.C. 282(b)."

I also submit that defining the standard for claim construction based upon "a civil action to *invalidate* a *patent* under 35 U.S.C. 282(b)" is inappropriate for several reasons.

First, defining the standard based upon invalidity is inappropriate because that suggests a goal of invalidation, not a goal of construction. That sends the wrong message.

Second, defining the standard based upon invalidity is inappropriate because it is not consistent with the judicial focus on 35 USC 112 for claim construction and not on invalidity under 35 USC 282(b) for claim construction. See *Phillips* at 1312:

> Those two paragraphs of *section 112 frame the issue of claim interpretation for us.* The second paragraph requires us to look to the language of the claims to determine what "the applicant regards as his invention." On the other hand, the first paragraph requires that the specification describe the invention set forth in the claims. The principal question that this case presents to us is the extent to which we should resort to and rely on a patent's specification in seeking to ascertain the proper scope of its claims. [Italics added for emphasis.]

Phillips does not rely upon 282(b) for a claim construction standard, and neither should the PTAB.

Third, defining a claim construction standard based upon 282(b) is inappropriate because 282(b) defines plural basis for invalidity, *see Aristocrat Technologies Australia Pty Limited v.*

International Game Technology, 543 F.3d 657, 663 (Fed. Cir. 2008) explaining the different invalidity defenses defined by 282(2), now 282(b)(2). Forseeably, the case law for claim construction could develop to provide different standard for different 282(b) invalidity basis. If so, the proposed rule would become ambiguous.

My assumption is that the proposed rule includes the "to *invalidate* a *patent* under 35 U.S.C. 282(b)," language after "a civil action" (the proposed rule reads "a civil action to *invalidate* a *patent* under 35 U.S.C. 282(b)") in order to distinguish the civil actions involving patent infringement cases from the civil actions involving pending claims, such as 35 USC 145 actions. This is because civil actions pursuant to 35 USC 145 have applied a BRI standard. *Cf. Disney Enterprises, Inc. v. Rea*, l:12cv687 (LMB/TRJ), paper 72 (E.D. Va. 4/11/2013) (Memorandum Opinion); and *Vladimir Panchev v. Kappos*, l:12-cv-641 (GBL/IDD), paper 32 (E.D. Va. 6/25/2013). And lacking a limitation in the proposed rule excluding 145 actions the rule would arguably be ambiguous, referring to both 271 infringement actions and 145 actions. It would arguably be ambiguous despite the proposed rule's reference to a claim of a patent (reading "(b) In a post-grant review proceeding, a claim of a patent, ... such claim"). This is so because district courts often interpret "patent" to refer to both an issued patent and a pending patent application. However, that concern is more easily addressed by for example revising the rule to refer to construction of a *claim in an issued patent*, instead of invoking how a claim is construed for purposes of invalidation.

I also note that bodily incorporation into the proposed rule of the statement in the Summary of "the standard applied in federal district courts and International Trade Commission (‘‘ITC’’) proceedings" would be inappropriate for two reasons. First, "standard applied in federal district courts" is too broad for reasons noted above with respect to 145 actions. Second, when defining a standard, there is no reason to define the standard with two basis. Accordingly, there is no reason to define the standard based upon both federal district courts and the ITC. This points out that the stated goal in the Summary is not exactly on point with the policy goal of aligning the claim construction used by the PTAB in AIA proceeding with the claim construction standard used in patent infringement actions in district courts. For analogous reasoning, you do not need to refer to both infringement and invalidity, when defining the rule. And you do not need to refer to both patent infringement actions and declaratory judgement actions for invalidity, when defining the rule. This is true, even though both infringement and validity depend upon claim construction.

I also note that bodily incorporating into the proposed rule the statement in the Summary that the standard is "the standard used by Article III federal courts following *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc)" would also be unwise. This is because future judicial developments might change the standard used in Article III federal courts to something other than *Phillips*. My point here is that your rule should capture the goal of the rule change, which is to align the claim construction used by the PTAB in AIA proceeding with the claim construction standard used in patent infringement actions in federal district courts. As you stated in the Summary of the proposed rule making, at 83 FR 21223:

> Thus, the high percentage of overlap between AIA trial proceedings and district court litigation *favors using a claim construction standard in AIA trials that is consistent with the standard used by federal district courts and the ITC*.

Therefore, consider a rule allowing the flexibility of evolving with the Article III federal court's standard for claim construction, instead of pinning the rule to some current and immutable definition.

Your proposed rule recites "civil action." Note that, while "civil action" is defined by FRCP 2, and it is forseeably that FRCP 2 might in the future be changed. If you adopt a rule including "civil action," you may want to note the "civil action" recitation in the final rule refers to the "civil action" now defined by FRCP 2.

Returning yet again to the goal of the rule change, since the goal is to align the claim construction standard in PTAB AIA proceedings with the claim construction standard applied in federal district courts in patent infringement cases, then have the rule say that.

For example, the following version align the claim construction standard in PTAB AIA proceedings with the claim construction standard applied in federal district courts in patent infringement cases:

> (b) In a post-grant review proceeding, a claim of a patent, or a claim proposed in a motion to amend under [§ 42.121 or § 42.221], shall be construed using the claim construction standard that would be used by a federal district court in a patent infringement civil action to construe a claim in an issued patent.

I do not address the propriety of your proposed transitional provision, that is, the effective date and applicability provisions. There appear to be APA and due process problems, no matter what transitional provision you promulgate. However, to the extent you can fast track cases in which the parties raise the propriety of the transitional provision, so that the Federal Circuit can promptly rule on that propriety, you should.

Truly,
/Richard Neifeld/
Neifeld IP Law, PC

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