

USPTO Changes PTAB Claim Construction Standard from Broadest Reasonable Interpretation to the Standard Used by Courts

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On October 11, 2018, the United States Patent and Trademark Office (USPTO) published a final rule changing the standard by which claims of unexpired patents are construed in *inter partes* review (IPR), post-grant review (PGR), and covered business method (CBM) proceedings at the Patent Trial and Appeal Board (PTAB). The [final rule](#), as published in the Federal Register, will apply only to IPR, PGR, and CBM petitions filed on or after November 13, 2018, the effective date of the final rule.

The final rule replaces the broadest reasonable interpretation (BRI) standard with the claim construction standard used by US federal courts and the International Trade Commission (ITC)—the standard applied in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) and its progeny. Under the final rule, the PTAB will take into consideration any prior claim construction determination that has been made in a civil action or a proceeding before the ITC, so long as the prior claim construction is properly entered into the record.

Until now, parties challenging an unexpired patent in PTAB proceedings often have argued that under the BRI standard a challenged claim must be broader than how a court would interpret the claim, thus increasing the possibility that the claim, read more broadly, would encompass prior art and be canceled as unpatentable. Then, if defending an infringement action in federal court or in the ITC, that same party could argue that the narrower *Phillips* claim construction standard applied to the patent claims, thereby narrowing the claim scope to create a non-infringement position.

The USPTO hopes that “the change will lead, among other things, to greater consistency and harmonization with the federal courts and the ITC and lead to greater certainty and predictability in the patent system.”¹

What to Expect in the Near Term

While many believe that the change to a *Phillips* claim construction standard will not significantly impact PTAB trials in the long term, it likely will impact filing strategies in the near term. Because the BRI standard will be applied to IPR, PGR, and CBM petitions filed before November 13, 2018, petitioners may seek to take advantage of the broader claim construction standard while they still can.

The transition to the *Phillips* standard may also result in fewer filings in the months immediately after the switch because parties will seek to understand the full implications of the new rule. Moreover, because the new rule permits panels in IPR, PGR, or CBM proceedings to consider prior claim construction determinations made in a

¹ *PTAB Issues Claim Construction Final Rule*, United States Patent and Trademark Office, <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/procedures/ptab-issues-claim-construction> (October 10, 2018).

civil action or a proceeding before the International Trade Commission (ITC), there may be a slowdown of invalidity challenges and infringement actions more generally, as all parties observe the new interplay and estoppel effects between the federal courts, the ITC, and the PTAB.

The Rulemaking Process

The USPTO proposed the rule on May 9, 2018,² and solicited public comments on the proposed rulemaking through July 9, 2018. The USPTO received 374 comments. The comments received were from individuals, corporations, associations, law firms, and law professors. According to the USPTO, a “significant majority of comments supported the proposed change.”

The Office of Information and Regulatory Affairs (OIRA) completed its review of the rule on October 3, 2018, and approved it “consistent with change,” meaning that it agreed with the intent of the rule but sought some alterations. The USPTO noted that “the final rule adopts the proposed rule language set forth in the [Notice of Proposed Rulemaking], with a few changes for clarification purposes.”

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² See 83 Fed. Reg. 21,221 (May 9, 2018).