

Client Alert

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Putting “Reasonable” Back in “Broadest Reasonable Interpretation”

On June 16, 2015, the US Court of Appeals for the Federal Circuit, for the first time, reversed the Patent Trial and Appeal Board’s (the Board) decision in an America Invents Act proceeding. In *Microsoft Corp. v. Proxyconn, Inc.*, 2014-1542, the Federal Circuit ruled that the Board’s interpretation of the claims was broader than what constituted “broadest reasonable interpretation.” In effect, the Federal Circuit’s ruling put more teeth into the “reasonable” requirement. In addition, as discussed further below, the ruling reduces the distinction between the *Phillips* claim construction standard adopted by district courts and the “broadest reasonable interpretation” standard applied during prosecution and in Patent Office proceedings.

District courts construe patent claims according to principles outlined by the Federal Circuit in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005). Specifically, claim terms are presumed to carry their ordinary and customary meaning as understood by a person of ordinary skill in the field at the time of the invention. The ordinary and customary meaning of a term may be evidenced by words of the claims themselves, the patent specification, the prosecution history and, if necessary, extrinsic evidence. In the event a court concludes that a claim remains ambiguous after applying all the available tools of claim construction, it will attempt to construe the claim in a manner that preserves its validity. *Id.* at 1327.

By contrast, in Patent Office proceedings, claims are to be given their “broadest reasonable interpretation” in light of the specification as it would be interpreted by one of ordinary skill in the art. *Id.* at 1316. This standard applies to America Invents Act proceedings such as *inter partes* reviews and post grant reviews as has been recently confirmed by the Federal Circuit in *In re Cuozzo Speed Technologies, LLC* (Fed. Cir. 2015).

The distinction between the “broadest reasonable interpretation” standard used by the Patent Office and the *Phillips* claim construction adopted by the courts is vague. The Federal Circuit has stated that “[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.” *Facebook, Inc. v. Pragmatus AV, LLC*, 582 Fed. Appx. 864, 869 (Fed. Cir. 2014).

In the present case, following an *inter partes* review of Proxyconn’s US Patent No. 6,757,717, the Board concluded that all of the challenged claims, except for claim 24, were invalid in view of the prior art. *Microsoft Corp. v. Proxyconn, Inc.*, IPR 2012-00026 and IPR 2013-00109, Paper 73 (PTAB Feb. 19, 2014). Microsoft appealed the Board’s decision, asserting that claim 24 was also invalid over the prior art. Proxyconn cross-appealed, arguing that the “broadest reasonable interpretation” standard should not apply in *inter partes* review proceedings before the Board. Proxyconn’s argument was foreclosed by the earlier decision in *Cuozzo* wherein the Federal Circuit reaffirmed the “broadest reasonable interpretation” standard as the proper claim construction standard for Patent Office proceedings. The Federal Circuit, however, then proceeded to consider the Board’s application of that standard and concluded that the Board’s interpretation of the claims was broader than what constituted “broadest reasonable interpretation.”

The claim limitations addressed at the Federal Circuit included “two other computers” as recited in claims

6, 7 and 9, as well as the “sender/computer” and “receiver/computer” recited in claims 1, 3, 10, 22 and 23. The Board interpreted these limitations to be broad enough to incorporate a “caching computer” as claimed in claim 6 and described throughout the specification. In reviewing the specification and the drawings, the Federal Circuit concluded that these interpretations were beyond a “broadest reasonable interpretation” of the language because the specification and drawings referred to and depicted the various computers as being separate and independent components of the claimed system. *Microsoft*, 2014-1542, 11. Accordingly, the claimed “two other computers” and “sender/computer” and “receiver/computer” would not include the “caching computer,” which is a separate and independent component of the claimed systems. The court then remanded the case to the Board for review.

In reaching its decision, the Federal Circuit stated that claims should not be interpreted so broadly as to be “unreasonable under general claim construction principles.” *Id.* at 6. The court re-affirmed that the claims should be read in light of the specification and teachings in the underlying patent. *Id.* at 7. The court also noted that, in cases wherein the patent has been brought back to the agency for a second review, the prosecution history of the patent should also be consulted. *Id.* The court further re-emphasized that the construction “must be consistent with one that those skilled in the art would reach.” *Id.*

It had previously been considered that one of the distinctions between the “broadest reasonable interpretation” standard and the *Phillips* standard is that the *Phillips* standard required an interpretation that took into consideration the prosecution history of the patent. By affirming that the prosecution history should be taken into account in construing claims under the “broadest reasonable interpretation” standard, at least when applied in cases wherein the patent is being reviewed by the Patent Office for a second or additional time (e.g., reexaminations, *inter partes* reviews, post-grant reviews), the Federal Circuit has essentially erased that distinction. It remains, however, that if a claim remains ambiguous after a court applies all the available tools of claim construction, the *Phillips* standard requires the court to construe the claim in a manner that preserves its validity. No such requirement appears to have been imposed upon the application of the “broadest reasonable interpretation” standard. Indeed, as there is no presumption of the validity of a claim before the Patent Office, it is not likely that the “broadest reasonable interpretation” standard will require construing the claim to preserve its validity.

The *Microsoft* decision provides the patent owner with additional arguments in favor of a narrower claim construction during Patent Office proceedings, thus potentially rendering the claim less likely to be invalidated over prior art challenges. The decision also provides the patent owner with potential grounds for challenging a Board decision by arguing that the Board adopted an interpretation of the claims that was beyond the “broadest reasonable interpretation.” Further, this decision may also be cited during prosecution in instances in which a patent applicant determines that the Patent Office has adopted an unreasonably broad interpretation of the claims. In addition, from a patent practitioner standpoint, the decision re-emphasizes the importance of drafting a thorough and detailed specification that may be used to support potential arguments that a reasonable interpretation of the claims would distinguish over the prior art.

Moreover, it appears as though the legislative branch of the government is also attempting to weigh in on the “broadest reasonable interpretation” standard. Specifically, the House and the Senate are both considering bills to address this standard. In the House, the Innovation Act, which recently passed through its Judiciary Committee, includes a new provision under §326(a) that allows the director to prescribe regulations that “each claim of a patent shall be construed as such claim would be in a civil action to invalidate a patent under section 282(b), including construing each claim of the patent 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.” H.R. 9, 114th Cong. § 9 (as reported by H. Judiciary Comm., June 11, 2015). A similar bill in the Senate, the bipartisan PATENT Act, which recently passed its Judiciary Committee, also addresses the claim construction standards at the PTAB. S. 1137,

114th Cong. § 11 (as reported by S. Judiciary Comm., June 4, 2015). If either bill passes through Congress, the Patent Office may be allowed to adopt the *Phillips* standard in Patent Office proceedings, or to formally codify the *Microsoft* decision, potentially ending the use of “broadest reasonable interpretation” standard in such proceedings.

Contacts

Maya M. Eckstein
meckstein@hunton.com

Alison L. Karmelek
akarmelek@hunton.com

Gene J. Yao
gyao@hunton.com