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USPTO harmonizes with US courts by adopting the court's standard for interpreting claim scope

The United States Patent and Trademark Office (USPTO) has announced that it will change claim construction standards for interpreting claims at trial proceedings before the Patent Trial and Appeal Board (PTAB). What does this mean to technology companies? What is claim construction and how does it normally work in the US?

Some Background

The PTAB is an administrative body of the USPTO that hears appeals from patent examination rejections as well as conducts trials such as inter partes review (IPR), post grant review (PRG), covered business method patent reviews, and derivative proceedings. Patent validity challenges are often brought before this body.

Patent infringement, on the other hand, occurs at the courts in civil lawsuits.

In both PTAB trials and civil lawsuits, the courts must interpret and determine the scope of the claims before making decisions on patent validity (does prior art fall within the scope?) or patent infringement (did the infringing product fall within the scope?). Before the trials, both parties are given opportunities to provide arguments and supporting evidence in favor of a particular interpretation of the claim scope, or “claim construction.”

Historically, the PTAB and the courts have used different standards. The PTAB has used a broader standard of choosing the “broadest, reasonable interpretation” of a claim (BRI standard), whereas the courts have been following a stricter claim construction standard set out in a 2005 Federal Circuit case *Philips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (*en banc*).

The News

The USPTO has now announced that PTAB will also take on the same Philips standard that the courts have been using since 2005.

Below are some key factors that guide the Philips standard:

- Words of a claim are generally given their ordinary and customary meaning
- The specification is the single best guide to the meaning of disputed term and can be used as a dictionary when it expressly defines terms
- Prosecution history can be taken into account to determine how the inventor understood the invention (especially in cases where claims were narrowed)

- Prosecution history can be taken from patent examination, reissue, reexamination, prior AIA proceedings, prosecution of related applications when relevant, and appeals of a USPTO rejection
- As a last resort, claims should be interpreted in a way that makes them valid

The inconsistencies between the different bodies caused issues and seemingly unfair results. For example, an infringer's product could invalidate a patent as prior art under PTAB's broader standard yet not be infringing under the court's more reasonable standard.

Benefits

This change in law will bring greater consistency, clarity, and predictability across the various bodies that govern patent disputes – namely the civil courts, PTAB, and ITC. In many cases, it should reduce legal fees because work related to claim construction can largely be streamlined. A less overarching broad interpretation of claim scope will bring in less prior art, thus reducing the risk of patents being invalidated.

Challenges

The new standard makes it harder for a challenger to invalidate a patent. Not only is the overall standard for claim interpretation narrower now, the challenger will have a harder time forum shopping to find the weakest point.

Looking Ahead

According to the USPTO, 86.8% of patents that are involved in a PTAB proceeding has also been under litigation in Federal court. Therefore, this problem of inconsistent standards is very real for a majority of litigated cases. Having consistency between the courts, PTAB, and ITC will be a welcomed change that will make life easier for patentees in the US legal system.

The law change will official occur **November 13, 2018**. Those who wish to take advantage of the broader standard (such as those hoping to invalidate or oppose a patent) should try to file a petition before the deadline. Petitions filed on or after November 13, 2018 will be subject to the new "Philips" standard.

We will keep you updated for further development. Stay tuned for more important updates on IP law in China.

Please contact us with any questions: eip@eipgroup.asia.

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