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PTAB Alert: Implicit Claim Construction and the Standard of Review

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Today, the Federal Circuit issued a precedential decision vacating and remanding a PTAB decision based on an erroneous implicit claim construction. *Google v. EcoFactor*, Case Nos. 2022-1750, 2022-1767 (Fed. Cir. Feb. 7, 2024). The challenged patent described a thermostat capable of dynamically balancing between comfort and energy savings. The Board issued a Final Written Decision finding that Google did not meet its burden of proving the claims unpatentable. In so finding, the Board stated explicitly that it was not construing any of the claim language.

On Appeal, Google argued that the Board had engaged in claim construction, in spite of the statement to the contrary. This is very important on appeal since claim construction is reviewed de novo while factual findings are reviewed under the more deferential substantial evidence standard.

The Federal Circuit first noted that the Board's statement regarding claim construction was not dispositive. Then, based on the Board's assessment of the prior art, the court found that the Board had in fact engaged in claim construction. The court also noted that the Board's reliance on claim construction cases to determine the scope of the claims supported the court's finding that the Board did, in fact, engage in claim construction. The court found the claim construction was improperly narrow, agreeing with Google's broader construction and then vacated the decision and remanded the case for further proceedings.

This case demonstrates the importance of focusing on the standard of review when appealing and defending Board decisions before the Federal Circuit.