

Insights: Alerts

Supreme Court Upholds Broadest Reasonable Interpretation at the PTAB

June 21, 2016

Written by **Michael T. Morlock** and **John C. Alemanni**

On Monday, June 20, the Supreme Court issued a much anticipated decision upholding the PTAB's use of the Broadest Reasonable Interpretation standard for claim construction and confirming that the decision to institute is non-appealable. *Cuozzo Speed Techs., LLC v. Lee*, No. 15-446.

In *Cuozzo* the Patent Owner argued that the Board improperly applied Broadest Reasonable Interpretation rather than the *Phillips* standard applied in District Court proceedings. The Court considered Patent Owner's arguments that post-grant proceedings are more similar to district court litigation than to traditional patent office proceedings. For example, post-grant proceedings include "discovery of relevant evidence" and presentation of "factual evidence and expert opinions." *Cuozzo* at 14. However, the Court found that "in other significant respects, inter partes review is less like a judicial proceeding and more like a specialized agency proceeding." *Id.* at 15. The Court considered that the burden of proof differs, that "challengers need not remain in the proceeding," and that "the Patent Office may intervene in a later judicial proceeding to defend its decision—even if the private challengers drop out." *Id.* The Court also found that "[m]ost importantly ... the purpose of the proceeding is not quite the same as the purpose of district court litigation." *Id.* at 16. Rather, the Court compared inter partes review to reexamination, stating that, like reexamination, "the proceeding offers a second look at an earlier administrative grant of a patent." *Id.* The court also stressed "[t]he purpose of inter partes review is not only to resolve patent-related disputes among parties, but also to protect the public's 'paramount interest in seeing that patent monopolies . . . are kept within their legitimate scope.'" *Id.* at 3 (citation omitted).

The Court further rejected the Patent Owner's arguments that the Broadest Reasonable Interpretation standard is improper as it is the same standard applied during regular examination. On this point, the Court found that "[t]he patent holder may ... make a motion to do just what he would do in the examination process, namely, amend or narrow the claim." *Id.* 18. In considering Patent Owner's argument that the Patent Office has granted very few motions to amend, the Court stated that "the manner in which the Patent Office has exercised its authority ... [to grant motions to amend] is not before us." *Id.* at 19.

In confirming that the decision to institute review is not appealable, the Court left open the possibility of challenging the decision on Constitutional grounds. "[W]e need not, and do not, decide the precise effect of §314(d) on appeals that implicate constitutional questions, that depend on other less closely related statutes, or that present other questions of interpretation that reach, in terms of scope and impact, well beyond 'this

section." *Id.* at 15.

The Court's decision in *Cuozzo* preserves the status quo, theoretically allowing Petitioners to rely on a broad construction before the Board, while proposing a more narrow construction in a District Court.

Related People



Michael T. Morlock

t 404.815.6003

mmorlock@ktslaw.com



John C. Alemanni

t 919.420.1724

jalemanni@ktslaw.com