

Insights: Alerts

Federal Circuit Scrutinizing PTAB Claim Constructions, Emphasizing “Reasonable” in The Broadest Reasonable Interpretation Standard

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The Federal Circuit recently reversed the PTAB’s cancellation of a patent directed to point-to-point communications in a dynamically addressed network. Sipnet EU S.R.O. has challenged U.S. Patent No. 6,108,704 held by non-practicing entity Straight Path IP Group, Inc. in a petition for *inter partes* review. See IPR2013-00246. On October 9, 2014, the PTAB cancelled claims 1-7 and 32-42 of the ’704 patent.

On November 25, 2015, the Federal Circuit Court of Appeals reversed and remanded this IPR decision. The main issue on appeal was whether the PTAB properly construed the claim phrase “a query as to whether the second process *is connected* to the computer network.” (emphasis added) The claims in question are directed to facilitating the communication via point-to-point communication links between two separate computer processes across a network in which IP addresses are assigned dynamically, rather than statically. According to the ’704 patent, this is accomplished by sending a query to determine if the second process is connected to the network and, if so, establishing a link between the processes.

Sipnet’s proposed construction, which was adopted by the Board, encompassed the present and past tenses of the emphasized claim phrase above such that a second process that was either currently connected (i.e. online) or had once been connected (i.e. registered) to the network was within the scope of the claim language. The Federal Circuit ruled this was “not a reasonable interpretation of the claim language, considering its plain meaning, to say that it is satisfied by a query that asks only for registration information, regardless of its current accuracy.” Based on its construction, the PTAB cancelled all of the challenged claims.

And recently, the Federal Circuit heard oral argument on whether the PTAB exceeded the limits of reasonableness when the Board construed a claimed “continuity member” to require neither consistent electrical contact nor a continuous electrical connection to other recited components. See IPR2013-00340, -00342, -00345, -00346, and -00347. Federal Circuit Judge Kathleen O’Malley took particular issue with whether the PTAB’s construction was reasonable in view of the claim language and the specification. And Federal Circuit Judge Kimberly Moore, also critical of the PTAB construction, noted “this case may be the poster child for the differences between BRI [broadest reasonable interpretation] and [the] Phillips [standard] and the implications it can have down the line.”

Taken together, these cases suggest that the Federal Circuit is pushing back against broad constructions of claim language in recent PTAB decisions. In both instances, the Federal Circuit noted contradictions between the constructions adopted by the PTAB and the express claim language recited by the patents at issue.

UPDATE: As this article was being finalized for publication, the Supreme Court granted certiorari in *Cuozzo Speed Technologies, LLC v. Lee*, No 15-446, to review whether the PTAB applies the correct claim construction standard in post-grant proceedings.

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