

No. 15-_____

IN THE
Supreme Court of the United States

INTERVAL LICENSING LLC

Petitioner,

v.

MICHELLE K. LEE,

Respondent.

On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Can the Patent and Trademark Office appropriately apply the “broadest reasonable interpretation” standard in construing patent claims in post-grant validity challenges?

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INTRODUCTION

The U.S. Patent and Trademark Office (PTO) has determined that patent claims should be construed according to the “broadest reasonable interpretation” (or BRI) in virtually all PTO proceedings. That includes post-grant validity disputes that are initiated by patent challengers and either approximate litigation or have an eye towards co-pending litigation in district court. The scope of that determination is highly debatable, however: Although the rationale for the BRI standard derives from the patent applicant’s right to amend her claims to clarify their scope in *initial* PTO proceedings, it is clear that these rights are quite circumscribed in *post-grant* validity challenges in such a way as to make the same rule highly problematic.

Accordingly, the Federal Circuit recently divided 6-5 on the question whether to grant *en banc* review to reconsider the application of the BRI rule in such post-grant validity challenges. The applicant in that case has petitioned this Court for certiorari with a host of *amicus* support. *See* Petition for a Writ of Certiorari, *Cuozzo Speed Techs., LLC v. Lee*, No. 15-466 (U.S. Oct. 6, 2015). In fact, this Court has never considered the propriety of the BRI standard in post-grant validity challenges, and if it were to grant the petition in *Cuozzo*, the Court’s ruling would have a substantial impact on this area of Federal Circuit precedent going forward. This case shows the stakes: The Federal Circuit frequently affirms PTO decisions in post-grant validity challenges summarily (as it did here), even when the very broad claim construction that essentially dooms the patent conflicts directly with a federal court decision about how to construe identical or very similar claim terms.

This Court should grant the petition in *Cuozzo*, which squarely presents a critical question of federal law on which the Federal Circuit is closely divided. And, if it does so, it

should hold this petition for its decision in *Cuozzo*, so that it can remand for reconsideration under the correct legal rule.

PETITION FOR WRIT OF CERTIORARI

Petitioner Interval Licensing LLC respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.

OPINIONS BELOW

The Federal Circuit’s opinion summarily affirming the patent office (Pet. App. 1a) is unpublished. The underlying PTO order (*id.* at 3a) is available at <http://e-foia.uspto.gov/Foia/RetrievePdf?system=BPAI&flNm=fd2014002901-05-29-2014-2>. The decision denying rehearing (*id.* at 24a) is unpublished.

JURISDICTION

The Federal Circuit issued its opinion April 17, 2015, Pet. App. 1a, and denied a timely rehearing petition on July 2, 2015. The Chief Justice extended the time to file this petition from September 30, 2015 to November 28, 2015. *See* No. 15A313. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATEMENT OF THE CASE

I. *Ex Parte* Reexamination and the BRI Standard

Ex parte patent reexamination is a process by which “any person at any time may file a request for reexamination ... on the basis of any prior art.” 35 U.S.C. § 302. In essence, the requester asks the patent office to take a fresh look at whether a patent is truly novel based on prior art references the office has not considered before. Although the statute allows any person to bring such a request at any time, *ex parte* reexamination was intended to be—and generally is—part and parcel of the litigation process in the federal courts: It is typically initiated by an

alleged or possible infringer because a patent is either the subject of a suit already or likely to become one.

That makes perfect sense because, as the history of *ex parte* reexamination demonstrates, it was intended to serve as an alternative to litigation, providing “efficient resolution of questions about the patent validity of issued patents without recourse to expensive and lengthy infringement litigation.” H. Rep. 1307(I), 96th Cong., 2d Sess. 4, reprinted in 1980 U.S. Code Cong. & Admin. News 6460, 6463. Congress likewise hoped that *ex parte* reexamination would “eliminate or simplify a significant amount of patent litigation.” S. 1679, 96th Cong. 15-16 (1979) (statement of Comm’r Sidney Diamond); see also, e.g., 126 Cong. Rec. 30,364 (1980) (statement of Sen. Bayh) (“Reexamination would allow patent holders and challengers to avoid the present costs and delays of patent litigation Patent reexamination will also reduce the burden on our overworked courts by drawing on the expertise of the Patent and Trademark Office.”); 126 Cong. Rec. 29,901 (1980) (statement of Rep. Hollenbeck) (“As a result of the provision for reexamination, the potential conflict can be settled by the Patent Office itself in far shorter time and at far smaller expense to the challenger or to the patent holder than would be the case if the only recourse was through the court system.”). Accordingly, its overwhelming use is by parties who have been or expect to be accused of infringement as an alternative means of invalidating the patent claims at issue.

Ex parte reexamination thus functions as follows. First, a party brings a request to the PTO that it institute a reexamination based on prior art materials that demonstrate “a substantial new question of patentability.” 35 U.S.C. § 303. That request will be granted or denied based on the challenger’s materials without any input from the patent holder. *Id.*; see also Manual of Patent Examiner Procedure (MPEP) § 2240(b) (9th ed. 2013) (Rev. July 2015) (“No

input from the patent owner is considered prior to the determination, unless the patent owner filed the request A patent owner claim scope statement and any accompanying information submitted pursuant to 37 CFR 1.501(a)(2) will not be considered by the examiner when making the determination of whether to order *ex parte* reexamination under 35 U.S.C. 304.”); *see also Patlex Corp. v. Mossinghoff*, 758 F.2d 594, 607 (Fed. Cir. 1985). If the reexamination is instituted, it will almost uniformly result in a rejection of the existing claims. Patent holders do have limited rights to respond or to amend their claims thereafter in light of the PTO’s actions, but those opportunities are circumscribed and—particularly when it comes to actually amending the claims—often of little practical value given the litigation context. *See infra* pp.14-18.

Under existing PTO and Federal Circuit precedent, the BRI standard governs the construction of the patent claims during that reexamination. *In re Yamamoto*, 740 F.2d 1569, 1571 (Fed. Cir. 1984). Under the BRI standard, the claims are given “the broadest interpretation which they will support without straining the language in which they are couched.” *In re Cuozzo Speed Techs., LLC*, 778 F.3d 1271, 1279 (Fed. Cir. 2015). Oddly, this is not the same way a court would read the claims in any litigation. In district court, claim terms are read according to their plain and ordinary meaning, and ultimately construed according to how they would be read by one of ordinary skill in the art at the time of invention and in light of the specification. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-13 (Fed. Cir. 2005) (en banc). And settled law treats this construction as a legal issue reviewed *de novo* under the same rules of construction by the Federal Circuit. *See Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 391 (1996).

Put otherwise, the point of the BRI standard is to give the claims the *broadest* reading they might possibly bear,

while the point of the *Phillips* standard in the federal courts is to give them the *right* reading. Relative to *Phillips*, the BRI standard essentially involves a deliberately overbroad reading of the claims. Indeed, in light of *Markman*'s settled holding that claim construction is an issue of law, one can understand the BRI standard as necessarily giving patent claims a reading that is legally incorrect, especially when the federal courts have already construed the same claim terms and read them quite differently.

This standard makes sense, however, in the precise context in which it arose. The PTO devised the BRI standard in the context of initial patent examination, and later applied it to reissue examination, because those processes involve a “back and forth” between the patent holder and the examiner over what the patent means and what the patent holder is trying to claim. See *In re Prater*, 415 F.2d 1393 (CCPA 1969); *In re Reuter*, 651 F. 2d 751 (CCPA 1981). In these contexts, the BRI standard functions as “an examination expedient,” see *In re Skvorecz*, 580 F.3d 1262, 1267 (Fed. Cir. 2009) (“This protocol is solely an examination expedient, not a rule of claim construction. Its purpose is to facilitate exploring the metes and bounds to which the applicant may be entitled, and thus to aid in sharpening and clarifying the claims during the application stage, when claims are readily changed.”). It is helpful during the “back and forth” process to consider how broadly the claims *might* be read, so that they can be given a clearer scope in a dialogue with the patentee. The BRI standard is thus essentially a *tool* for structuring the dialogue. Accordingly, the Federal Circuit has expressly recognized that this expedient does not actually result in the legally correct reading of the claims, and so is a means to an end rather than an accurate construction of a legal document. *Id.*

This suggests that the BRI standard has a policy purpose in the context of initial examination proceedings

between the inventor and the PTO that it may not have in litigation or in any post-grant validity challenge among adverse parties. Adopting the BRI is justified in initial examination because the patent holder can continue the “conversation” by amending his claims to better capture his exact meaning. See *In re Prater*, 415 F.2d at 1404-05 (justifying BRI because “during the examination of a patent application ... the applicant may ... *amend* his claims ... to reduce the possibility that, after the patent is granted, the claims may be interpreted as giving broader coverage than is justified”) (emphasis original). The practical availability of amendment is in fact the engine that drives the policy apparatus: If the applicant cannot amend the claims freely in the back and forth with the office, then the BRI simply misreads the claims by giving them a scope that they *would not* have in an infringement litigation, to the potential detriment of the patent holder’s legal rights. Put otherwise, the whole point of adopting the BRI standard makes sense if and only if the patent holder has the power to freely amend his claims in response to a reading that he regards as overbroad.

It is therefore critically important to recognize that *ex parte* reexamination proceeds in a markedly different fashion from initial examination for purposes of assessing whether the BRI standard is appropriate. As explained further below, the patent holder’s ability to amend the claims in the *ex parte* reexamination process is rather circumscribed. Unlike examination and reissue examination, which are initiated by patent holders, *ex parte* reexamination is typically initiated by challengers. Moreover, the practical realities of *ex parte* reexamination are markedly different from initial and reissue examination because of the litigation context—in short, efforts to amend the claims to disavow unintended claim scope under the BRI standard can actually cut off the litigation against alleged infringers, whether the disavowed claim scope has anything to do with

the allegations of infringement or not. That problem is not present in initial examination precisely because there can be no infringement before the patent initially issues.

Thus, the simple legal issue that is presented in this case—as in *Cuozzo*—is whether the differences between initial examination and post-grant validity challenges make the BRI standard inappropriate in those proceedings. That question has yet to be considered by this Court.

II. Factual Background And Proceedings Below

The patented technology at issue in this case was developed at Interval Research Corporation, a privately funded think tank founded in 1992 by Microsoft Corp. co-founder Paul Allen, and veteran of Xerox’s innovative Palo Alto Research Center, David Liddle. Interval Research successfully worked to be at the forefront of designing innovative, next-generation technologies, and would eventually employ over 110 of the world’s leading scientists, physicists, and engineers, performing advanced research and development in the areas of information systems, communications, and computer science. Indeed, Interval Research successfully pioneered multiple, groundbreaking technologies and—after only one decade in existence—had three hundred issued patents or pending applications.

Interval Research transferred ownership of the two patents at issue in this appeal to petitioner Interval Licensing LLC. Interval Licensing is a sister company to Vulcan Inc., the corporation that Paul Allen founded to manage his business and charitable endeavors. Vulcan Inc. and Interval Licensing have sought to protect, enforce, and monetize Interval Research’s patent rights by selling, licensing, or litigating the patents in its portfolio.

The patent at issue, U.S. Patent No. 6,263,507 (“the ’507 patent”), describes a way to make a large collection of information more useful by acquiring, organizing, correlating, and displaying different pieces of information

(*e.g.*, video, image, audio, or text data) from within the collection. '507 patent at 2:60-66, 3:17-22, 3:34-59. Very simply summarized, the '507 patent displays a segment of a body of information and a set of related information in a manner that allows the user to quickly identify and navigate to the related information in response to what appears in the segment. The specification thus describes that while a user watches a television news story (the segment of information), for example, the invention can *automatically* identify and display portions of text articles (*e.g.*, headlines or text excerpts) relating to that television clip (the related information). *Id.* at 3:43-54, 5:36-42, 10:14-16, 16:55-17:4. Critically, the claims of the '507 patent recite that this automatic display of the related information occurs “in response to” the display of the body of information. *See, e.g., id.*, claim 20.

In this manner, the '507 patent invention enables “real-time display of some or all of a body of information while also displaying related information in response to the real-time display.” *Id.* at 4:34-37. The background section of the '507 patent specification explains that this manner of display offered an additional improvement over previously known information navigation systems, which “do not enable the real-time display of some or all of a body information while also displaying related information in response to the real-time display.” *Id.* at 2:49-52. In recognition of its advancements over the existing art, the '507 patent was initially issued by the PTO on July 17, 2001.

About a decade later, the patent became the subject of litigation between Interval and technology companies who were allegedly infringing on its invention without a license. *See Interval Licensing v. AOL*, Case No. 2:10-cv-01385-MJP (W.D. Wash. 2010). As part of their effort to contest that litigation, these defendants requested the *ex parte*

reexamination at the heart of this case—specifically urging the PTO to carry out the reexamination with “priority over all other cases” because of the co-pending litigation. Indeed, immediately after requesting this reexamination of the ’507 patent, the defendants sought and obtained a stay of the co-pending litigation pending the outcome in this proceeding. Order Granting Joint Request to Stay, Interval Licensing v. AOL, W.D. Wash. Dkt. No. 11-717, Doc. 13 <https://ecf.wawd.uscourts.gov/doc1/19714240199>. Simply put, as is often true in post-grant validity challenges, this reexamination was initiated by alleged infringers as part of a litigation strategy intended to dispose of infringement claims in federal district court.

The reexamination was focused on the critical claim language requiring that the display of related information be “in response to” the body information. *See supra* p.8. In a prior precedential opinion, the Federal Circuit had affirmed a grant of summary judgment of non-infringement based on its recognition that a second event does not occur “in response to” a first event if an intervening user action—in that case, the selection of a menu button by a user—is required. *Am. Calcar, Inc. v. Am. Honda Motor Co., Inc.*, 651 F.3d 1318, 1340 (Fed. Cir. 2011). In the present case, the patent holder relied on *exactly the same claim term* (“in response to”) when arguing that a prior art reference, called “Joachims,” did not fall within its scope for *exactly the same reason*—namely, the claimed second event in Joachims occurred only “in response” to an intervening user selection of a menu button rather than “in response to” the first event recited in the claims. The patent holder thus raised the issue of how to correctly construe “in response to” in each of its responses. *See, e.g.*, Pet. App. 11a. But at no point during the proceedings did the examiner ever address the *American Calcar* case, or address the patent holder’s arguments directed to the interpretation of the “in response to” claims. Instead, the examiner adopted a broader interpretation of

those words than the Federal Circuit and invalidated the claims on reexamination.

Interval appealed the reexamination determination to the Patent Trial and Appeal Board (PTAB), *see id.* at 3a, stressing the relevance of *American Calcar*. But the PTAB wholly dismissed those arguments because *American Calcar* did not incorporate the BRI standard. According to the PTAB, that “holding does not have direct bearing on the case currently before us” because it “involves a district court’s claim construction which is not based upon the broadest reasonable interpretation standard, and is based upon the disclosure in [sic] particular to that case.” *Id.* at 13a. Many of the claims that the Board held invalid had *only* been reviewed based on grounds dependent on the Board’s broad construction of the “in response to” language. *See id.* at 6a-11a.¹ Thus, claims of the '507 patent were found invalid based upon the application of the BRI standard regardless of the fact that the application of the plain and ordinary meaning standard of *Phillips* would have come to a different result.

Interval appealed to the Federal Circuit, but it summarily affirmed all of the PTAB’s claim rejections under Federal Circuit Rule 36. *Id.* at 1a. By summarily affirming, the panel necessarily affirmed the Board’s construction of “in response to” under the BRI standard even though it was directly contrary to *American Calcar*.

¹ Specifically, claims 28, 71, and 130-188 of the '507 patent were only subject to rejections based on Joachims, which, as explained above, *supra* p.9, implicated the “in response to” construction. If the construction was erroneous, a remand would have been required for further proceedings with respect to those claims. *See In re Skvorecz*, 580 F.3d at 1267-68 (reversing anticipation rejection premised on incorrect claim construction).

This summary affirmance sends a concerning two-part message to the Board and practitioners. First, it makes clear that the BRI standard frees the Board from following precedential Federal Circuit opinions addressing the plain and ordinary meaning of non-technical words in claims, such that patent holders are deprived of the meaning their patent would have when given the correct interpretation *already adopted* by a federal court. Second, it makes clear that PTAB constructions of patents under the BRI standard are almost impervious to attack on appeal, even where the construction is squarely contrary to the one that would be adopted in co-pending litigation. Indeed, a recent article about related post-grant validity challenges recognizes as much, noting that the Federal Circuit has affirmed in every single appeal—with 12 of 14 affirmances resulting in no opinion at all. *See* AIA Patent Amendments Not as Tough as You Think, Law 360 (May 14, 2015), <http://www.law360.com/ip/articles/654095>.

REASONS FOR GRANTING THE WRIT

The Federal Circuit issued a summary affirmance in this case—as it has now done in many cases appealing a PTAB decision on post-grant review in light of the BRI standard. But currently pending before the Court is a certiorari petition arising from a 6-5 decision of the Federal Circuit on the question whether the BRI standard should be reconsidered in the context of *inter partes* review. *Cuozzo* Pet., No. 15-466, at 10. That petition—along with the dissenting opinions below—fully elucidate the reasons why the BRI standard is inappropriate in a post-grant validity challenge, and why the issue is important. If this Court grants the petition in *Cuozzo*, it should hold this petition for a potential order granting, vacating, and remanding in light of *Cuozzo*—especially because this will be the Court’s first decision regarding the proper claim-construction standard in

PTO actions, and will profoundly affect the existing precedent in this area.

Because we simply ask that this case be held for *Cuozzo*, we emphasize only two further points that are demonstrated by this case and that highlight the need for a grant on this issue. The first is that the *ex parte* reexamination context provides an even more vivid demonstration of the potential for conflict between post-grant validity challenge standards and district court standards than the *inter partes* review proceeding at issue in *Cuozzo*. The second is that, as this case demonstrates, the correct interpretation of the claim language is frequently a completely dispositive issue in the reexamination, and the BRI standard is allowing the Board to adopt interpretations of legal documents that harm patent holders' rights even when we know a court would read them differently.

I. *Cuozzo* Should Be Granted, And This Petition Held, Because The BRI Standard Is Inappropriate In Post-Grant Validity Challenges

As the *Cuozzo* petition explains, the BRI standard is merely an expedient for use in the “back and forth” of examination, and is ill-suited for proceedings that seek to limit or defeat the rights a patent holder has under their existing patent. *See, e.g., Cuozzo Pet., No. 15-466, at 11-12.* Once a patent has issued, the patent claims should be given their *correct* meaning, not their broadest *possible* meaning. Otherwise, there will be conflicts between the federal courts and the PTAB in adjudicating the identical claims, and the language will also be read differently in deciding whether the claims are valid (before the PTO) and in adjudicating infringement (before a district court). This violates cardinal principles of claim interpretation and raises the exact risk of inconsistency that this Court attempted to prevent in *Markman* by making claim construction an issue of law. *See generally Cuozzo Pet., No. 15-466, at 14-19.*

We emphasize only that, while *Cuozzo* discusses the potential for these inconsistencies in the *inter partes* review context, the reality has already been demonstrated in the similar context of *ex parte* reexamination at issue here. In this context, there have been multiple cases where claims determined to be valid in the district court, and upheld by the Federal Circuit, have been subsequently invalidated through reexaminations at the PTO based on the very same art that was previously relied upon in the district court litigation. See *In re Baxter Int'l, Inc.*, 678 F.3d 1357, 1364 (Fed. Cir. 2012); *In re Swanson*, 540 F.3d 1368, 1377-78 (Fed. Cir. 2008); *In re Constr. Equip. Co.*, 665 F.3d 1254, 1260-61 (Fed. Cir. 2011) (Newman, C.J., dissenting). These different outcomes are the direct result of the BRI standard being applied in reexamination. See, e.g., *In re Swanson*, 540 F.3d at 1377.

Moreover, there is actually one good argument for adopting the BRI standard in *inter partes* review that is entirely absent from the *ex parte* reexamination context presented here. When a party institutes an *inter partes* review and loses, they are collaterally estopped from raising the same argument in any future litigation. See 35 U.S.C. § 315. Applying the BRI to the patent claims in the *inter partes* review thus at least helps to limit the force of collateral estoppel, because (absent the BRI standard) it is possible that the district court might construe the claims more broadly than the PTO did, to the detriment of the infringer who now is estopped from making validity arguments.² But

² Ultimately, there is nothing at all fair about applying the BRI in post-grant validity challenges, and the collateral estoppel effect for challengers who lose an *inter partes* review is justified because that challenger *chose* the PTO forum for themselves. If a challenger wants to be sure that infringement and validity are litigated under the same claim construction—as they should be—the patent challenger can always chose to contest that issue exclusively in the district court.

even that argument is absent here because there is no such estoppel effect with respect to *ex parte* reexamination; no court need give any effect whatsoever to what an examiner concludes when taking the second look that *ex parte* reexamination allows. Similarly, the examiner's determinations during reexamination need not be consistent with the rulings of the Federal Circuit over the same art applied to the same patent in a district court. See *In re Baxter*, 678 F.3d at 1364; *In re Swanson*, 540 F.3d at 1377-78; *In re Constr. Equip. Co.*, 665 F.3d at 1260-61 (Newman, C.J., dissenting). Thus, the only direct effect of utilizing the BRI in *ex parte* reexamination is to undermine the rights that the patent holder has to the patent claims as they would be *correctly* construed by a district court applying the *Phillips* standard.

We also emphasize that on the relevant axis—which is the practical availability of amendment—there is no real difference between the *inter partes* review context presented in *Cuozzo* and the *ex parte* reexamination context presented here. Most importantly, both lack the free back and forth associated with initial examination, and the right to amendment in reexamination is highly circumscribed, especially because of the practical effects of contemplated or co-pending litigation.

A concrete example may help to better explain the practical problem with claim amendments in the *ex parte* reexamination context. Suppose a patent holder sues in district court, alleging infringement, and there is no dispute that the proper reading of the claim terms in fact covers the alleged infringing device. There is an argument, however, as to whether the best reading of those claim terms covers a prior art device—such that the claim will be invalid as anticipated under 35 U.S.C. § 102. Further suppose that the best reading of the claims under *Phillips* is to the contrary, but a very broad reading might well cover the prior art. In

this hypothetical, the alleged infringer will lose in district court, where the best reading governs, and the claims will be construed in a way that is valid over the prior art. But if the infringer initiates an *ex parte* reexamination, the office will adopt the broadest reasonable reading, which will cover the prior art and invalidate the claim.

This latter situation puts the patent holder on the horns of a dilemma that cannot be escaped with amendment of the claims. If she leaves the claims in place, she is going to lose her patent and her lawsuit, even though a correct reading of the patent leaves both her patent rights and her infringement claim intact. But if she attempts to amend the claims to make clear that those claims were never intended to be read so broadly, that amendment may destroy the district court litigation. The only way to save both is to come up with a complicated set of words that remains broad enough to cover the alleged infringing device but cannot be *deliberately misread* by the patent office under the BRI standard to cover any prior art; an amendment that would preserve both validity and the patent holder's infringement theory under the *Phillips* standard may be deemed insufficient to distinguish the claims from the prior art under the BRI. And even then, if a co-pending litigation is sufficiently advanced that the patent holder has submitted infringement contentions, amendments made during reexamination may prevent the patent holder from pursuing infringement under the asserted theory. *See, e.g.*, W.D. Wash. Patent Rule 124, <http://www.wawd.uscourts.gov/sites/wawd/files/LRPatentRules-Final.pdf>; E.D. Tex. Patent Rule 3-6(b), http://www.txed.uscourts.gov/cgi-bin/view_document.cgi?document=1179.

Even passing these hurdles, moreover, may not be enough. Under the doctrine of intervening rights, when amendments are made during a reexamination, a patentee is not entitled to infringement damages for the period between the date of issuance of the original claims and the date of

issuance of the reexamined claims unless the original and reexamined claims are “substantially identical.” See 35 U.S.C. §§ 252, 307(b). The Federal Circuit has held that “it is difficult to conceive of many situations in which the scope of a rejected claim that became allowable when amended is not substantively changed by the amendment.” *Laitram Corp. v. NEC Corp.*, 163 F.3d 1342, 1348 (Fed. Cir. 1998). Accordingly, any amendment made during a reexamination to overcome cited art will likely result in a patentee relinquishing damages for the activity that gave rise to the litigation, even if the claims have or would have survived a validity challenge under the plain and ordinary meaning standard applied in the district court—which is to say, the *correct legal* reading of the patent. Furthermore, a patent holder may not be entitled to damages for infringing actions that take place *after* the issuance of the reexamined claims as a “court may also provide for the *continued practice* of any process patented by the [reexamined claims] that is practiced, or for the practice of which substantial preparation was made, before the grant of the [reexamined claims].” 35 U.S.C. § 252 (emphasis added).

Accordingly, the adoption of the BRI standard in *ex parte* reexamination forces patentees to address cited art applied to a claim interpretation that is broader than the legally correct interpretation, while simultaneously denying the patentee almost any practical ability to amend the patent claims to clarify that they had no intent to claim so broadly. This makes clear that the whole purpose of the BRI standard is absent in the context of a post-grant validity challenge. Critically, adopting the BRI in *ex parte* reexamination does not structure a conversation between the patent holder and the patent office because the patent holder has to stay mum in seeking to clarify the meaning of her claims. Instead, the BRI standard just deprives the patent holder of the legal rights she would have under her existing patent if the claim construction were carried out

under the district court standard that requires reaching the legally correct claim construction.

Indeed, even ignoring the effect of amendments on a patent holder's infringement theory *and* the issue of intervening rights, a patent holder is not free to amend the claims of a patent during reexamination in the same way that an applicant is free to amend the claims during initial and reissue examination. There is no "back-and-forth between the applicant and examiner" in reexamination. Instead, after the examiner rejects the claims, a patent holder is provided with a single opportunity to amend the claims as a matter of right. If this amendment is deemed insufficient to overcome the rejections, a final office action issues, and the applicant has no further opportunity to substantively amend the claims. This is particularly prejudicial to the patent holder as the patent is being evaluated for validity as part of a "subjective examination of claims in light of the prior art." *In re Etter*, 756 F.2d 852, 857-58 (Fed. Cir. 1985) (en banc). Absent the "objective baseline" provided by the "plain and ordinary meaning" standard applied in district courts, *Phillips*, 415 F. 3d at 1312-13, the patent holder can have little confidence that the amendments will be sufficient to overcome the rejections, and little way to anticipate how the newly amended claims will be interpreted under the subjective BRI. Indeed, as this case shows, the patent holder may choose terms that have already been construed by the Federal Circuit, and the PTO may nonetheless conclude that they should be given a very different meaning under the BRI standard.

Additionally, in initial and reissue examination, applicants are provided with an opportunity to continue examination with claim amendments after a final office action has been issued. Through the use of requests for continued examination, an applicant can reopen prosecution after a final office action is issued, allowing the

applicant to present amendments after the final action and/or present additional arguments to the examiner. There is no analogous procedure for continued reexamination. At one time the USPTO provided for such a continued reexamination practice, but it abandoned that practice in 2004 regulations, and yet has not reconsidered the propriety of the BRI standard in this context since. *Notice of Changes in Requirement for a Substantial New Question of Patentability for a Second or Subsequent Request for Reexamination While an Earlier Filed Reexamination is Pending*, 1292 Official Gazette 20, March 1, 2005; *see also* MPEP § 2240 (8th ed. 2001) (Rev. 2, May 2004).

Because *ex parte* reexamination and *inter partes* review equally lack the back and forth associated with initial examination, a decision to grant and reverse in *Cuozzo* will almost certainly control the outcome of this case. And even if it did not govern this case *a fortiori*, any decision against the PTO in *Cuozzo* would certainly reshape the law in this area such that the Federal Circuit would have to reconsider the propriety of the BRI standard in the *ex parte* reexamination context as well. Accordingly, the only reasonable approach is to hold this case for *Cuozzo* if it is granted, and to grant, vacate, and remand this case in light of whatever guidance *Cuozzo* might provide.

II. This Case Demonstrates That The Question Presented In *Cuozzo* Goes To The Heart Of Post-Validity Challenges

This is merely one of a number of cases that the Federal Circuit has recently decided without any substantive opinion affirming the decision of the PTAB under the BRI standard. The reason is not hard to understand: The correct meaning of the claim terms is often the whole game, and the enormous breadth of those terms under the BRI standard is going to make it hard indeed to disagree with any PTAB decision to cancel claims as covering inventions

that either existed or were obvious in light of prior art. The petition in *Cuozzo* ably discusses the various criticisms that have been leveled against the BRI standard for just this reason.

But this case demonstrates the special problems that it can cause. As this case shows, the BRI standard is so broad that it allows the PTAB to reject the meaning that a given claim term has *already been given* in a decision of the Federal Circuit. See Pet. App. 12a; *contra Calcar*, 651 F.3d at 1340. But this cannot be right. The reason for the BRI standard is that—*before* the words of the patent have been given a legal meaning—the patent examiner and the patent holder are trying to figure out what they mean, and using the BRI standard as a way to check on how broadly the particular terms chosen might be understood or misunderstood. But once the claims have already been issued, and particularly after they have been given a legal meaning from a court, there is no reason to sweep away from under the patent holder the rights they already have under the correct interpretation. The patent—*once issued*—is a grant of *legal rights*: It cannot be given two different meanings in two different places thereafter without impairing the rights the holder has been given. The fact that applying the BRI in post-grant validity challenge leads to this anomalous result is a vivid demonstration that it has no proper role in post-grant validity challenges at all.

Put otherwise, the only real effect from applying the BRI standard in post-grant validity challenge—given the practical impossibility of actually amending the claims—is to deprive a patent holder of rights they would otherwise have. The possibility of inconsistent outcomes in different fora contravenes *Markman's* direction to treat claim construction as a matter of law, it upends the certainty on which the patent system relies, and it leaves patent holders at the mercy of potentially inconsistent decisions. And because the patent holder is not really able to “cure” an

overbroad misreading by amending his claims, deliberately over-reading them in PTO proceedings serves no arguable policy purpose.

Moreover, once the PTAB decides to reject a claim, there will be little a patent holder can say in the Federal Circuit given the reach of the BRI—as the summary affirmance in this and many other cases demonstrates. Absent this Court’s intervention, patent rights will thus continue to be swept away in overbroad (mis)readings at the *ex parte* reexamination stage, with barely a second look in any federal court. With such a procedure in place, “the rights conveyed by a patent are illusory, the government has defaulted on its responsibilities under the patent contract, the patent is worthless, and ultimately, the patent system becomes a cruel hoax.” Court of Appeals for the Federal Circuit: Hearings Before the Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the Comm. of the Judiciary, 97th Cong. 177-78 (1981).

CONCLUSION

This Court should grant the petition in *Cuozzo*, and hold this petition for its disposition.

Respectfully submitted,

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