



## BRI STANDARD UPHELD

On July 8, 2015, the Federal Circuit denied a petition for rehearing *en banc* in the much anticipated and discussed *In re Cuozzo Speed Technologies, LLC*. This case was a case of firsts for *inter partes* review (IPR): the first IPR petition ever filed, the first IPR written decision, and the first appeal of an IPR written decision. In denying the petition, the Federal Circuit maintained the petitioner friendly Broadest Reasonable Interpretation (BRI) standard for claim constructions in IPR proceedings.

Proponents for the continued use of BRI argue that this standard is used in other post grant proceedings and it is appropriate in Patent Office proceedings where a patent owner has an opportunity to amend claims. Those opposed to the BRI standard argue that IPR is intended to be more akin to litigation and that petitions to amend claims have rarely been granted.

While the petition was denied, it was not by much. Five judges dissented (Chief Judge Prost, and Judges Newman, Moore, O'Malley, and Reyna), where six were needed to grant the petition. Had one more judge dissented, the petition would have been granted. This narrow margin demonstrates the split in the Federal Circuit and strengthens the likelihood that the Supreme Court would grant a potential petition.

Adding to this is the potential that Congress acts to amend IPR proceedings. As referenced in the concurrence, two pending bills may replace the petitioner friendly BRI standard with the more patentee friendly *Phillips* standard. House Judiciary Chairman Bob Goodlatte, R-Va., introduced the first of these bills, Innovation Act of 2015 (H.R.9). Commentators expect this bill to be voted on before the August recess. The second bill is the STRONG Patent Act (S.632), which Rep. Christopher Coons, D-Del., introduced on Mar. 3, 2015, and is currently in committee.

## HISTORY OF *IN RE CUOZZO* AND SCOPE OF APPEALS

As mentioned above, *Cuozzo's en banc* petition resulted from a Federal Circuit panel decision of February 2015. *Cuozzo* filed its appeal of the PTAB written decision to contest, among other things: (1) application of the BRI standard (addressed above); (2) the propriety of the grant of *inter partes* review; and (3) the standard for granting leave to amend, which is not a topic of this article.

The petitioner, Garmin, filed a petition to challenge four claims of U.S. Patent No. 6,778,074 (the '074 patent) as anticipated under 35 U.S.C. § 102 or obvious under 35 U.S.C. § 103. The PTAB granted review on three of these claims. For two of them, the PTAB relied on grounds that Garmin did not explicitly present. After a written decision held all three claims invalid, *Cuozzo*, not surprisingly, appealed. Interestingly, *Cuozzo* and Garmin settled during the appeal process, but the Patent and Trademark Office (PTO) intervened to defend the written decision.

In a 2-1 panel decision, Judges Dyke and Clevenger of the Federal Circuit held that (1) BRI is the correct standard, (2) declined to alter the PTAB's denial of the motion to amend, and (3) decisions on whether or not to institute IPR proceedings are not reviewable – at least by appeal. Judge Newman dissented.

Regarding the issue of whether or not the Federal Circuit has jurisdiction to review the PTAB's institution of IPR proceedings, the concurrence and the dissent focused on legislative intent and statutory interpretation. Out of the gate, the court held that interlocutory appeal (e.g., appeal before a final decision) of a decision to institute IPR is barred, as previously held in *In re Dominion Dealer Solutions, LLC*, 749 F.3d 1379, 1381 (Fed. Cir. 2014).

Additionally, the court held that appeal after a written decision is barred given the plain meaning of 35 U.S.C. § 314(d) – “[t]he determination by the Director whether to institute an *inter partes* review under this section shall be final and nonappealable.” However, the court did leave open the possibility for a mandamus petition. Mandamus petitions are usually reserved for only the most egregious errors. Judge Newman's strong dissent cautioned against this “heavy handed” approach. The dissent interpreted § 314(d) as barring interlocutory appeal, but not post-written decision appeal.

This decision would seem to bar any appeal of a decision on whether to institute IPR proceedings for any ground. However, as my colleague Maria Cedroni will discuss in her upcoming article, some cases seem to be at odds with *In re Cuozzo*.

## BUILDING YOUR CASE

As far as post-allowance procedures go, IPR is still in its infancy. A thorough understanding of the issues surrounding the evolving IPR practice is a necessity for successful arguments for both petitioners and patent owners alike. *In re Cuozzo* highlights this necessity. Skilled advocates plan for the possibility of changes in law and construct arguments that can withstand such changes.

The *In re Cuozzo* cases seem most favorable to petitioners. Not only was the BRI upheld, but the PTAB was given leeway to modified grounds in petitions. However, as many petitions since *In re Cuozzo* have discovered, the PTAB is not so willing to correct petitions. Such as in *Printing Industries of America v. CTP Innovations*, case IPR2013-00474 (PTAB), at Paper 16 (Dec. 31 2013) among many other cases.

Parties wanting to appeal a written decision will need to identify which errors can or should be appealed. Successful appeals require an understanding of the nuances of the PTAB, Federal Circuit, and appellate practice. Skilled advocates can guide parties through the appeals process and avoid potential pitfalls. Practitioners must also craft petitions and responses with forethought and knowledge of the appealable issues.



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