

Keywords: inter partes review; 35 U.S.C. § 314(d); claim construction

General: The decision to institute an inter partes review is not appealable. Within an inter partes review, the correct standard for the Patent Trial and Appeal Board to follow during claim construction is the broadest reasonable interpretation standard.

In re Cuozzo Speed Techs., LLC
U.S. Court of Appeals Federal Circuit
No. 2014-1301
Decided February 4, 2015

I. Facts

Cuozzo Speed Technologies (“Cuozzo”) was assigned U.S. Patent No. 6,778,074 (“the ‘074 patent”), entitled “Speed Limit Indicator and Method for Displaying Speed and the Relevant Speed Limit.” In one embodiment, a red filter is superimposed on a white speedometer so that the speeds above the legal speed limit are displayed in red and the legal speeds are displayed in white. A GPS unit tracks the vehicle’s location as well as the speed limit at that location. When there is a change in the speed limit, the red filter is automatically adjusted.

Garmin International, Inc. and Garmin USA, Inc. (collectively, “Garmin”) petitioned the U.S. Patent and Trademark Office (“PTO”) for inter partes review (“IPR”) of all the claims of the ‘074 patent. In its petition, Garmin contended claims 10, 14, and 17 were all obvious under 35 U.S.C. § 103(a). The PTO granted Garmin’s petition and instituted IPR on the grounds Garmin had argued regarding claim 17 and applied additional art not cited by Garmin with respect to independent claims 14 and 17.

In an IPR, an issued patent may be challenged by a person who is not the owner of the patent by filing a petition with the PTO. The petitioner may request claims in the patent be cancelled on the grounds of obviousness or lack of novelty so long as obviousness or the lack of novelty is formed on the basis of “prior art consisting of patents or printed publications.” 35 U.S.C. § 311. The patent owner may file a response to argue that IPR should not be instituted. Also, the patent owner may move to amend the challenged claims, cancel the challenged claims, or substitute new claims for the challenged claims. If the PTO does not dismiss a request for an IPR, the Patent Trial and Appeal Board (“PTAB”) will issue a final written decision with respect to the patentability of any claims the petitioner challenges and any new claims the patent owner adds.

Returning to the present case, after the PTO instituted an IPR, the PTAB applied the broadest reasonable interpretation standard in construing the claims and found that claims 10, 14, and 17 were unpatentable as obvious under section 103. Additionally, the PTAB denied Cuozzo’s motion to amend the patent by replacing claims 10, 14, and 17 with substitute claims, finding that the substitute claims lacked written description support under Section 112. Cuozzo appealed to the Federal Circuit.

II. Issues

- A) May a court review the decision to institute an IPR after the PTAB issues a final decision?
- B) Was the PTAB correct in using the broadest reasonable interpretation standard during claim construction?

III. Discussion

A) No. *Cuozzo* argued that the PTO improperly instituted an IPR on claims 10 and 14 because the PTO relied on art not provided by Garmin. However, the Federal Circuit found that courts may not review the PTO's decision whether to institute an IPR because the PTO's to institute an IPR may not be appealed. While *Cuozzo* argued that section 314(d) postpones review until a final decision has been issued by the PTAB, the Federal Circuit came to the opposite conclusion after reviewing 35 U.S.C. § 314(d), which states:

(d) NO APPEAL.—The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.

The Federal Circuit further reasoned that because 35 U.S.C. §§ 319 and 141(c) limit appeals to appeals from final decisions, which means it would have been unnecessary for Congress to include section 314(d) if it was meant to only prevent interlocutory appeals, section 314(d) “must be read to bar review of all institution decisions.” *In re Cuozzo*, 113 U.S.P.Q.2d at 1616.

The Federal Circuit also stated that it may be able to review the PTO's decision to institute an IPR after the PTAB has issued a final decision in cases where the PTO “has clearly and indisputably exceeded its authority” and a party files a writ of mandamus. *Id.* at 1617. However, the court also cautioned that whether review by mandamus is precluded under section 314(d) has not been decided.

B) Yes. In an IPR, the correct standard to use during claim construction is the broadest reasonable interpretation standard. The Federal Circuit found that while the AIA does not establish a standard of review, it was within the PTO's authority (under 35 U.S.C. § 316(a)(2)) to promulgate and apply 37 C.F.R. § 42.100(b), which calls for claims in unexpired patents to be given their broadest reasonable construction in light of the specification.

IV. Conclusion

In affirming the PTAB, the Federal Circuit ruled that the PTO's decision to institute an IPR after a final decision cannot be appealed and that it was correct to conduct claim construction using the broadest reasonable interpretation standard.

V. Dissent

Judge Newman dissented, stating the majority's rulings were contrary to the legislative purpose of the AIA. Regarding the ruling that the PTO's decision to institute an IPR is not appealable, Judge Newman argued that the ruling contradicts the purpose of the AIA to “achieve correct adjudication of patent validity through [IPR] in the [PTO].” *Id.* at 1625. In regard to the majority's ruling on using the broadest reasonable interpretation standard, Judge Newman contended it fails to achieve to goal of the AIA to achieve review in IPR comparable to the review in district courts.