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Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board

A Proposed Rule by the [Patent and Trademark Office](#) on 05/09/2018

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ENHANCED CONTENT**Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board**

PTO-P-2018-0036 (<https://www.regulations.gov/docket/PTO-P-2018-0036>)

ENHANCED CONTENT

PUBLISHED DOCUMENT**AGENCY:**

United States Patent and Trademark Office, Department of Commerce.

ACTION:

Notice of proposed rulemaking.

SUMMARY:

The United States Patent and Trademark Office (“USPTO” or “Office”) proposes changes to the claim construction standard for interpreting claims in *inter partes* review (“IPR”), post-grant review (“PGR”), and the transitional program for covered business method patents (“CBM”) proceedings before the Patent Trial and Appeal Board (“PTAB” or “Board”). In particular, the Office proposes to replace the broadest reasonable interpretation (“BRI”) standard for construing unexpired patent claims and proposed claims in these trial proceedings with a standard that is the same as the standard applied in federal district courts and International Trade Commission (“ITC”) proceedings. The Office also proposes to amend the rules to add that the Office will consider any prior claim construction determination concerning a term of the involved claim in a civil action, or an ITC proceeding, that is timely made of record in an IPR, PGR, or CBM proceeding.

DATES:

Comment Deadline Date: The Office solicits comments from the public on this proposed rulemaking. Written comments must be received on or before July 9, 2018 to ensure consideration.

ADDRESSES:

Comments should be sent by electronic mail message over the internet addressed to:

PTABNPR2018@uspto.gov (<mailto:PTABNPR2018@uspto.gov>). Comments may also be sent by electronic mail message over the internet via the Federal eRulemaking Portal at <http://www.regulations.gov> (<http://www.regulations.gov>). See the Federal eRulemaking Portal website for additional instructions on providing comments via the Federal eRulemaking Portal. All comments submitted directly to the USPTO or provided on the Federal eRulemaking Portal should include the docket number (PTO-P-2018-0036).

Comments may also be submitted by postal mail addressed to: Mail Stop Patent Board, Director of the United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450, marked to the attention of "Vice Chief Administrative Patent Judges Michael Tierney or Jacqueline Wright Bonilla, PTAB Notice of Proposed Rulemaking 2018."

Although comments may be submitted by postal mail, the Office prefers to receive comments by electronic mail message to more easily share all comments with the public. The Office prefers the comments to be submitted in plain text, but also accepts comments submitted in searchable ADOBE® portable document format or MICROSOFT WORD® format. Comments not submitted electronically should be submitted on paper in a format that accommodates digital scanning into ADOBE® portable document format.

The comments will be available for public inspection at the Patent Trial and Appeal Board, located in Madison East, Ninth Floor, 600 Dulany Street, Alexandria, Virginia. Comments also will be available for viewing via the Office's internet website, <https://go.usa.gov/xXXFW> (<https://go.usa.gov/xXXFW>), and on the Federal eRulemaking Portal. Because comments will be made available for public inspection, information that the submitter does not desire to be made public, such as address or phone number, should not be included in the comments.

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FOR FURTHER INFORMATION CONTACT:

Michael Tierney and Jacqueline Wright Bonilla, Vice Chief Administrative Patent Judges, by telephone at (571) 272-9797.

SUPPLEMENTARY INFORMATION:

Executive Summary

Purpose: This proposed rule would amend the rules for IPR, PGR, and CBM proceedings that implemented provisions of the Leahy-Smith America Invents Act ("AIA") providing for trials before the Office, by replacing the current claim construction standard for interpreting unexpired patent claims and claims proposed in a motion to amend, with an approach that is the same as the standard used by Article III federal courts following *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). This proposed rule also would amend the rules to add that the Office will consider any prior claim construction determination concerning a term of the involved claim in a civil action, or an ITC proceeding, that is timely made of record in an IPR, PGR, or CBM proceeding.

Summary of Major Provisions: The Office is using over five years of historical data and user experiences to further shape and improve PTAB trial proceedings, particularly IPR, PGR, and CBM proceedings. In this notice of proposed rulemaking, the Office seeks feedback and information in relation to the Office's proposed changes to the claim construction standard used for interpreting unexpired patent claims and claims

proposed in a motion to amend. The Supreme Court of the United States has endorsed the Office's ability to choose an approach to claim construction for AIA trial proceedings. *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144-46 (2016). Some parties have expressed a desire that the Office apply the same claim construction standard used in federal district courts, rather than the current standard of BRI. As part of the Office's continuing efforts to improve the trial proceedings, it is appropriate to revisit the claim construction standard applied in AIA trial proceedings involving unexpired patent claims and claims proposed in a motion to amend. The proposed changes would replace the BRI standard with an approach that would be consistent with the claim construction standard used in federal district courts. The proposed changes also would be consistent with the Office's current approach for interpreting claims in an expired patent. *See Wasica Fin. GmbH v. Cont'l Auto. Sys., Inc.*, 853 F.3d 1272, 1279 (Fed. Cir. 2017) (noting that “[t]he Board construes claims of an expired patent in accordance with *Phillips*. . . and [u]nder that standard, words of a claim are generally given their ordinary and customary meaning”).

Costs and Benefits: This rulemaking is not economically significant, and is not significant, under Executive Order 12866 (/executive-order/12866) (Sept. 30, 1993), as amended by Executive Order 13258 (/executive-order/13258) (Feb. 26, 2002) and Executive Order 13422 (/executive-order/13422) (Jan. 18, 2007).

Background

On September 16, 2011, the AIA was enacted into law (Pub. L. 112-29 (<https://www.govinfo.gov/link/plaw/112/public/29>), 125 Stat. 284 (2011)), and within one year, the Office implemented rules to govern Office practice for AIA trials, including IPR, PGR, CBM, and derivation proceedings pursuant to 35 U.S.C. 135 (<https://www.govinfo.gov/link/uscode/35/135>), 316 (<https://www.govinfo.gov/link/uscode/35/316>) and 326 (<https://www.govinfo.gov/link/uscode/35/326>) and AIA 18(d)(2). *See* Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 FR 48612 (/citation/77-FR-48612) (Aug. 14, 2012); Changes to Implement *Inter Partes* Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 FR 48680 (/citation/77-FR-48680) (Aug. 14, 2012); Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention, 77 FR 48734 (/citation/77-FR-48734) (Aug. 14, 2012). Additionally, the Office published a Patent Trial Practice Guide to advise the public on the general framework of the regulations, including the structure and times for taking action in each of the new proceedings. *See* Office Patent Trial Practice Guide, 77 FR 48756 (/citation/77-FR-48756) (Aug. 14, 2012).

Previously, in an effort to gauge the effectiveness of the rules governing AIA trial proceedings, the Office led a nationwide listening tour in April and May of 2014. During the listening tour, the Office solicited feedback on how to make the AIA trial proceedings more transparent and effective by adjusting the rules and guidance to the public where necessary. To elicit even more input, in June of 2014, the Office published a Request for Comments in the **Federal Register** and, at public request, extended the period for receiving comments to October 16, 2014. *See* Request for Comments on Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board, 79 FR 36474 (/citation/79-FR-36474) (June 27, 2014) (“Request for Comments”). The Request for Comments asked seventeen questions on ten broad topics, including a general catchall question, to gather public feedback on any changes to the AIA trial proceedings that might be beneficial. *See* Request for Comments, 79 FR at 36476-77.

Upon receiving comments from the public and carefully reviewing the comments, the Office published two final rules in response to the public feedback with respect to the AIA trial proceedings. In the first final rule, the Office changed the existing rules, among other things, to: (1) Increase the page limit for Patent Owner's

motion to amend by ten pages and allow a claims appendix to be filed with the motion; and (2) increase the page limit for Petitioner's reply to Patent Owner's response by ten pages. Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board, 80 FR 28561 (/citation/80-FR-28561) (May 19, 2015). In the second final rule, the Office changed the existing rules to: (1) Allow new testimonial evidence to be submitted with a patent owner's preliminary response; (2) allow a claim construction approach that emulates the approach used by a district court for claims of patents that will expire before entry of a final written decision; (3) replace page limits with word count limits for major briefing; and (4) add a Rule 11-type certification for papers filed in a proceeding. Amendments to Rules of Practice for Trials Before the Patent Trial and Appeal Board, 81 FR 18750 (/citation/81-FR-18750) (April 1, 2016).

Claim Construction Standard

The Board currently construes unexpired patent claims and proposed claims in AIA trial proceedings using the BRI standard, as directed by 37 CFR 42.100(b) ([https://www.ecfr.gov/current/title-37/section-42.100#p-42.100\(b\)](https://www.ecfr.gov/current/title-37/section-42.100#p-42.100(b))), 42.200(b) ([https://www.ecfr.gov/current/title-37/section-42.200#p-42.200\(b\)](https://www.ecfr.gov/current/title-37/section-42.200#p-42.200(b))), and 42.300(b) ([https://www.ecfr.gov/current/title-37/section-42.300#p-42.300\(b\)](https://www.ecfr.gov/current/title-37/section-42.300#p-42.300(b))) (“A claim in an unexpired patent that will not expire before a final written decision is issued shall be given its broadest reasonable construction in light of the specification of the patent in which it appears.”). The BRI standard differs from the standard used in federal district courts and the ITC, which construe patent claims in accordance with the principles that the United States Court of Appeals for the Federal Circuit articulated in *Phillips*.

However, although the BRI standard is consistent with longstanding agency practice, the fact that the Office uses a claim construction standard that is different from that used by federal district courts and the ITC means that decisions construing the same or similar claims in those fora may be different from those in AIA trial proceedings and vice versa. Minimizing differences between claim construction standards used in the various fora could lead to greater uniformity and predictability of the patent grant. In addition, using the □ same standard in the various fora could help increase judicial efficiency overall. One study found that 86.8% of patents at issue in AIA trial proceedings also have been the subject of litigation in the federal courts. Saurabh Vishnubhakat, Arti K. Rai & Jay P. Kesan, *Strategic Decision Making in Dual PTAB and District Court Proceedings*, 31 Berkeley Tech. L.J. 45 (2016), <https://ssrn.com/abstract=2731002> (<https://ssrn.com/abstract=2731002>). Thus, the high percentage of overlap between AIA trial proceedings and district court litigation favors using a claim construction standard in AIA trials that is consistent with the standard used by federal district courts and the ITC.

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Having AIA trial proceedings use the same claim construction standard that is applied in federal district courts and ITC proceedings also addresses the concern that potential unfairness could result from using an arguably broader standard in AIA trial proceedings. According to some patent owners, the same claim construction standard should apply to both validity (or patentability) determination and infringement determination. Because the BRI standard potentially reads on a broader universe of prior art than does the *Phillips* standard, a patent claim could be found unpatentable in an AIA trial on account of claim scope that the patent owner would not be able to assert in an infringement proceeding. For example, even if a competitor's product would not be found to infringe a patent claim if it was sold after the patent's effective filing date, the same product nevertheless could constitute invalidating prior art if publicly sold before the patent's effective filing date.

The Office's goal is to implement a fair and balanced approach, providing greater predictability and certainty in the patent system. The Office has carefully considered “the effect of [the proposed] regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the

Office to complete timely the proceedings in promulgating regulations.” 35 U.S.C. 316(b) (<https://www.govinfo.gov/link/uscode/35/316>) and 326(b) (<https://www.govinfo.gov/link/uscode/35/326>). Under 35 U.S.C. 316(a)(4) (<https://www.govinfo.gov/link/uscode/35/316>) and 326(a)(4) (<https://www.govinfo.gov/link/uscode/35/326>), the Office must prescribe regulations establishing and governing IPR, PGR, and CBM proceedings and the relationship of such review to other proceedings, including civil actions to invalidate a patent under 35 U.S.C. 282(b) (<https://www.govinfo.gov/link/uscode/35/282>). Congress intended these administrative trial proceedings to provide “quick and cost effective alternatives” to litigation in the courts. H.R. Rep. No. 112-98, pt. 1, at 48 (2011), as reprinted in 2011 U.S.C.C.A.N. 67, 78; *see also* at 40 (AIA “is designed to establish a more efficient and streamline patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.”). The claim construction standard could be outcome determinative. *PPC Broadband, Inc. v. Corning Optical Comm'ns RF, LLC*, 815 F.3d 734, 740-42 (Fed. Cir. 2016) (noting that “[t]his case hinges on the claim construction standard applied—a scenario likely to arise with frequency”); *see also Rembrandt Wireless Techs., LP v. Samsung Elecs. Co.*, 853 F.3d 1370, 1377 (Fed. Cir. 2017) (noting that “the Board in IPR proceedings operates under a broader claim construction standard than the federal courts”); *Google LLC v. Network-1 Techs., Inc.* No. 2016-2509, 2018 WL 1468370, at *5 (Fed. Cir. Mar. 26, 2018) (nonprecedential) (holding that “[i]n order to be found reasonable, it is not unnecessary that a claim be given its *correct* construction under the framework laid out in *Phillips*.”). Using the same claim construction standard as the standard applied in federal district courts would “seek out the correct construction—the construction that most accurately delineates the scope of the claim invention—under the framework laid out in *Phillips*.” *PPC Broadband*, 815 F.3d at 740-42.

In this notice of proposed rulemaking, the Office proposes to change the relevant rules to provide that a patent claim, or a claim proposed in a motion to amend, shall be construed using the same claim construction standard that would be used to construe such claim in a civil action to invalidate a patent under 35 U.S.C. 282(b) (<https://www.govinfo.gov/link/uscode/35/282>), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent. This proposed change would replace the BRI standard for construing unexpired patent claims and proposed claims in IPR, PGR, and CBM proceedings with an approach that follows the framework set forth in *Phillips*.

Under the proposed approach, the Office would construe patent claims and proposed claims based on the record of the IPR, PGR, or CBM proceeding, taking into account the claim language itself, specification, and prosecution history pertaining to the patent. The Office would apply the principles that the Federal Circuit articulated in *Phillips* and its progeny. For example, claim construction begins with the language of the claims. *Phillips*, 415 F.3d at 1312-14. The “words of a claim are generally given their ordinary and customary meaning,” which is “the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, *i.e.*, as of the effective filing date of the patent application.” *Id.* at 1212-1313. The specification is “the single best guide to the meaning of a disputed term and . . . acts as a dictionary when it expressly defines terms used in the claims or when it defines terms by implication.” *Id.* at 1321. Although the prosecution history “often lacks the clarity of the specification and thus is less useful for claim construction purposes,” it is another source of intrinsic evidence that can “inform the meaning of the claim language by demonstrating how the inventor understood the invention and whether the inventor limited the invention in the course of prosecution, making the claim scope narrower than it would otherwise be.” *Id.* at 1317. Extrinsic evidence, such as expert testimony and dictionaries, may be useful in educating the court regarding the field

of the invention or helping determine what a person of ordinary skill in the art would understand claim terms to mean. *Id.* at 1318-19. However, extrinsic evidence in general is viewed as less reliable than intrinsic evidence. *Id.*

Additionally, consistent with *Phillips* and its progeny, the doctrine of construing claims to preserve their validity would apply to AIA trials. *Phillips*, 415 F.3d at 1327-28. As the Federal Circuit recognized in *Phillips*, however, this doctrine is “of limited utility.” *Id.*

The Court has not applied that doctrine broadly, and has “certainly not endorsed a regime in which validity analysis is a regular component of claim construction.” *Id.* at 1327. The doctrine of construing claims to preserve their validity has been limited to cases in which “the court concludes, after applying all the available tools of claim construction, that the claim is still ambiguous.” *Id.* (quoting *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 911 (Fed. Cir. 2004)). Moreover, the Federal Circuit “repeatedly and consistently has recognized that courts may not redraft claims, whether to make them operable or to sustain their validity.” *Rembrandt Data Techs., LP v. AOL, LLC*, 641 F.3d 1331, 1339 (Fed. Cir. 2011); *see also MBO Labs., Inc. v. Becton, Dickinson & Co.*, 474 F.3d 1323, 1332 (Fed. Cir. 2007) (noting that “validity construction should be used as a last resort, not first principle”).

The prosecution history taken into account would be the prosecution history that occurred previously at the USPTO, including before an examiner during examination, reissue, reexamination, IPR, PGR, and CBM proceedings. This would also include prosecution before an examiner in a related application where relevant (*Trading Technologies Intern., Inc. v. Open E Cry, LLC*, 728 F.3d 1309 (Fed. Cir. 2013)) and any argument made on appeal of a rejection before the grant of the patent for which review is sought, as those arguments are before the examiner when the decision to allow an application is made (*See TMC Fuel Injection System, LLC v. Ford Motor Company*, 682 Fed. Appx. 895 (Fed. Cir. 2017)).

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During an AIA trial proceeding, the patent owner may file a motion to amend an unexpired patent claim to propose a reasonable number of substitute claims, but the proposed claims “may not enlarge the scope of the claims of the patent or introduce new matter.” 35 U.S.C. 316(d) (<https://www.govinfo.gov/link/uscode/35/316>) and 326(d) (<https://www.govinfo.gov/link/uscode/35/326>); 37 CFR 42.121(a)(2) ([https://www.ecfr.gov/current/title-37/section-42.121#p-42.121\(a\)\(2\)](https://www.ecfr.gov/current/title-37/section-42.121#p-42.121(a)(2))) and 42.221(a)(2) ([https://www.ecfr.gov/current/title-37/section-42.221#p-42.221\(a\)\(2\)](https://www.ecfr.gov/current/title-37/section-42.221#p-42.221(a)(2))); *see also Aqua Prods., Inc. v. Matal*, 872 F.3d 1290, 1306 (noting that “[t]he patent owner proposes an amendment that it believes is sufficiently narrower than the challenged claim to overcome the grounds of unpatentability upon which the IPR was instituted”). Among other things, having the same claim construction standard for both the original patent claims and proposed claims would reduce the potential for inconsistency in the interpretation of the same or similar claim terms.

In addition, the Office intends that any proposed rule changes adopted in a final rule would be applied to all pending IPR, PGR, and CBM proceedings before PTAB.

In light of the foregoing considerations, the Office requests input from the public on the proposed rule changes in this notice of proposed rulemaking and on how the Office should implement the changes if adopted.

Discussion of Specific Rules

Title 37 of the Code of Federal Regulations (<https://www.ecfr.gov/current/title-37>), part 42, is proposed to be amended as follows:

Sections 42.100, 42.200, and 42.300: Each of §§ 42.100(b), 42.200(b), and 42.300(b) is proposed to be amended to replace the first sentence with the following: a claim of a patent, or a claim proposed in a motion to amend, “shall be construed using the same claim construction standard that would be used to construe such claim in a civil action to invalidate a patent under 35 U.S.C. 282(b) (<https://www.govinfo.gov/link/uscode/35/282>), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.” This proposed revision would replace the BRI standard for construing unexpired patent claims and proposed claims during an IPR, PGR, or CBM proceeding with a standard that is the same as the standard applied in federal district courts and ITC proceedings. As discussed above, the Office would apply the principles that the Federal Circuit articulated in *Phillips* and its progeny. The Office would construe patent claims and proposed claims based on the record of the IPR, PGR, or CBM proceeding, taking into account the claim language itself, specification, and prosecution history pertaining to the patent, as well as relevant extrinsic evidence, all as in prevailing jurisprudence of Article III courts. The prosecution history taken into account would be the prosecution history that occurred previously in proceedings at the USPTO prior to the IPR, PGR, or CBM proceeding at issue, including in another IPR, PGR, or CBM proceeding, or before an examiner during examination, reissue, and reexamination.

The Office has considered using different claim construction standards for IPR, PGR, and CBM proceedings, but, for consistency, the Office proposes the same claim construction to be applied in all IPR, PGR, and CBM proceedings.

Each of §§ 42.100(b), 42.200(b), and 42.300(b) also is proposed to be amended to add the sentence “Any prior claim construction determination concerning a term of the claim in a civil action, or a proceeding before the International Trade Commission, that is timely made of record in the . . . proceeding will be considered.” Under this proposed provision, the Office would consider any prior claim construction determination in a civil action or ITC proceeding if a federal court or the ITC has construed a term of the involved claim previously using the same standard, and the claim construction determination has been timely made of record in the IPR, PGR, or CBM proceeding.

Each of §§ 42.100(b), 42.200(b), and 42.300(b) further is proposed to be amended to delete the second and third sentences, eliminating the procedure for requesting a district court-type claim construction approach for a patent expiring during an IPR, PGR, or CBM proceeding. Such a procedure would not be needed should the Office adopt the same claim construction standard, as proposed, for construing claims of unexpired patents as well as for construing claims of expired patents in an IPR, PGR, or CBM proceeding.

Rulemaking Considerations

A. Administrative Procedure Act (APA): This proposed rule would revise the rules relating to Office trial practice for IPR, PGR, and CBM proceedings. The changes being proposed in this notice of proposed rulemaking would not change the substantive criteria of patentability. These proposed changes involve rules of agency procedure and interpretation. See *Perez v. Mortg. Bankers Ass'n*, 135 S. Ct. 1199, 1204 (2015) (Interpretive rules “advise the public of the agency’s construction of the statutes and rules which it administers.” (citation and internal quotation marks omitted)); *Bachow Commc’ns, Inc. v. F.C.C.*, 237 F.3d 683, 690 (D.C. Cir. 2001) (rules governing an application process are procedural under the Administrative

Procedure Act); *Inova Alexandria Hosp. v. Shalala*, 244 F.3d 342, 350 (4th Cir. 2001) (rules for handling appeals were procedural where they did not change the substantive requirements for reviewing claims); *Nat'l Org. of Veterans' Advocates, Inc. v. Sec'y of Veterans Affairs*, 260 F.3d 1365, 1375 (Fed. Cir. 2001) (rule that clarifies interpretation of a statute is interpretive); *JEM Broad. Co. v. F.C.C.*, 22 F.3d 320, 328 (D.C. Cir. 1994) (rules are not legislative because they do not “foreclose effective opportunity to make one's case on the merits”).

Accordingly, prior notice and opportunity for public comment are not required pursuant to 5 U.S.C. 553(b) (<https://www.govinfo.gov/link/uscode/5/553>) or (c) (<https://www.govinfo.gov/link/uscode/5/553>) (or any other law). See *Perez*, 135 S. Ct. at 1206 (Notice-and-comment procedures are required neither when an agency “issue[s] an initial interpretive rule” nor “when it amends or repeals that interpretive rule.”); *Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1336-37 (Fed. Cir. 2008) (stating that 5 U.S.C. 553 (<https://www.govinfo.gov/link/uscode/5/553>), and thus 35 U.S.C. 2(b)(2)(B) (<https://www.govinfo.gov/link/uscode/35/2>), do not require notice and comment rulemaking for “interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice”) (quoting 5 U.S.C. 553(b)(3)(A) (<https://www.govinfo.gov/link/uscode/5/553>)).

The Office, nevertheless, is publishing this proposed rule for comment to seek the benefit of the public's views on the Office's proposed changes to the claim construction standard for reviewing patent claims and proposed claims in AIA trial proceedings before the Board.

B. Regulatory Flexibility Act: For the reasons set forth herein, the Deputy General Counsel for General Law of the United States Patent and Trademark Office has certified to the Chief Counsel for Advocacy of the Small Business Administration that changes proposed in this notice of proposed rulemaking would not have a significant economic impact on a substantial number of small entities. See 5 U.S.C. 605(b) (<https://www.govinfo.gov/link/uscode/5/605>).

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The changes proposed in this notice of proposed rulemaking are to revise certain trial practice procedures before the Board. Any requirements resulting from these proposed changes are of minimal or no additional burden to those practicing before the Board.

For the foregoing reasons, the proposed changes in this notice of proposed rulemaking would not have a significant economic impact on a substantial number of small entities.

C. Executive Order 12866 (/executive-order/12866) (Regulatory Planning and Review): This rulemaking has been determined to be not significant for purposes of Executive Order 12866 (/executive-order/12866) (Sept. 30, 1993).

D. Executive Order 13563 (/executive-order/13563) (Improving Regulation and Regulatory Review): The Office has complied with Executive Order 13563 (/executive-order/13563). Specifically, the Office has, to the extent feasible and applicable: (1) Made a reasoned determination that the benefits justify the costs of the rule; (2) tailored the rule to impose the least burden on society consistent with obtaining the regulatory objectives; (3) selected a regulatory approach that maximizes net benefits; (4) specified performance objectives; (5) identified and assessed available alternatives; (6) involved the public in an open exchange of information and perspectives among experts in relevant disciplines, affected stakeholders in the private sector and the public as a whole, and provided on-line access to the rulemaking docket; (7) attempted to promote coordination, simplification, and harmonization across government agencies and identified goals

designed to promote innovation; (8) considered approaches that reduce burdens and maintain flexibility and freedom of choice for the public; and (9) ensured the objectivity of scientific and technological information and processes.

E. Executive Order 13771 (/executive-order/13771) (Reducing Regulation and Controlling Regulatory Costs): This proposed rule is not expected to be an Executive Order 13771 (/executive-order/13771) regulatory action because this proposed rule is not significant under Executive Order 12866 (/executive-order/12866).

F. Executive Order 13132 (/executive-order/13132) (Federalism): This rulemaking does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (/executive-order/13132) (Aug. 4, 1999).

G. Executive Order 13211 (/executive-order/13211) (Energy Effects): This rulemaking is not a significant energy action under Executive Order 13211 (/executive-order/13211) because this rulemaking is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (/executive-order/13211) (May 18, 2001).

H. Executive Order 12988 (/executive-order/12988) (Civil Justice Reform): This rulemaking meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden as set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 (/executive-order/12988) (Feb. 5, 1996).

I. Executive Order 13045 (/executive-order/13045) (Protection of Children): This rulemaking does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (/executive-order/13045) (Apr. 21, 1997).

J. Executive Order 12630 (/executive-order/12630) (Taking of Private Property): This rulemaking will not affect a taking of private property or otherwise have taking implications under Executive Order 12630 (/executive-order/12630) (Mar. 15, 1988).

K. Congressional Review Act: Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 (<https://www.govinfo.gov/link/uscode/5/801>) *et seq.*), prior to issuing any final rule, the United States Patent and Trademark Office will submit a report containing the rule and other required information to the United States Senate, the United States House of Representatives, and the Comptroller General of the Government Accountability Office. The changes in this proposed rule are not expected to result in an annual effect on the economy of 100 million dollars or more, a major increase in costs or prices, or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, this proposed rule is not a “major rule” as defined in 5 U.S.C. 804(2) (<https://www.govinfo.gov/link/uscode/5/804>).

L. Unfunded Mandates Reform Act of 1995: The proposed changes set forth in this rulemaking do not involve a Federal intergovernmental mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, of 100 million dollars (as adjusted) or more in any one year, or a Federal private sector mandate that will result in the expenditure by the private sector of 100 million dollars (as adjusted) or more in any one year, and will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. *See* 2 U.S.C. 1501 (<https://www.govinfo.gov/link/uscode/2/1501>) *et seq.*

M. National Environmental Policy Act: This rulemaking will not have any effect on the quality of the environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. *See* 42 U.S.C. 4321 (<https://www.govinfo.gov/link/uscode/42/4321>) *et seq.*

N. National Technology Transfer and Advancement Act: The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note (<https://www.govinfo.gov/link/uscode/15/272>)) are not applicable because this rulemaking does not contain provisions which involve the use of technical standards.

O. Paperwork Reduction Act: The Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3549 (<https://www.govinfo.gov/link/uscode/44/3501>)) requires that the Office consider the impact of paperwork and other information collection burdens imposed on the public. This proposed rule involves information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3549 (<https://www.govinfo.gov/link/uscode/44/3501>)). This rulemaking does not add any additional information requirements or fees for parties before the Board. Therefore, the Office is not resubmitting information collection packages to OMB for its review and approval because the revisions in this rulemaking do not materially change the information collections approved under OMB control number 0651-0069.

Notwithstanding any other provision of law, no person is required to respond to, nor shall any person be subject to, a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

List of Subjects in 37 CFR Part 42 (<https://www.ecfr.gov/current/title-37/part-42>)

- Administrative practice and procedure
- Inventions and patents

For the reasons set forth in the preamble, the Office proposes to amend part 42 of title 37 of the Code of Federal Regulations (<https://www.ecfr.gov/current/title-37/part-42>) as follows:

PART 42—TRIAL PRACTICE BEFORE THE PATENT TRIAL AND APPEAL BOARD

1. The authority citation for 37 CFR part 42 (<https://www.ecfr.gov/current/title-37/part-42>) continues to read as follows:

Authority: 35 U.S.C. 2(b)(2) (<https://www.govinfo.gov/link/uscode/35/2>), 6 (<https://www.govinfo.gov/link/uscode/35/6>), 21 (<https://www.govinfo.gov/link/uscode/35/21>), 23 (<https://www.govinfo.gov/link/uscode/35/23>), 41 (<https://www.govinfo.gov/link/uscode/35/41>), 135 (<https://www.govinfo.gov/link/uscode/35/135>), 311 (<https://www.govinfo.gov/link/uscode/35/311>), 312 (<https://www.govinfo.gov/link/uscode/35/312>), 316 (<https://www.govinfo.gov/link/uscode/35/316>), and 321-326 (<https://www.govinfo.gov/link/uscode/35/321>); Public Law 112-29 (<https://www.govinfo.gov/link/plaw/112/public/29>), 125 Stat. 284; and Pub. L. 112 274, 126 Stat. 2456.

2. Amend § 42.100 by revising paragraph (b) to read as follows:

§ 42.100 Procedure; pendency.

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(b) In an *inter partes* review proceeding, a claim of a patent, or a claim proposed in a motion to amend under § 42.121, shall be construed using the same claim construction standard that would be used to construe such claim in a civil action to invalidate a patent under 35 U.S.C. 282(b) (<https://www.govinfo.gov/link/uscode/35/282>), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent. Any prior claim construction determination concerning a term of the claim in a civil action, or a proceeding before the International Trade Commission, that is timely made of record in the *inter partes* review proceeding will be considered.

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3. Amend § 42.200 by revising paragraph (b) to read as follows:

§ 42.200 Procedure; pendency.

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(b) In a post-grant review proceeding, a claim of a patent, or a claim proposed in a motion to amend under § 42.221, shall be construed using the same claim construction standard that would be used to construe such claim in a civil action to invalidate a patent under 35 U.S.C. 282(b) (<https://www.govinfo.gov/link/uscode/35/282>), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent. Any prior claim construction determination concerning a term of the claim in a civil action, or a proceeding before the International Trade Commission, that is timely made of record in the post-grant review proceeding will be considered.

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4. Amend § 42.300 by revising paragraph (b) to read as follows:

§ 42.300 Procedure; pendency.

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(b) In a covered business method patent review proceeding, a claim of a patent, or a claim proposed in a motion to amend under § 42.221, shall be construed using the same claim construction standard that would be used to construe such claim in a civil action to invalidate a patent under 35 U.S.C. 282(b) (<https://www.govinfo.gov/link/uscode/35/282>), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent. Any prior claim construction determination concerning a term of the claim in a civil action, or a proceeding before the International Trade Commission, that is timely made of record in the covered business method patent review proceeding will be considered.

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Dated: May 3, 2018.

Andrei Iancu,

Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and
Trademark Office.

[FR Doc. 2018-09821 (/d/2018-09821) Filed 5-8-18; 8:45 am]

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