

IN RE: CUOZZO SPEED TECHNOLOGIES, LLC, Appeal No. 2014-1301 (Fed. Cir. July 8, 2015). Before Newman, Cleverger and Dyk. Appealed from Patent Trial and Appeal Board.

Background:

Cuozzo owns a patent directed to a speed limit indicator. Garmin filed an Inter Partes Review (IPR) petition in 2012, arguing that some claims of Cuozzo's patent were either anticipated or obvious. The Patent Office instituted the IPR proceeding. During the proceeding, the Patent Office construed the claim term "integrally attached" under the broadest reasonable interpretation standard. The Patent Office denied Cuozzo's leave to amend the claims, arguing that the proposed amendment included broadening aspects. The Patent Office ultimately found the reviewed claims to be invalid as obvious over a combination of references.

Issues/Holdings:

Can the Patent Office's decision to institute the IPR be reviewed on appeal? No. Was the Patent Office correct in applying a "broadest reasonable interpretation" standard to construe the claims? Yes. Did the Patent Office err in finding the reviewed claims obvious? No. Was the Patent Office's denial of Cuozzo's motion for leave to amend proper? Yes. Affirmed.

Discussion:

As a preliminary issue, the Federal Circuit held that it could not review the Patent Office's decision to institute the IPR in the first place, finding that 35 U.S.C. §314(d) provides that such a decision is final and nonappealable.

The Federal Circuit determined that the Patent Office's use of the broadest reasonable interpretation standard in construing the claims was proper, and analogized IPR to "every PTO proceeding involving an unexpired patent." The Federal Circuit indicated that the America Invents Act (AIA) did not explicitly prescribe the appropriate standard for claim construction, but Congress "impliedly" approved a broadest reasonable interpretation standard because they were aware that such a standard was the prevailing rule at the time of enacting the AIA. The Federal Circuit was not convinced by Cuozzo's argument that the broadest reasonable interpretation standard was improper because Cuozzo's ability to amend the claims was restricted, finding that the opportunity to amend is still available (albeit conditioned on satisfying certain requirements). The Federal Circuit also cited the *Chevron* standard in confirming that the standard used by the Patent Office is consistent with a reasonable interpretation of the statute.

The Federal Circuit agreed with the Patent Office's construction of "integrally attached" under the broadest reasonable interpretation standard, and found the claims obvious over prior art.

The Federal Circuit also found that the denial of Cuozzo's request to amend the claims was appropriate because the proposed amendments would have impermissibly broadened the scope of the claims.

Judge Newman dissented, disagreeing that it is appropriate for the Patent Office to use the broadest reasonable interpretation standard. Judge Newman argued that because the IPR proceeding is designed to be a "surrogate" for litigation, the claims need to be "correctly construed" to determine validity.