Cuozzo Speed Techs, LLC v. Lee, No. 15-446

When a third party wishes to challenge a patent as obvious or lacking novelty, the third party may invoke an

administrative procedure known as inter partes review.

That procedure was created by the Leahy-Smith America Invents Act of 2012, and, today, the Supreme Court

resolved two significant questions regarding how these review proceedings must be administered.

First, the Court held that the Patent Office's decision whether to initiate inter partes review is not appealable, even following a final determination on the merits, in view of Section 314(d) of the Patent Act, which expressly renders

the initiation decision “nonappealable.” (The Court suggested that, if the basis for challenging the initiation decision were based on constitutional principles, then Section 314(d) may not be enforceable.)

Second, the Court held that the Patent Office acted within its discretion in promulgating a regulation specifying that,

when reevaluating a patent claim through inter partes review, the claim must be accorded its “broadest reasonable construction.”

The standard of construction is meaningful because of nuances in the patent process. When an applicant seeks a

patent, the examiner evaluates the prior art to determine whether the proposed claims are novel and non-obvious.

The proposed claim language is given its “broadest reasonable interpretation” so that the claim must overcome the

broadest array of prior art. During prosecution, if conflicting prior art is identified, the applicant may offer a narrowed

amended claim. In infringement litigation, by contrast, patent claims are interpreted pursuant to their “ordinary

meaning as understood by a person of skill in the art.”

Before the Supreme Court, Cuozzo challenged the “broadest reasonable construction” standard on the theory that

there was little “opportunity to amend” the patent should a conflict with the prior art be identified. The Court

disagreed, identifying circumstances in which the Patent Office had granted amendments to patents during inter partes review. The Court therefore agreed with the Patent Office that inter partes review is “less like a judicial proceeding and more like a specialized agency proceeding,” such that using the broadest reasonable construction “protect[s] the public” because it “helps ensure precision while avoiding overly broad claims, and thereby helps

prevent a patent from tying up too much knowledge.”

The opinion for the Court was authored by Justice Breyer.

Any questions should be directed to Paul W. Hughes (+1 202 263 3147) in our Washington office.