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Will Broadest Reasonable Interpretation in IPRs Get “Trumped?” It’s Possible

By Charles W. Shifley

February 3, 2017 — In 2016, the Federal Circuit and the Supreme Court both resolved that the U.S. Patent and Trademark Office (PTO) Patent Trial and Appeal Board (PTAB) could have the PTO choice of having “broadest reasonable interpretation” (BRI) of patent claim terms in *inter partes* reviews (IPRs). The case at the Supreme Court was *Cuozzo Speed Techs., LLC v. Lee*, 136 S.Ct. 2131 (2016). But is it possible that BRI in IPRs could get changed as a result of our last federal elections that brought us the Trump administration and a new Congress? Surprisingly, it’s possible.

This is not to say that the President has any noticeable interest in the PTO, PTAB, IPRs, BRI, or patent law. He has not been heard by this author to campaign on any aspect of American innovation. But interest in changing governmental regulations has certainly been one of his subjects.

Backing up to set the scene for the future, *Cuozzo* involved the PTAB, IPRs, and BRI, but it also involved our executive branch federal agencies, their regulations, and how agency interpretations of law are handled in the courts. Agency interpretations of law were implicated in the *Cuozzo* case because it was the PTO that chose BRI for IPRs. It chose BRI as part of its regulations. With all patent law matters that have ever affected PTO practice, once a subject has been brought into existence by law, the PTO has adopted regulations about how the PTO would handle the matter. That happened once the “AIA,” *i.e.*, the America Invents Act, brought IPRs into existence. The PTO adopted regulations. In this case, it did so because the AIA included a

provision that expressly stated that the PTO could issue such regulations, regulations “establishing and governing” IPRs. *See, e.g., Cuozzo* at 2136, 2142.

That express grant of rule-making authority, said both the Federal Circuit and Supreme Court, brought into play a 1984 Supreme Court decision, *Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837. The AIA had left a gap, because it did not state whether patent claim terms should be interpreted by BRI, as done in patent prosecution — the process of examining and allowing patent applications — or interpreted as done in courts after patents issue, known as “*Phillips*” interpretation. In *Chevron*, the Supreme Court addressed Environmental Protection Agency (EPA) regulations. In the Reagan era, the regulations had taken a new tack that let equipment not meet air pollution standards as long as the plant they were in did not increase its total emissions. The Natural Resources Defense Council, an environmental protection group, wanted change in the regulation, and sued Chevron. Siding with the EPA on behalf of looser clean air regulations, the Supreme Court adopted what has become known as “*Chevron* deference” for what the EPA did. The courts, a Justice wrote for the Court, were not experts in the field of the case. While agencies are not directly accountable to the people, the President is, and the executive branch can make policy choices, in regulations. The point, the Court stated, was this — note the reference to a gap:

When a challenge to an agency construction of a statutory provision, fairly conceptualized, really centers on the wisdom of the agency’s policy, rather than whether it is a reasonable choice within a gap left open by Congress, the challenge must fail. In such a case, federal judges — who have no constituency — have a duty to respect legitimate policy choices made by those who do. The responsibilities for assessing the wisdom of such policy choices and resolving the struggle between competing views of the public interest are not judicial ones: “Our Constitution vests such responsibilities in the political branches.” [*TVA v. Hill*, 437 U. S. 153, 195 \(1978\)](#)

So a “challenge must fail,” said the Court, leading to the concept “*Chevron* deference.” And applied to the PTO rule-making for IPRs, in *Cuozzo*, that same deference required that the challenge to BRI “must fail,” as it did fail. We have BRI in IPRs.

Of course, in *Chevron*, the deference was given to a Reagan-era loosening of a regulation. But since then, and perhaps most in the last eight years, other, and perhaps many, governmental regulations have been *tightened*. Required deference to tight regulations is not something the current administration and Congress want. The President wants regulations cut back, for example, two taken away for any new one issued. And the new Congress has already started acting toward eliminating *Chevron* deference for governmental regulations. The Regulatory Accountability Act of 2017 passed the House by a vote of 238-183 and includes an anti-deference provision. The new Congress wants courts to review agency policy choices anew, *de*

novo, not with deference. That will be interesting, since they want review anew for existing regulations, but surely don't want the same for new, looser regulations.

That point of interest aside, *de novo* review is not what happened in *Cuozzo*. *Chevron* deference is what happened in *Cuozzo*. So could BRI in IPRs get "Trumped," *i.e.*, changed because this administration and Congress pass an anti-*Chevron* law because they do not want *Chevron* deference of existing tight regulations at federal agencies like the EPA? It's possible. In a new *Cuozzo*-like case, with no deference given to the PTO's choice of BRI, either or both of the Federal Circuit and/or Supreme Court could decide the matter *de novo* to a different result. In fact, Chief Justice Roberts in *Cuozzo* at oral argument called BRI and IPRs "bizarre." So for the future, "watch this space."

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