

## Articles

June 13, 2014

### Terminal Disclaimer After Institution of IPR Cannot Be Used to Circumvent Broadest Reasonable Interpretation Standard

#### AUTHORS

Fabian M. Koenigbauer  
Carly S. Levin  
Meaghan Hemmings Kent  
Steven J. Schwarz

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One of the main reasons to challenge a patent at the Patent Trial and Appeal Board (PTAB) in *inter partes* review (IPR) instead of at the district court is that the PTAB will construe claims more broadly, using the broadest reasonable interpretation (BRI) in light of the specification, instead of "ordinary and customary meaning" to a person of ordinary skill in the art. However, when a patent has expired, BRI is no longer the appropriate standard for construction, and "ordinary and customary meaning" (see *In re Rambus*) under *Phillips v. AWH Corp.* should be used instead. This begs the question, can a patentee file a terminal disclaimer after the PTAB has instituted IPR to change the standard of review and thereby request termination of the IPR? Recently, in *Amkor Technology, Inc., v. Tessera, Inc.*, the patentee decided to find out after the review was well on its way.

At issue in *Amkor Technology* was the validity of claims 1 to 8, 10 to 13, 18, 19, 24, and 45 of U.S. Patent No. 6,046,076.<sup>1</sup> After completing the substantive briefing and after the evidentiary record closed, Tessera filed a terminal disclaimer disclaiming the remainder of the term beyond April 11, 2014.<sup>2</sup>

The patentee, Tessera, urged that as a result of the terminal disclaimer, the patent claims should be accorded their plain and ordinary meaning under *Phillips* rather than the broadest reasonable interpretation.<sup>3</sup> Tessera reasoned that "where a patent has expired or has been terminally disclaimed, the broadest reasonable interpretation standard should not apply" because patentees no longer have the opportunity to amend claims.<sup>4</sup> Accordingly, Tessera urged the PTAB to terminate the proceeding because all evidence was directed to the broadest reasonable interpretation standard or, alternatively, "simply apply the new claim construction standard and issue a final written decision accordingly."<sup>5</sup>

The PTAB did not agree. Pursuant to 37 C.F.R. §§ 42.3(a) and 42.7(a), the PTAB exercised its authority to hold the terminal disclaimer in abeyance until the conclusion of the IPR.<sup>6</sup> The PTAB went on to order that the "challenged claims in this proceeding shall continue to be given their broadest reasonable interpretation in light of the Specification of the '076 patent."<sup>7</sup>

The PTAB's decision was based on a variety of factors including: the late stage of the *inter partes* review; the numerous opportunities earlier in the proceeding during which a terminal disclaimer could have been filed; and the potential for abuse.<sup>8</sup> Changing the standard for claim construction would effectively reset the entire IPR proceeding, which the PTAB found was "not feasible" because it would preclude the Board's ability to complete the review within one year.<sup>9</sup> On the potential for abuse, the Board noted that filing a terminal disclaimer so late in the proceeding would undermine the proceedings and:

creat[e] a tool to alter claim construction at late stages in post-grant proceedings, to render prior discovery meaningless, and to disrupt trial dates and statutory deadlines. A patent owner could participate fully in a proceeding, wait and see what arguments are made by the petitioner and how the proceeding develops, and then, at the very last minute, disclaim the remaining term of the patent and disrupt the entire proceeding.<sup>10</sup>

The PTAB emphasized that it does not tolerate gamesmanship as a way to circumvent an IPR, stating that "terminating an *inter partes* review any time a patent owner attempts to disclaim the remaining term of the patent would encourage gamesmanship by patent owners and defeat the purpose of *inter partes* review to provide a timely, cost-effective determination on patentability."<sup>11</sup>

In light of this decision, a patent owner should be aware that even terminally disclaiming a patent after an IPR has been instituted does not preclude the PTAB from reaching a final decision as to claim validity under the BRI standard. It is worth noting that during an IPR, it is possible for the patent owner

to cancel claims either by **filing a terminal disclaimer** or **filing a motion to amend**. Had the claims been cancelled at an early stage in the proceedings, it is possible that Tessera could have prevented application of the BRI standard to these claims. However, once the IPR is instituted and the proceeding has progressed beyond the filing of a voluntary motion to amend, the patent owner has very limited options to prevent the PTAB from reaching a final decision.

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<sup>1</sup> Slip op. at 3.

<sup>2</sup> See *id.* at 2, 6.

<sup>3</sup> Slip op. at 5.

<sup>4</sup> *Id.* at 5.

<sup>5</sup> Slip. op. at 5 (internal quotations omitted).

<sup>6</sup> *Id.* at 6.

<sup>7</sup> *Id.* at 12.

<sup>8</sup> *Id.* at 6-11.

<sup>9</sup> *Id.* at 6-7.

<sup>10</sup> *Id.* at 11-12 (internal quotations omitted).

<sup>11</sup> *Id.* at 8.