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No. 15

Supreme Court, U.S.
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IN THE
Supreme Court of the United States

JOHN H. STEPHENSON,

Petitioner,

v.

GAME SHOW NETWORK, LLC
AND WORLDWINNER.COM, INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED
STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Can the Patent and Trademark Office appropriately apply the “broadest reasonable interpretation” standard rather than the plain and ordinary meaning standard used by the federal courts in construing patent claims in inter partes reviews challenging patent validity?

PARTIES TO THE PROCEEDINGS

Petitioner is John H. Stephenson. Respondents are Games Show Network, LLC and Worldwinner.com, Inc.

CORPORATE DISCLOSURE

Pursuant to Rule 29.6 of this Court, the patent owner John Stephenson ("Stephenson") is an individual inventor and owner of Mega Dollar Games, LLC. No publicly traded company owns 10% or more of Mega Dollar Games, LLC.

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PETITION FOR A WRIT OF CERTIORARI

Petitioner John H. Stephenson respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The Court of Appeals for the Federal Circuit's opinion summarily affirming the patent office (Pet. App. B at 31a) is reported at *Stephenson v. Game Show Network, LLC*, 624 F. App'x 756 (Fed. Cir. 2015). The board's final written decision (Pet. App. A at 1a) is unpublished and can be found at *Game Show Network, LLC and Worldwinner.com, Inc. v. Stephenson*, 2014 WL 5906581 (Patent Tr. & App. B. 2014). The decision of the Patent and Trademark Office to institute inter partes review is also unpublished and is available at 2013 WL 8595975 (Patent Tr. & App. B. 2013).

JURISDICTION

The judgment of the Court of Appeals for the Federal Circuit was entered on December 15, 2015. (Pet. App. B at 31a.) The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATEMENT OF THE CASE

This Court recently granted the petition for writ of certiorari filed by Cuozzo Speed Technologies, LLC, raising the same question presented in this petition: whether the broadest reasonable interpretation standard should be reconsidered in the context of inter partes review. (Supreme Court Case Docket No. 15-446, hereinafter “*Cuozzo*.”) The case is set for argument on April 25, 2015.

Like *Cuozzo*, this case turns on the broadest reasonable interpretation construction issue. Had the United States Patent and Trademark Office (“PTO”) adopted the legally-appropriate claim construction standard there would be no dispute that the patent is valid over the prior art at issue in the inter partes review. Therefore, by this petition, Stephenson also seeks review of the PTO’s use of the broadest reasonable interpretation standard during claim construction in post-grant proceedings.

I. IPRs were created by Congress as an alternative to district court litigation, which uses a narrower claim construction than was used here.

In 2011, Congress enacted the America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284 (2011). The AIA created several new adjudicatory proceedings before the PTO for determining the patentability of already-issued patent claims. These post-grant proceedings include: inter partes review (“IPR”), post-grant review, and covered business method review.

Congress's intent in creating these proceedings was 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 id.* at 40 ("[AIA] is designed to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.").

A hallmark of these newly created proceedings is their adversarial nature. H.R. Rep. No. 112-98, at 46-47 ("The Act converts inter partes reexamination from an examinational to an adjudicative proceeding, and renames the proceeding 'inter partes review.'"). Unlike the predecessor inter partes reexamination, the patent examiner has no role in IPR proceedings. Instead, the validity of the patent is determined during a trial before a panel of administrative judges at the newly created Patent and Trademark Appeal Board ("PTAB"). In addition, like district court litigation, both the petitioner and patentee engage in pre-trial discovery. 37 C.F.R. §§ 42.120, 42.51; 35 U.S.C. § 6(c); 35 U.S.C. §§ 316(a)(5)–(c). Congress was silent as to the claim construction standard to be applied in IPRs. *See Cuozzo Speed Techs., LLC v. Lee*, 793 F.3d 1297, 1299-1300 (Fed. Cir. 2015) (dissent). Therefore there is currently one major difference between IPR proceedings and district court litigation: the standard used during claim construction.

During an IPR trial, the administrative panel construes the challenged patent claims using

the broadest reasonable interpretation (“BRI”) standard. 37 C.F.R. § 42.100(b). Under the BRI standard the patent claims are given “the broadest interpretation which they will support without straining the language in which they are couched.” *In re Cuozzo Speed Techs., LLC*, 778 F.3d 1271, 1279 (Fed. Cir. 2015). This is the same standard applied by the PTO when examining pending patent applications. *See Cuozzo*, 793 F.3d at 1300-01 (dissent). The PTO’s promulgation of the BRI standard in the newly-created IPR proceedings abruptly departs from decades of precedent—by this Court and all other federal courts—of using the “plain and customary meaning” standard during the adjudication of issued patent claims. *See Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005).

The PTO’s primary justification for the BRI standard has been the agency’s long history of applying BRI in patent office examination proceedings, such as original examination, reexamination, and reissue—when the patentee is free to amend the claims. *In re Prater*, 415 F.2d 1393, 1404-05 (C.C.P.A. 1969) (“[C]laims yet unpatented are to be given the broadest reasonable interpretation consistent with the specification during the examination of a patent application since the applicant may then amend his claims, the thought being to reduce the possibility that, after the patent is granted, the claims may be interpreted as giving broader coverage than is justified.”).

The PTO's reasoning is incongruous, however, considering that Congress intended for the PTO to break away from its prior examinational proceedings by creating new, quicker, trial-like proceedings to adjudicate the validity of issued claims. *See Cuozzo*, 793 F.3d at 1300-01 (dissent). As discussed below, the reasoning also fails to reflect the reality that it is much more difficult for patent owners to amend claims in IPRs than in the above-identified examination proceedings. The PTO's decision to give issued claims their "broadest reasonable interpretation" in post-issuance proceedings is therefore contrary to the AIA and sound patent policy.

II. The BRI standard is not appropriate for issued patents.

The "ability to amend ... claims to avoid cited prior art distinguishes [examination] proceedings before the PTO from [adjudicative] proceedings in federal district courts on issued patents," which are adversarial in nature. *In re Yamamoto*, 740 F.2d 1569, 1571-72 (Fed. Cir. 1984) (explaining "[t]he PTO broadly interprets claims during examination of a patent application since the applicant may 'amend his claims to obtain protection commensurate with his actual contribution to the art. . . . Applicants' interests are not impaired since they are not foreclosed from obtaining appropriate coverage for their invention with express claim language.>"). As stated above, the PTO's primary justification for the use of the BRI standard during IPR claim construction is that the PTO has used

the BRI standard consistently in other, examination-type proceedings.

But this argument is dubious, at best, given that traditionally the PTO applied the BRI standard in the examination and reexamination of patents where the applicant may freely amend the claim language to clarify the scope of the claim. In contrast, in time-sensitive IPR proceedings claim amendment is *not* a matter of right. See 35 U.S.C. § 316(a); *Cuozzo*, 793 F.3d at 1302(d)(1); 37 C.F.R. § 42.121. And the PTO's regulations place further restrictions on amendments. See 37 C.F.R. § 42.121(a); 37 C.F.R. § 42.20(c).

In fact, the PTO's own statistics confirm that the PTAB has denied almost all motions to amend in IPRs. As of October 2015, the PTAB had allowed just six motions to amend in IPR proceedings. See Matt Cutler, *3 Years Of IPR: A Look At The Stats*, Law360 (Feb. 4, 2016), <http://www.law360.com/articles/699867/3-years-of-ipr-a-look-at-the-stats>; Harness Dickey & Pierce PLC, *Harnessing Patent Office Litigation* at 2 & n.4 (2016), <http://ipr-pgr.com/wp-content/uploads/2016/02/IPR-PGR-Report-Vol.-12.pdf>; Fitzpatrick, Cella, Harper & Scinto, *Just the Stats: IPR: Decisions on Requests to Amend the Claims, Post-Grant HQ* (June 30, 2015), <http://www.postgranthq.com/statistics/ipr-decisions-on-requests-to-amend-the-claims/> (last visited March 13, 2016). See generally Brief amici curiae of 3M Company, et al. at 24 (*Cuozzo Speed Techs., LLC v. Lee*, Supreme Court Docket No. 15-466 (Feb. 29, 2016)) ("The statistics confirm the

bottom line: motions to amend are unavailable in practice.”).

A. The BRI standard should only be used during examination.

Historically, the PTO has used the BRI standard during *ex parte*, original examination.¹ See *Cuozzo*, 793 F.3d at 1300-01 (dissent). The principal purpose of patent examination is to delineate the proper scope of protection to which the inventor is entitled. This occurs through a back-and-forth dialogue with the patent examiner that clarifies and often narrows the metes and bounds of the patented invention. See *In re Buszard*, 504 F.3d 1364, 1366-67 (Fed. Cir. 2007) (“The patent examiner and the applicant, in the give and take of rejection and response, work toward defining the metes and bounds of the invention to be patented.”); see also *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989) (“[D]uring patent prosecution when claims can be amended, ambiguities should be recognized, scope and breadth of language explored, and clarification imposed.”).

While broadly construing claim language increases the likelihood that otherwise-distinguishable prior art will render the claimed invention anticipated or obvious, the patentee can amend the claim language during prosecution—and

¹ Some question whether the BRI standard is ever appropriate. Christopher A. Cotropia, *The Unreasonableness of the Patent Office’s “Broadest Reasonable Interpretation” Standard*, 37 AIPLA Q.J. 285 (2009).

narrow it if necessary—to clarify the scope of the invention and avoid rejection or cancellation of the claims. Therefore by giving the claim language its broadest reasonable interpretation, the patent examiner is able to “reduce the possibility that, after the patent is granted, the claims may be interpreted as giving broader coverage than is justified.” *In re Prater*, 415 F.2d 1393, 1404-05, (C.C.P.A. 1969). Once the patent has been granted however, the metes and bounds of the claimed invention are considered defined. *See* 35 U.S.C. § 112(b).

The PTO has recognized that the BRI standard is not appropriate after the patent expires because the claims can no longer be amended. *See In re Rambus, Inc.*, 753 F.3d 1253, 1256 (Fed. Cir. 2014) (PTO adopted the plain and customary meaning standard during the reexamination of expired patent claims because those claims could no longer be amended).

The broadest reasonable interpretation is not meant to get to the *correct* construction. *See PPC Broadband, Inc. v. Corning Optical Commc’ns RF, LLC*, —F.3d—, No. 2015-1364, 2016 WL 692369, at *5 (Fed. Cir. Feb. 22, 2016) (contrasting PTO’s application of “broadest reasonable interpretation” standard with district court’s “correct construction”). The broadest reasonable interpretation is “solely an examination expedient, not a rule of claim construction.” *In re Skvorecz*, 580 F.3d 1262, 1267 (Fed. Cir. 2009).

B. The use of the BRI standard leads to inconsistent and harmful results.

The federal courts, in contrast with examination proceedings, interpret the claims and determine the scope of patented inventions as part of the infringement and validity analysis, with no opportunity to amend. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979 (Fed. Cir. 1995) (*en banc*), *aff'd*, 517 U.S. 370 (1996). Courts invoke the “ordinary and customary” meaning of the claims to determine their scope for purposes of both validity and infringement, not the “broadest reasonable interpretation” as in examination proceedings. Courts begin this analysis with the intrinsic evidence: the claims, specification and prosecution history. *Phillips*, 415 F.3d at 1313. Intrinsic evidence is critical because it “constitute[s] the public record of the patentee’s claim, a record on which the public is entitled to rely.” *Vitronics Corp. v. Conceptoronic, Inc.*, 90 F.3d 1576, 1583 (Fed. Cir. 1996). The specification is relevant to determine whether the inventor has used any claim terms in a manner inconsistent with their ordinary meaning. *Id.* For decades, this body of intrinsic evidence has served as the primary record by which courts adjudicating patent validity and infringement have determined the “ordinary and customary” meaning of patent claims. *Phillips*, 415 F.3d at 1313.

The PTO’s BRI standard, however, does not consider the full range of intrinsic and extrinsic evidence used by district courts to determine the

actual meaning of the claims. Nor does it use such evidence as extensively as it is used in court. See *Manual of Patent Examining Procedure* (“MPEP”), § 2111; see also, e.g., *In re ICON Health & Fitness*, 496 F.3d 1374, 1379 (Fed. Cir. 2007) (stating that under the BRI standard “we look to the specification to see if it provides a definition for claim terms, but otherwise apply a broad interpretation”). Further, under the BRI standard, the PTO has traditionally construed claims without reference to the prosecution history. *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989) (stating that “[d]uring patent examination the pending claims must be interpreted as broadly as their terms reasonably allow” in contrast to district court where “claims of issued patent interpreted in light of specification, prosecution history, prior art, and other claims”). Therefore claim construction under the BRI standard is broader than construction under the ordinary-and-customary-meaning standard.

This Court has recognized “the importance of uniformity in the treatment of a given patent”. *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 390 (1996); see also *Source Search Technologies, LLC v. LendingTree*, 588 F.3d 1063, 1075 (Fed. Cir. 2009) (“[i]t is axiomatic that claims are construed the same way for both invalidity and infringement.” (quoting *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1330 (Fed. Cir. 2003))). The BRI standard means that there is *not* uniformity of treatment. *PPC Broadband, Inc. v. Corning Optical Commc’ns RF, LLC*, —F.3d—,

No. 2015-1364, 2016 WL 692369, at *5 (Fed. Cir. Feb. 22, 2016) (“it is possible to have two different forums construing the same term in the same patent in a dispute involving the same parties but using different standards.”).

The harm associated with having inconsistent constructions of issued claims in litigation and the new PTO adjudicative proceedings is real and serious. *See, e.g., Fresenius USA, Inc. v. Baxter Int’l, Inc.*, 721 F.3d 1330 (Fed. Cir. 2013) (vacating \$23 million district court judgment based on later PTO invalidity decision). *See also Versata Dev. Grp., Inc. v. SAP Am., Inc.* 793 F.3d 1306 (Fed. Cir. 2015). This harm is particularly clear when one considers that a broad standard for claim construction can be outcome determinative as to the validity of a patent, which is “personal property” of the patent owner. 35 U.S.C. § 261.

A panel of the Federal Circuit recently affirmed the PTO’s invalidation of patent claims in an IPR under the broadest reasonable interpretation in light of the prior art, while explaining that the panel would have reached a different conclusion had the *Phillips* standard applied. *PPC Broadband, Inc. v. Corning Optical Commc’ns RF, LLC*, —F.3d—, No. 2015-1364, 2016 WL 692369, at *10–12 (Fed. Cir. Feb. 22, 2016) (explaining that “[t]his case hinges on the claim construction standard applied - a scenario likely to arise with frequency.”).

The results demonstrate that the BRI standard makes it far easier to invalidate patents.

As of January 2015, “nearly 75%” of the claims in the PTAB’s final written decisions were invalidated. Gregory Dolin, M.D., *Dubious Patent Reform*, 56 B.C. L. Rev. 881, 926 (2015). Claims are invalidated in the district court only a fraction as much. *Id.* It is plain that the BRI standard plays a large part in this outcome.

Further, it is not fair to patent owners that accused infringers can pursue a broader claim construction for invalidity purposes in the PTO and then a narrower construction to avoid infringement in the district court. *See Cellular Communs. Equip. LLC v. HTC Corp.*, No. 6:13-cv-507, 2015 U.S. Dist. LEXIS 70135, at *21-22 (E.D. Tex. June 1, 2015) (“To whatever extent the petitioners in the IPR proceedings proposed constructions broader than what Defendants propose in the present litigation, the difference may be accounted for by the difference in claim construction standards between the two proceedings.”); *see also* Rochelle Cooper Dreyfuss, *Giving the Federal Circuit a Run for Its Money: Challenging Patents in the PTAB*, 91 Notre Dame L. Rev. 235, 288-89 (2015) (“[T]here is something unseemly about allowing a party to argue for a broad construction when it suits its interest in invalidating the patent, and then a narrower construction when the issue is its own infringement.”). This is fundamentally unfair to the patent owner, especially given the fact that here, as in most IPRs, the patent at issue is involved in parallel litigation where infringement is also an issue.

Even if the PTO allowed claim amendments during IPR proceedings, the use of the BRI standard would not be justified. Congress has clearly established that claim amendments to issued patents are subject to intervening rights. 35 U.S.C. § 318(c). Intervening rights recognize the rights of persons who utilize, or who simply make substantial preparation to utilize, the subject matter of a patent claim added to a patent after issuance. *See Sontag Chain Stores Co. Ltd. v. National Nut Co. of California*, 310 U.S. 281 (1940). Section 318(c) invokes Section 252 of the patent statute, which precludes recovery of past damages for amended claims that are not substantially identical to the original claims. *See Laitram Corp. v. NEC Corp.*, 163 F.3d 1342, 1346 (Fed. Cir. 1998). *See also Marine Polymer Techs., Inc. v. HemCon, Inc.*, 672 F.3d 1350, 1361–62 (Fed. Cir. 2012). Section 252 also authorizes courts to restrict the patent owner’s normal control over the patent invention prior to the new claim becoming effective. 35 U.S.C. § 252. Therefore the patentee, forced to amend claims to overcome the BRI standard, faces a substantial loss in recoverable damages. This is particularly troubling considering the vast majority of IPRs are filed in conjunction with infringement litigations. Fitzpatrick, Cella Harper & Scinto, *Just The Stats: Percentage of IPRs Concurrent with Litigation*. <http://www.postgranthq.com/statistics/scatter-plot-of-claims-found-unpatentable-in-final-decisions-from-fchs-data/> (last visited Mar. 10, 2016).

The PTO's use of the BRI standard during IPR proceedings remains controversial. A deeply divided Federal Circuit recently denied *en banc* rehearing of the issue. See *Cuozzo Speed Techs., LLC v. Lee*, 793 F.3d 1297 (Fed. Cir. 2015). Five of the eleven Federal Circuit Judges (Newman, Chief Judge Prost, Moore, O'Malley, and Reyna) dissented from the decision to deny *en banc* review, noting that "Inter partes review ('IPR') is a new, court-like proceeding designed to adjudicate the validity of issued patent claims. In adjudicatory proceedings, claims are given their actual meaning, not their broadest reasonable interpretation." *Id.* at 1299 (dissent).

This Court has never considered the propriety of the BRI standard in post-grant validity challenges. Recently certiorari has been granted over this exact question. See *Cuozzo Speed Techs., LLC v. Lee*, Supreme Court Docket No. 15-466 (U.S. Oct. 6, 2015). This Court's ruling will have a substantial impact on this area of Federal Circuit precedent going forward.

Stephenson respectfully requests that this Court grant its petition for writ of certiorari, consider this case alongside the *Cuozzo* case, and reverse the judgment of the Court of Appeals. Alternatively, Stephenson requests that this Court hold the petition pending review in the *Cuozzo* case and then grant the petition, vacate the Court of Appeals' judgment, and remand to the district court for further proceedings. As this case highlights, the Federal Circuit frequently affirms PTO decisions in post-grant validity challenges summarily (as it did

here), even when the very broad claim construction that essentially dooms the patent could be in direct conflict with a federal court decision about how to construe identical or very similar claim terms.

III. Factual background and proceedings below.

A. Patent in suit.

The patent at issue in this case, U.S. Patent No. 6,174,237 (“the ’237 patent”), owned by an individual, John Stephenson, relates to tournament systems that, among other things, allow players to obtain a reliable measure of their skill. It does this by having a human player play a game of skill in a qualifying round against a host computer opponent. (Pet. Supp. App. at SA1; *see also id.* at SA5, col. 3 l. 25–27 (“At least one player participates in the qualifying round 20 against a host computer.”).) The player’s score is evaluated and the player is classified into a level of performance that matches his results. (*Id.* at SA5, col. 4 l. 3–5.) Based on the player’s specific performance level, she may qualify to play in a playoff round. (*Id.* at col. 3 l. 15–20.) In the playoff round, players play the game of skill against the host computer under the same game conditions along with other players playing the game of skill against a host computer, and their scores are compared to determine a winner and subsequent ranking. (*Id.* at SA6, col. 6 l. 25.) The ’237 patent’s specification repeatedly describes *competition* between the player and host computer: “In the qualifying round the player *competes*

against a host computer.” (*Id.* at SA1, Abstract (emphasis added).)

Having the human player play against a host computer acts as a “control” because the host computer provides a consistent opponent response to each player’s like play. This method increases reliability and decreases the uncontrolled variables of player evaluations that are otherwise inherent in evaluations based on human players playing against one another. This novel method for playing a game of skill tournament allows players to “obtain a reliable index as to his skill as compared to other competitors competing under the same game conditions.” (*Id.* at SA3, col. 1 l. 60–62; *see also id.* at SA1, Abstract (“method for a game of skill tournament that is challenging and also provides the player a reliable gauge of his skill level as compared to other players.”); *id.* at SA3, col. 2 l. 44–46 (“play the game of skill against the host computer under the same rules and conditions”).) This provides a better system for determining a player’s skill by removing the variables and inconsistencies caused by human opponents.

The ’237 patent has nineteen claims. (*Id.* at SA5-6.) Claim 1 of the ’237 patent is the only independent claim. It recites a method of playing a game of skill tournament having a qualifying round and a playoff round, and played over an interactive computer system, said interactive computer system having a host computer system, a plurality of terminals, computers and compatible software, said method comprising the following steps:

a. **playing a game of skill in a qualifying**

round between a single player and the host computer;

b. **evaluating** the results of said qualifying round to determine if said player qualifies to be classified within a specific performance level from a plurality of performance levels ranging from a low performance level to a high performance level;

c. **evaluating** the results of said qualifying round to determine if said player qualifies to be classified within a qualifying performance level taken from said plurality of performance levels;

d. **distributing** to said player a performance level award, said performance level award being dependent upon the specific performance level obtained;

e. **playing said game of skill in a playoff round between said player and the host computer simultaneously along with other players**, wherein each player has been classified within a qualifying performance level;

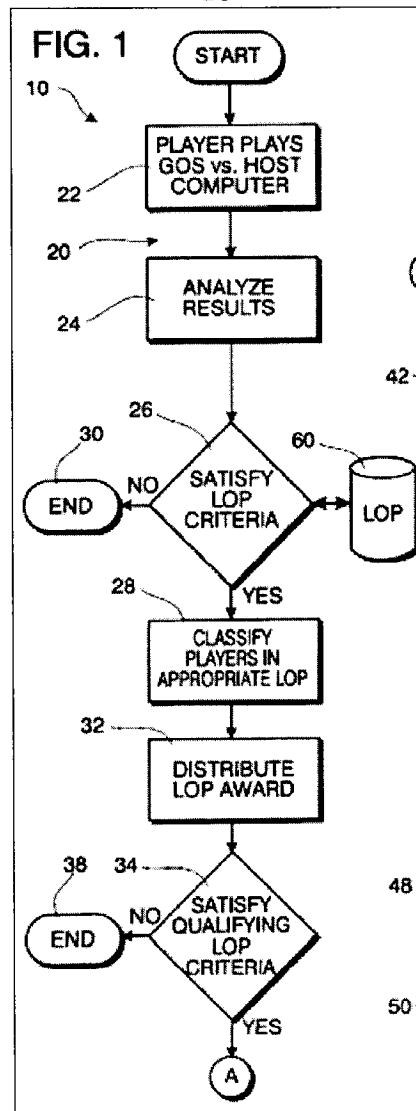
f. **evaluating** the results of said playoff round to determine a tournament winner and subsequent ranking of players; and

g. **distributing** tournament awards to tournament participants.

(Pet. Supp. App. at SA5 (emphasis added).) The claim distinguishes “playing” from administrative functions like evaluating and distributing.

The specification also distinguishes “playing” from administrative functions like granting

awards, ranking players, and evaluating results. (See, e.g., *id.* at SA4, col. 3 l. 65 (“Once the player completes his play against the host computer, the results are analyzed”).) Figure 1 also distinguishes between the step of playing “vs.” the host computer (box 22) and administrative tasks such as analyzing results (24) and distributing awards (32):



(Pet. Supp. App. at SA2, Fig. 1.) As the specification explains, the use of the computer as a competitor provides an engaging and fun way to provide the human player with a reliable index of

his or her performance level in a qualifying round at a convenient time and place, without needing to involve other human players. (*Id.* at SA3, col. 2 l. 20–25.)

The patent describes the host computer playing “against” the player 13 times. It does so throughout the Specification—in the Abstract, the Background of the Invention, the Brief Summary of the Invention, the Detailed Description of the Preferred Embodiments, and in the Example of Preferred Embodiment. (*Id.* at SA1, Abstract, SA3, col. 2 l. 40–45, SA4, col. 3 l. 15–20, SA5, col. 5 l. 10–20.)

The dependent claims further support that “playing . . . between” describes the host computer playing against the player. Claim 9, for example, recites the “game of skill” as “a card game requiring skill and knowledge.” (*Id.* at SA5, col. 6 l. 53–55.) Claim 10 depends from claim 9 and lists 40 games including poker, bridge, gin rummy, cribbage, and solitaire. (*Id.* at SA5, col. 6 l. 55–65.) As the Petitioner Game Show Networks and the Board acknowledged, all 40 of the games listed in claim 10, including solitaire, include multi-player versions, i.e. versions played in a competitive format involving two or more players. (Pet. App. A at 12–13a.)

The specification of the Stephenson patent makes it clear that the ordinary and customary meaning of the claims’ references to playing a game of skill between a human player and the host computer refers to *competitive* play, not merely administering a game.

B. Proceedings before the PTO.

In its Final Written Decision, interpreting the claims using the “broadest reasonable construction in light of the specification of the patent in which [they] appear[],” (*id.* at 6a (quoting 37 C.F.R. § 42.100(b); *see also* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012))), the Board construed “playing a game of skill . . . between a single player and the host computer” to broadly mean the host computer “at least administers the game.” (Pet. App. A at 12–13a.) Thus, the Board construed “playing” to not have its plain and customary meaning, but rather to include activities such as keeping score or determining winners of a game. The Board concluded that “the proper claim construction of that disputed phrase [“playing . . . between a single player and the host computer”] is one that is broad enough to include single-player game playing, in which case the host computer administers, *but is not required to play* the game of skill.” (Pet. App. A at 7a (emphasis added).) The Board’s construction thus found the term to include not just a player and host computer playing a game, but also where the computer does not play at all, but rather merely administers the game by, for example, keeping score.

The Board acknowledged that “claim 1 requires playing a game of skill *between* a player and the host computer.” (Pet. App. A at 14a no. 4.) The Board found that “between” means “by the common action of: jointly engaging.” (*Id.* at 8a.) The Board did not adopt or acknowledge the plain

meaning of “playing.” Rather, the Board gave “play” a special, broader meaning that includes at least administer: “a computer can ‘play’ by administering the game, e.g., by keeping score, operating the game, and monitoring the player’s progress.” (*Id.* at 9a.)

The Board supported its adoption of the broader construction of claim 1 by finding that it captures not only each and every one of the over 40 generic card games listed in dependent claim 10, but every *variant* of each of those 40 games—including both competitive *and* non-competitive solitaire. (*Id.* at 10a.) While the Board acknowledged—and all experts agreed—that there are versions of solitaire where two players compete head-to-head, the Board dismissed the relevance of this fact, merely because “‘solitaire’ is traditionally a single player game.” (*Id.* at 9a.)

The Board adopted a broader construction than the plain and ordinary meaning of “playing a game of skill in a qualifying round between a single player and the host computer” based on the BRI standard. Game Show Networks relied heavily on claim 10 to support the broader, non-plain-meaning construction. At oral argument, Mr. Stephenson argued that “the fact that a claim has a specific limitation in Claim 1, you don’t broaden it out just because it may not capture every variant that’s in a dependent claim,” intending to refer to solitaire having both single and multi-player variants. (Pet. App. A at 10a.) The Board responded “Well, I think I do. I think that’s what the court is telling me I have to do, doesn’t it?” (*Id.*)

The Board then found claims 1-3, 5, and 8-19 of the '237 patent were anticipated under 35 U.S.C. § 102 and claims 4, 6, and 7 were obvious under 35 U.S.C. § 103 in view of PCT International Publication No. WO97/39811 to Walker Asset Management, L.P. ("Walker"). (*Id.* at 29a.) Walker discloses an electronic tournament system in which a computer administers a tournament between remotely located players, such as by keeping score. In other words, Walker discloses a computer merely administering a game. Walker does *not* disclose a computer playing against a human player. (Pet. App. A at 22a.)

GSN did not contend the claims were invalid under Mr. Stephenson's proposed construction. The BRI issue is dispositive here.

C. Proceedings before the Federal Circuit.

As Mr. Stephenson explained to the Federal Circuit, "The Board arrived at this overbroad construction by applying the wrong claim construction methodology. The Board did not first determine the plain meaning of the disputed claim language in view of the specification, including 'playing' and 'between.' . . . The Board ignored that the plain meaning of 'playing a game...between' was consistent with the specification and the claims, and thus there was no reason to deviate from that plain meaning." *John H. Stephenson v. Game Show Network, LLC, and Worldwinner.com*, No. 15-1359, 2015 WL 195526 at *5-6 (Fed. Cir. Apr. 24, 2015) (Appellate Br.); see also *id.* at *49 ("GSN did not contend that Walker

invalidates the claims under Stephenson's plain-meaning construction.").

During the oral argument, Federal Circuit Judge Plager recognized that the result in the case might hinge on whether the broadest reasonable interpretation standard applied or whether the *Phillips* plain and ordinary meaning standard applied:

Appellee's counsel: ... [I]f this were an appeal from the district court, where you're looking at a *Phillips* construction, maybe this notion of ambiguity is a little harder to resolve. Here, you're not dealing with a *Phillips* construction, you're dealing with the broadest reasonable interpretation.... That's still the state of the law as we know it.

Judge Plager: Would your position survive if we applied *Phillips*' construction?

Appellee's counsel: It would, your Honor, it still would. But you don't have to do that. I'm just giving you – you suggested that it was maybe a difficult issue to try to decide if it's ambiguous. I'm saying here, if it's ambiguous, we get the benefit. We get the benefit because it's broadest reasonable.

Judge Plager: But you keep going back to broadest reasonable, and I keep coming back – wouldn't you lose under *Phillips*?

Appellee's counsel: Would I lose under *Phillips*?

Judge Plager: Yea.

Appellee's counsel: I don't think so, your Honor....

Judge Plager: Is it your view they would lose under a *Phillips* interpretation?

Stephenson counsel: Oh, absolutely. That's the easier part.

Stephenson v. Game Show Network, LLC, No. 2015-1359, oral argument at 18:30-50, 19:30-59, 24:30-23:44, 31:38-31:49, available at <http://oralarguments.ca9.uscourts.gov/default.aspx?fl=2015-1359.mp3> (Fed. Cir. Dec. 10, 2015).

The law in effect at the time of the court's decision was that the broadest reasonable interpretation standard applies, not the *Phillips* plain and ordinary meaning approach as used by district courts. The Federal Circuit affirmed the Board's decision without an opinion. (Pet. App. B at 31a.)

By the time the decision in this case issued, the Federal Circuit had already adopted the BRI standard in prior cases such as *Cuozzo*—there was nothing more to say. The lack of a written opinion

is not an indication that the case did not turn on the BRI issue; if anything it confirms it.

REASONS FOR GRANTING THE PETITION

I. **This case should be considered alongside the *Cuozzo* case in which this Court recently granted certiorari.**

The Federal Circuit issued a summary affirmance in this case—as it has now done in numerous cases appealing the PTO’s application of the BRI standard to invalidate claims. This Court, however, recently granted the petition for writ of certiorari filed by *Cuozzo Speed Technologies, LLC*, raising the same question presented in this petition: whether the BRI standard should be reconsidered in the context of IPRs. A number of amicus organizations have correctly challenged the BRI standard as being contrary to law. *See Cuozzo Speed Techs., v. Lee*, Supreme Court Docket No. 15-466, Brief amici curiae of 3M Company, et al. (U.S. Feb. 29, 2016); Brief amicus curiae of Pharmaceutical Research and Manufacturers of America (U.S. Feb. 29, 2016); Brief amicus curiae of Intellectual Ventures Management, LLC (U.S. Feb. 29, 2016); Brief amici curiae of Patent-Practicing Technology Innovators (U.S. Feb. 29, 2016); Brief amici curiae of InterDigital, Inc., Tessera Technologies, Inc., et al. (U.S. Feb. 29, 2016); Brief amici curiae of Biotechnology Innovation Organization, et al. (U.S. Feb. 29, 2016); Brief amicus curiae of Federal Circuit Bar Association (U.S. Feb. 29, 2016); Brief amicus curiae of Mitchell

Hamline School of Law Intellectual Property Institute (U.S. Feb. 29, 2016); Brief amici curiae of Law Professors Gregory Dolin, et al. (U.S. Feb. 29, 2016); Brief amicus curiae of National Association of Patent Practitioners, Inc. (U.S. Feb. 29, 2016). By this petition, Mr. Stephenson also seeks review of the PTO's use of the BRI standard during claim construction. This case presents an equally if not more appropriate demonstration of the asymmetry and unfairness of the BRI construction standard, and a compelling vehicle for this Court's review of the question presented than the *Cuozzo* case.

Claim 1 plainly recites "playing a game of skill in a qualifying round between a human player and the host computer," requiring at least two players. "The game of skill tournament first begins with at least one player playing a game of skill *against* the host computer in the qualifying round." (Pet. Supp. App. at SA3, col. 2 l. 40–42 (emphasis added).)

Adding "administering" to playing is unreasonably broad and can only be supported if the broadest reasonable interpretation standard is applied. The '237 patent specification and claims place the invention in a competitive tournament context, which is adversarial, and play against was used to describe the invention. The claims and specification separately and distinctly recite "playing" and administrative actions such as "evaluating" results and "distributing" awards. Under the *Phillips* plain and ordinary meaning standard, the "playing . . . between" language would have been interpreted to mean both the

single player and the host computer “play” and to exclude administering.

The '237 patent claims and specification uniformly describe a game played between a single player and a host computer. The specification, moreover, contrasts the host computer “playing” and administrative activities by thereafter noting: “Also, the host computer has the ability to act as a game sponsor by keeping score, operating the game, monitoring the player’s progress and to distribute awards when appropriate.” Nowhere does the specification describe the computer as “administering” a game, *per se*. But where it comes closest, here describing acting “as a game sponsor,” it clearly *distinguishes* such administering acts from “playing.” Nevertheless, under the rubric of the broadest reasonable interpretation, the Board construed the “playing a game” limitation to *include* “at least administering” to thereby include a computer that merely administers a game but does not play it.

The Board not only misapplied the importance of dependent claim 10, but it apparently misplaced a burden on Stephenson to prove that *all possible variations* of *each* of the 40 games listed in claim 10 were consistent with a construction of the “playing” limitation that excluded “administering.” In other words, even though all 40 of the games listed in claim 10 are unquestionably multi-player games consistent with the plain meaning of “playing . . . between,” the Board found that a special, unusually broad meaning should be applied because one of those 40

games also had a single-player version. Under the BRI standard, this slender reed was enough for the Board to ignore the plain and ordinary meaning of the “playing . . . between” limitation and the specification, and invoke a much broader meaning. Such an approach is questionable even under the BRI standard, but is unsupportable absent the BRI standard.

As Federal Circuit Judge Plager appeared to recognize at the oral argument, Appellees lose under *Phillips*. (*Stephenson v. Game Show Network, LLC*, No. 2015-1359, oral argument at 24:30-23:44; see also *id.* at 18:30-50, 19:30-59, 31:38-31:49.)

The decision in this case turned on the broadest reasonable interpretation. There is no dispute that the challenged claims of the '237 patent are valid over the cited art if the claim construction proposed by Stephenson is adopted. The sole prior art cited, Walker, does not involve a computer playing a human opponent.

The suggestion that the BRI standard applies because the claims can be amended does not hold water as a practical matter. Amendments are not permitted as a matter of right, and have been shown not to be a viable option. As numerous amicus have already recognized, the ability to amend at the PTAB is illusory at best. See *Mitchell Hamline Amicus Br.* at 10-13 (*Cuozzo Speed Technologies v. Lee*, Supreme Court Case Docket No. 15-446). Of particular relevance here, at the time Stephenson would have had an opportunity to move for leave to amend its claims during the IPR,

the PTAB had never granted a motion to amend. *See International Flavors & Fragrances, Inc. v. U.S. Department of Agriculture*, IPR2013-00124 (PTAB May 20, 2014) (Paper 12) (The PTAB granting its first contested motion to amend). Indeed, in the parallel reexamination proceeding, Mr. Stephenson amended the claims to have them allowed over the same art cited in the IPR. Further, as the amicus have recognized, the ability to amend does not provide complete relief because the patent owner loses past damages. *See Mitchell Hamline Amicus Br.* at 10-13 (*Cuozzo Speed Technologies v. Lee*, Supreme Court Case Docket No. 15-446).

The use of the BRI standard is a substantive, not procedural, regulation, and thus the PTO did not have the authority to promulgate it. *See Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1336 (Fed. Cir. 2008); 35 U.S.C. § 2(b)(2)(A); 35 U.S.C. § 316(a)(4). Even if it did, it would be contrary to Congress's scheme of creating an adjudicatory proceeding on issued patents. *See Cuozzo*, 793 F.3d at 1302-03 (dissent). No deference is due to the PTO. *Id.*

II. Alternatively, the Court may wish to hold the petition for resolution of the *Cuozzo* case, followed by an order to grant, vacate and remand.

Should this Court determine that it will not consider a plenary review of Stephenson's petition in conjunction with *Cuozzo*, it should hold this petition pending decision in that case. If, upon resolution of *Cuozzo*, this Court determines that claim construction in IPRs must be conducted under the plain-and-ordinary-meaning standard,

then Stephenson's petition should be granted, the court of appeals opinion vacated, and this case remanded for further proceedings in light of that decision. Such orders are particularly appropriate when an intervening decision issues that could affect the lower court's determination. *Lawrence v. Chater*, 516 U.S. 163, 166-67 (1996) (explaining that GVR is appropriately exercised in light of intervening developments such as decisions of this Court). This would be particularly appropriate in this case, if the Court decides not to conduct a plenary review. A reversal of the PTO's BRI standard would constitute just such an intervening decision the GVR power is intended to address.

The Federal Circuit here summarily affirmed the PTO's use of the BRI standard in its final written decision. If this Court determines that standard was incorrect, there is "a reasonable probability that the decision below rests on a premise that the lower court would reject if given the opportunity for further consideration." *Id.* at 167-68. That makes it particularly appropriate to hold this petition pending decision in *Cuozzo*, followed by a grant, vacate and remand.

CONCLUSION

Stephenson respectfully requests that this Court grant its petition for writ of certiorari, consider this case alongside the *Cuozzo* case, and reverse the judgment of the Court of Appeals. Alternatively, Stephenson requests that this Court hold the petition pending review in the *Cuozzo* case, so that it can be granted and the appellate

decision vacated and remanded for reconsideration
under the correct legal rule.

Respectfully submitted,

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