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Terminal Disclaimer Fails to Warrant Phillips Claim Construction Standard on Appeal

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Effective November 13, 2018, the United States Patent and Trademark Office ("USPTO") implemented the district court-style *Phillips*[1] claim construction standard at the Patent Trial and Appeal Board ("PTAB"), completely replacing the broadest reasonable interpretation ("BRI")[2] standard.[3] The rule is not retroactive and applies to *inter partes* review ("IPR") petitions filed on or after the effective date of the rule. Therefore, the Federal Circuit still needs to determine the applicable claim construction review standard between *Phillips* and BRI for appeals of IPR petitions filed with the PTAB prior to the effective date. In *Immunex Corp v. Sanofi-Aventis*, 2019-1749 (Fed. Cir. Oct. 13, 2020), the Federal Circuit addressed the applicable claim construction standard in light of a post-briefing terminal disclaimer.

Background and Procedural History

United States Patent No. 8,679,487 ("'487 Patent") was issued to Immunex on March 25, 2014. The patent is directed to antibodies that bind to human interleukin-4 receptors, the resulting inhibition of which is significant for treating various inflammatory disorders such as arthritis, dermatitis, and asthma. On April 5, 2017, Immunex initiated a patent infringement action against Sanofi before the U.S. District Court for the Central District of California, alleging that Sanofi's Dupixent drug infringes the '487 Patent.

During the litigation, Sanofi filed several IPR petitions challenging the '487 Patent. In one of the IPRs, the PTAB invalidated all challenged claims in the '487 Patent, determining that the claims were unpatentable as obvious under the BRI standard. Immunex appealed, contesting the construction of the claim term "human antibodies." After the appellate briefing was complete, Immunex filed a terminal disclaimer with the USPTO. The USPTO accepted it, and the '487 Patent therefore expired on May 26, 2020.

Finding Claim Construction Review Under the BRI Standard

At the time Sanofi filed its IPRs, the PTAB applied the *Phillips* standard only to expired patents. For unexpired patents, the PTAB applied the BRI standard. Because the terminal disclaimer rendered the '487 patent expired, Immunex requested that the Federal Circuit change the applicable claim construction standard from BRI to *Phillips*, citing *Wasica*[4] and *CSB*[5].

The Federal Circuit noted that the patents in *Wasica* and *CSB* had expired before the PTAB's decision. In addition, although the *Phillips* standard has been applied to a patent expired on appeal, see *Andrea Electronics*[6], the Federal Circuit held that the *Phillips* standard does not necessarily apply when a patent expires on appeal at any time or for any reason. In *Andrea Electronics*, the patent term expired as expected instead of being cut short by a terminal disclaimer.

Importantly, the statutory expiration happened before the appellate briefing began; thus, the parties were able to consider the consequences in their briefs. In contrast, Sanofi shortened the term after the parties had already fully briefed on claim construction under the BRI standard. Therefore, the Federal Circuit decided to review the PTAB's claim construction under the BRI standard.

Takeaways

With respect to the IPR petitions filed prior to November 13, 2018, the Federal Circuit narrowly construed that an expired patent at issue in the IPRs does not warrant a claim construction review under the *Phillips* standard. To the extent that the patent term is shortened by the terminal disclaimer after the appellate briefing, the claim construction will be reviewed under the BRI standard despite the expiration of the patent. This suggests that filing a terminal disclaimer appears to be largely ineffective in requesting that the Federal Circuit change a claim construction review standard to *Phillips*. Therefore, patent owners attempting to seek the *Phillips* standard on appeal through a terminal disclaimer should file the terminal disclaimer as soon as possible and ideally before the PTAB's decision in the IPR and appellate briefing.

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[1]Under the *Phillips* standard, claims are given a construction as "the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention." *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005).

[2] Under the BRI standard, claims are given their "broadest reasonable construction in light of the specification of the patent in which it appears." 37 C.F.R. §§ 42.100(b) (2017); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2145 (2016).

[3] *See* Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board, 83 Fed. Reg. 51,340 (Oct. 11, 2018) (codified at 37 C.F.R. pt. 42).

[4] *Wasica Finance GmbH v. Continental Automotive Systems, Inc.*, 853 F.3d 1272, 1279 (Fed. Cir. 2017).

[5] *In re CSB–Sys. Int'l, Inc.*, 832 F.3d 1335 (Fed. Cir. 2016).

[6] *Apple Inc. v. Andrea Elecs. Corp.*, 949 F.3d 697, 707 (Fed. Cir. 2020).