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PTAB Proposed New Practices and Procedures for Motions to Amend in AIA Trial Proceedings

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November 15, 2018

October 29, 2018 Request for Comments Published in Federal Register

- <https://federalregister.gov/d/2018-23187>
- Proposed amendment process in IPRs, PGRs and CBMs that would involve a preliminary non-binding decision by the Board
- Provides information to the parties on the merits of the Motion
- Provides patent owner the opportunity to revise its Motion to Amend (MTA)



Proposed Procedure

- Patent Owner (PO) has 1.5 months after institution to file MTA
- Petitioner has 1.5 months to oppose
- Preliminary Decision (PD) issued one month later



Pros/Cons of Proposed Procedure

- Pros
 - Patent Owner (PO) has an opportunity to fine-tune its arguments and/or its proposed substitute claims
 - May provide a good opportunity to pursue settlement
- Cons
 - Preliminary Decision before cross-examination of declarants could limit usefulness of initial assessment (as happened at one time in interferences)
 - Given that 90% of 189 motions to amend decided by PTAB were denied, would new procedure be expected to result in more grants?



Proposed Procedure after PD – Alternative 1

- If PD indicates reasonable likelihood that MTA will be denied (either in-part or in its entirety):
 - PO has additional month to submit a reply or submit revised MTA
 - If PO files a reply, Petitioner may file a sur-reply within one month
 - If PO files a revised MTA:
 - Petitioner has one month to oppose
 - Patent Owner has one month to reply
 - Petitioner has one month to file sur-reply



Proposed Procedure after PD – Alternative 2

- If PD indicates reasonable likelihood that MTA will be granted as to all proposed substitute claims; or
- If PO does not file a reply or revised MTA
 - Petitioner may file a paper including additional evidence in response to issues raised in PD
 - Cannot raise new arguments of unpatentability not raised in initial opposition to MTA
 - PO may file sur-reply
- Schedule may be accelerated if PO does not file a paper after PD



Proposed Procedure – Further Arguments and Evidence

- Cross-examination of declarants would occur after Preliminary Decision issues
- Opposition or Reply can include evidence responding to new evidence or issues raised in PD, revised MTA or opposition to MTA
- Sur-reply can comment on reply declaration testimony and/or cross-examination testimony, but only in response to arguments made in reply

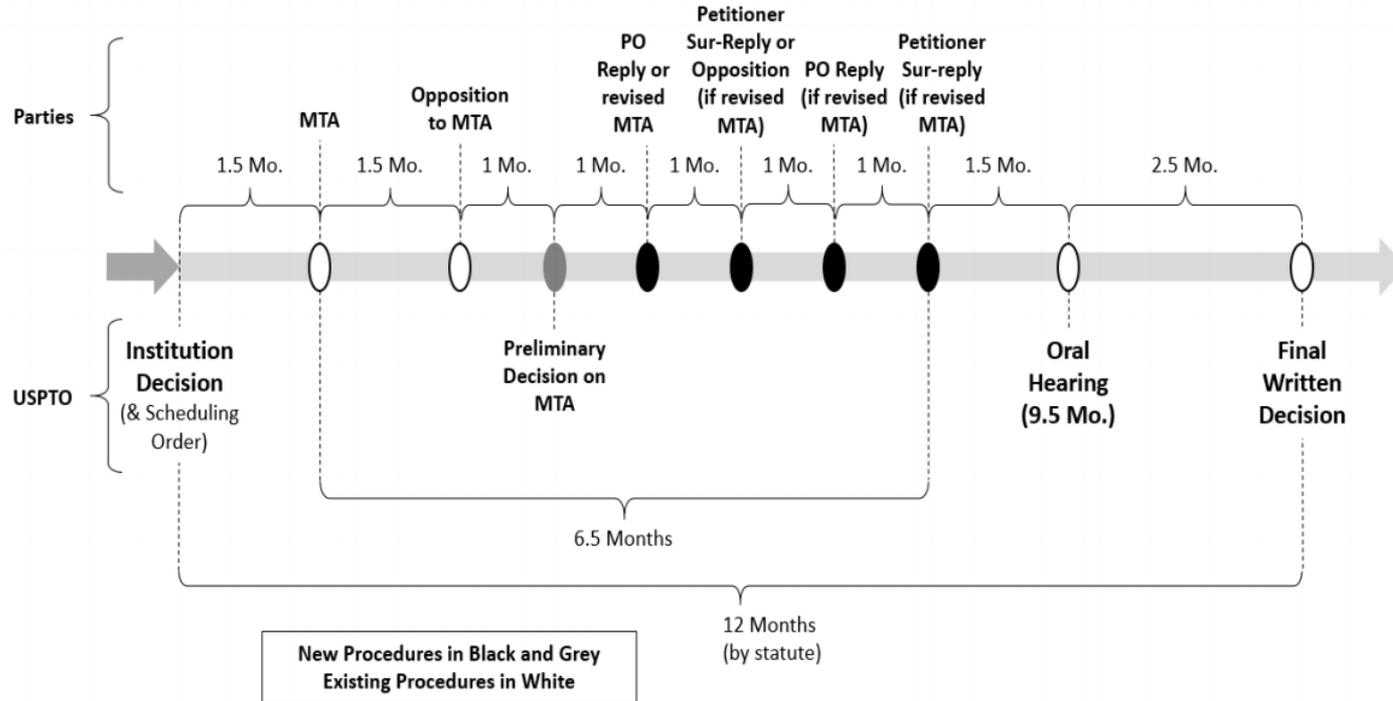


Proposed Procedure – if Petitioner ceases to participate

- Board may request Examiner involvement
 - Examiner would issue an advisory report which would be non-binding
 - Can address whether MTA meets requirements
 - Can conduct prior art searches as to proposed substitute claims
 - Can consider the record
 - Cannot consider cross-examination testimony, assess credibility or admissibility
 - Cannot conduct interviews



Proposed Procedure – Appendix A1 to Notice



Comment Period on Federal Register Notice

- Expires December 14, 2018
- Comments should be submitted to TrialRFC2018Amendments@uspto.gov



Proposed Pilot Program

- Would be implemented shortly after comment period ends along with a public notice with additional details
- Would be conducted for at least one year and would be subject to extension and possible further modification
- Would apply to all AIA trials instituted after the pilot implementation date



Federal Register Notice – Burden of Persuasion

- USPTO also seeks comments on whether it should continue to allocate the burden of persuasion regarding patentability of substituted claims in accordance with an informative decision in *Western Digital Corp. v. SPEX Techs., Inc.*
 - PTAB normally considers substitute claims only where the argument by the petitioner that the issued patent claim for which the new or amended claim would be substituted is unpatentable is supported by a preponderance of the evidence.
 - See also, *Aqua Products, Inc. v. Matal* and PTAB Memorandum “Guidance on Motions to Amend in view of Aqua Products” (Nov. 21, 2017)



Federal Register Notice – Burden of Persuasion

- See also, *Aqua Products, Inc. v. Matal* - petitioner bears the burden of persuasion to show by a preponderance of the evidence that a substitute claim is unpatentable
- *Bosch Automotive Service Solutions, LLC v. Matal* - patentee does not bear the burden of proving that its substitute claims are not indefinite, and that it is the petitioner who bears the burden of proving the same by a preponderance of the evidence
- PTAB Memorandum “Guidance on Motions to Amend in view of Aqua Products” (Nov. 21, 2017)



Western Digital v. SPEX Techs., Inc.

- Refers to 35 U.S.C. § 316(d)
 - MTAs: (1) may cancel any challenged patent claim; (2) may propose a reasonable number of substitute claims for each challenged claim; and (3) must not seek to enlarge the scope of the patent claims or introduce new matter.
- § 37 C.F.R. 42.121 specifies that the amendment must respond to a ground of unpatentability involved in the trial.
- Not every word added to or removed from a claim must be solely for overcoming an instituted ground, but that words may be included to address potential § 101 or § 112 issues
- Patent owner may adopt “a claim-by-claim approach to specifying the contingency of substitution, e.g., which claim for which claim and in what circumstance.”



Questions to Address in Response to Comments

Federal Register Notice provides a series of seventeen questions that the public may consider addressing in their comments, some of which include:

- whether preliminary decisions should be prepared in every proceeding where an MTA is filed, and what information would be the most helpful to the parties;
- should patent owners be required to submit in their revised MTAs only claims that are more narrow in scope than those filed in the original MTA;
- when and how is declaration and cross-examination testimony used most effectively;
- when and how should a patent examiner assist the PTAB regarding a motion to amend;
- should MTAs be contingent or non-contingent;
- should the USPTO engage in rulemaking to allocate the burden of persuasion pursuant to *Western Digital*; and
- under what circumstances should the PTAB itself be able to justify findings of unpatentability.



Thank you!



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