

# Observations On Amendments in an Inter Partes Review

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While the America Invents Act (AIA) permits amendments to claims during an inter partes review (IPR), attempts to amend claims have been largely unsuccessful to date. Indeed, the Patent Trial and Appeal Board (Board) has allowed amendment of claims (as opposed to outright cancellation) very infrequently since the AIA took effect. In this article, we consider the rules permitting amendments, survey the results of attempts to amend, and outline alternative strategies for amending claims of patents that are involved in IPR proceedings.

## STATUTORY AUTHORIZATION FOR AND RULES GOVERNING CLAIM AMENDMENTS DURING AN IPR

Title 35 U.S.C. § 316(d) states that, during an IPR, the patent owner may file one motion to amend its patent by canceling any challenged claim and, optionally, for each challenged claim that it cancels, proposing a reasonable number of substitute claims. One substitute claim for each cancelled challenged claim is presumed to be reasonable, although the patent owner may file additional substitute claims on a demonstration of need<sup>1</sup> Title 35 U.S.C. § 316(d) requires that such substitute claim not enlarge the scope of the challenged claim or introduce new matter. In *Idle Free v. Bergstrom*, IPR2012-00027 (“the *Idle Free* IPR”), the Board indicated that “a motion to amend should, for each proposed substitute claim, specifically identify the challenged claim which it is intended to replace” so the Board has an adequate basis to determine the reasonableness of the number of substitute claims for each original claim.

Before filing a motion to amend the patent during IPR, the patent owner is required to confer with the Board. 37 C.F.R. 42.121(a). A motion to amend may be denied where the amendment does not respond to a ground of unpatentability that formed the basis for the Board’s institution decision, the amendment seeks to enlarge the scope of the claims, or the amendment introduces new subject matter. 37 C.F.R.

42.121(a)(2). A motion to amend must not only include a claim listing, showing the changes clearly, but also must set forth (1) the support in the original written description for each amended claim, and (2) the support in an earlier-filed application for each claim for which an earlier priority date is sought. 37 C.F.R. 42.121(b).

## SURVEY OF MOTIONS TO AMEND

Although the statute and regulations establish a path to amend the claims, in practice, successful claim amendment during IPR has been rare. Review of seventy-five decisions on motions to amend reveals that such motions have almost always only been allowed to cancel claims without substitution of amended claims.

Four motions to amend that the Board granted in full cancelled all claims only and did not seek to substitute any claims.<sup>2</sup> The Board granted four other motions to amend in part, and denied them in part. In these cases, the Board granted the portion of the motion canceling the challenged claims but denied the portion of the motion adding substitute claims.<sup>3</sup>

The Board has also dismissed several motions to amend. The Board dismissed two motions as moot where they were contingent on a finding of unpatentability of the existing claims. In both IPRs, the Board determined the original claims to be patentable.<sup>4</sup> The Board dismissed one additional motion without prejudice because of form errors in the motion. It dismissed yet another without prejudice where the claim was found to be patentable prior to reaching the motion to amend.<sup>5</sup>

The first time that the Board permitted amendment of the claims in an IPR was in connection with an unopposed motion. In *International Flavors & Fragrances Inc., v. U.S. Department of Agriculture*, IPR2013-00124 (PTAB May 20, 2014), after the motion to amend had been filed, the parties informed the Board during a conference call that the related litigation had settled and that neither party would request an oral hearing, file any additional motions, or other substantive papers in the IPR proceeding.

Even though the amendment was unopposed, the Board scrutinized the substitute claims to ensure that they met the statutory requirements. Following that review, the Board determined that they did. First, the Board noted that the proposed substitute claims contained all of the limitations of the cancelled claims they replaced and the claims added limitations so the PTAB found that none of the substitute claims impermissibly enlarged the scope of the original claims. Second, pursuant to 37 C.F.R. § 42.121(b)(1), the Board concluded that International Flavors’ motion to amend set forth the support in the original disclosure of the patent for each claim that is added or amended. Third, the Board found that International Flavors had demonstrated patentability of the proposed claims over the prior art in general, and thus entitlement to the proposed claims by providing articles and expert evidence to establish the level of skill in the art.

Recently, the Board granted in part two motions to amend in two related contested IPRs. In *Riverbed Technology v. Silver Peak Systems, Inc.*, IPRs 2013-00402 (PTAB December 30, 2014) and 2013-00403 (PTAB December 30, 2014) (“the Riverbed IPRs”), the Board granted the motions to amend with respect to the cancellation of existing claims and the addition of a few substitute claims, but denied the motions to amend with respect to other proposed substitute claims. The Riverbed IPRs are atypical because of the Patent Owner’s decision not to file declarations in support of its motions to amend, the opposition’s submission of declarations, and the Patent Owner’s use of dependent claims as the basis for the substitute claims. Also noteworthy is the number of limitations added, which may have been a factor in the Board’s determination that some of the substitute claims were allowable over the prior art and did not enlarge the scope. Other factors may include the lack of opposition to written description support and in particular the Board’s finding that the opposition did not specifically propose any reference that taught certain limitations of the claims. In a review of the more than sixty other Board decisions on motions to amend – those which deny the motions in full – the most common reason the Board cited for denial was the patent owner’s failure to meet its burden establish patentability over the prior art. As noted by the Board in the *Idle Free* IPR, under 37 C.F.R. § 42.20(c), the burden is not on the petitioner to show

unpatentability, but on the patent owner to show patentable distinction over the prior art of record and also prior art known to the patent owner. This places the burden on the patent owner to show a patentable distinction of each proposed substitute claim over the prior art.

The second most common reason for denials of motions to amend is a failure to adequately identify written description for the proposed substitute claims. The Board has linked its strict application of both of these requirements to the non-examination nature of the IPR proceeding. As stated in the final decision of *Corning v. DSM IP Assets*, IPR2013-00050:

[T]he substitute claims will be added directly to the patent, without examination, if the patent owner’s motion to amend claims is granted. The patent owner is not rebutting a rejection in an Office Action, as though this proceeding were a patent examination or a patent reexamination. Instead, the patent owner bears the burden of proof in demonstrating adequate written description support and patentability of the proposed substitute claims over the prior art, and thus entitlement to add these proposed substitute claims to its patent.

Patent owners have also found it difficult to establish the state of the prior art in general. And, while the Board indicated in the *Idle Free* IPR that expert testimony may be helpful in meeting this burden, the *Riverbed* IPRs were granted in part without declarations and many motions to amend that include declarations have been denied.<sup>6</sup> As illustrated in the October 30, 2014 order in *Corning Optical Commc’ns. v. PPC Broadband*, IPR2014-00441, the Board has occasionally provided some leniency in the amendment page lengths, but it remains to be seen whether some leniency and guidance from the Board will result in more successful IPR amendments.

### OTHER STRATEGIES FOR AMENDMENT AND PATENT PRESERVATION

Perhaps because of the high rate of denials of motions to amend during IPR, both Patent owners and the Board have begun to look towards other strategies for modifying the claims of patents under review in an IPR. Some patent owners may have opportunities to amend to address prior art from an IPR through a continuation application, which will oftentimes present the simplest solution. But where continuation practice is not available, the Board has suggested other opportunities. For example, the Board

suggested in the *Idle Free* IPR that, for certain amendments, a patent owner may file a request for *ex parte* reexamination, relying on the Board’s conclusion of a petitioner’s having shown reasonable likelihood of success on certain alleged grounds of unpatentability in the IPR as raising a substantial new question of unpatentability. However, at least one *ex parte* reexamination request has been denied on the basis that it did not present a Substantial “New” Question (SNQ) of patentability when it relied on the same grounds presented in the corresponding IPR.<sup>7</sup> Additionally, *ex parte* reexaminations have been stayed in some instances to avoid a duplication of judicial resources or potentially inconsistent results, further complicating the use of this strategy for making claim amendments under some circumstances.<sup>8</sup> As mandated by 35 U.S.C. § 257(a), supplemental examinations also require a substantial new question to be raised in order for a reexamination to be ordered.

The Board also suggested in the *Idle Free* IPR that claims of a patent subject to IPR may be amended through the filing of a reissue application. Reissue applications do not have the same SNQ requirements required by an *ex parte* reexamination. However, reissue applications have traditionally moved significantly more slowly

CONSIDERATIONS	REISSUE	EX PARTE REEXAMINATION	SUPPLEMENTAL EXAMINATION
<b>Claim Scope</b>	Claims can be broadened within two years of patent grant	No enlargement of claim scope	No enlargement of claim scope
<b>Ability to Extend Patent Family</b>	Can file a continuation or CIP during pendency. <i>See In re Graff</i> , 111 F.3d 874 (Fed. Cir. April 14, 1997).	Additional applications not permitted	Additional applications not permitted
<b>Scope of Examination</b>	All claims are under examination and can be invalidated	Rejections could include claims for which examination was not requested – but less likely to include claims not requested. <i>See, e.g., MPEP 2243.</i>	Rejections could include claims for which examination was not requested – but less likely to include claims not requested. <i>See, e.g., MPEP 2243.</i>
<b>Institution Requirements</b>	May be filed for any error by which the patent is deemed wholly or partly inoperative or invalid. <i>See, e.g., MPEP 1402; see also In re Tanaka</i> , 640 F.3d 1246, 1249 (Fed. Cir. 2011).	Must establish SNQ and institution may be denied if art has been considered (e.g., via an IPR decision to institute) in a related IPR	Can be instituted under 101, 102, 103 or 112. Does not require an explicit admission of an SNQ or an error in the patent. However, the USPTO must find an SNQ to institute
<b>Prosecution Options</b>	Proceeding provides full examination including the ability for interviews, RCEs, Appeals, etc..	Proceeding includes interviews and appeals, but no RCEs	Proceeding includes interviews and appeals, but no RCEs
<b>Timeframe</b>	Potentially lengthy.	More rapid than a reissue application	More rapid than a reissue application, but potentially longer than an <i>ex parte</i> reexamination.
<b>Termination</b>	No effective way to terminate proceeding short of abandonment or cancellation of all claims.	No effective way to terminate proceeding except via estoppel by a court decision or possibly cancellation of claims.	No effective way to terminate proceeding except via estoppel by a court decision or possibly cancellation of claims.

than the examination proceedings of *ex parte* reexamination. This difference in speed of review raises different timing issues for the patent owner to consider. Reissue application proceedings have also been stayed to prevent duplication of efforts and prevent potentially inconsistent results.<sup>9</sup>

Because, under 35 U.S.C. 316(a)(11), an IPR is to be completed within one year of institution (unless extended by up to six months for a good cause), IPR proceedings may be more likely to continue while a co-pending *ex parte* reexam, a supplemental examination, or a reissue application may be stayed. As a result, in order to achieve amendment, some patent owners facing an IPR have initiated a co-pending proceeding, cancelled claims at issue in the IPR, requested and received adverse judgment in the IPR, and continued examination of the patent in the co-pending proceeding.<sup>10</sup>

Whether to initiate an alternate examination proceeding, when to initiate an alternate examination proceeding, and which type of proceeding to initiate will depend on several considerations. Some exemplary

considerations are provided in the table adjacent to this article.

Examination timeframes, costs, and other considerations vary for each particular proceeding.

## CONCLUSION

Patent owners should be aware of the significant challenges that may prevent amendment of issued claims in an IPR trial, and the potential alternative options for amending such claims. Whether to attempt to amend claims in an *inter partes* review, in an *ex parte* reexamination, or in a reissue application will depend on case-specific circumstances, including the stage of an *inter partes* review, the status of related litigation, and other factors. It will be increasingly important for patent owners to carefully consider all of these factors if amendment of the claims is a preferred path to preserving patent rights. **IP**

## ENDNOTES

1. 37 C.F.R. § 42.121(a)(3)
2. See IPR2013-00119 (PTAB June 20, 2014), Paper 65; IPR2013-00118 (PTAB June 20, 2014), Paper 65, IPR2013-00117 (PTAB June

- 20, 2014), Paper 71; and IPR2013-00116 (PTAB June 20, 2014), Paper 68.
3. See IPR2013-00266 (PTAB October 28, 2014) Paper 73; IPR2013-00178 (PTAB August 29, 2014) Paper 63; and IPR2013-00128 (PTAB July 25, 2014) Paper 92.
4. See, e.g., IPR2013-00043 (PTAB May 1, 2014), Paper 95 at p.27 (“In IPR2013-00043, DSM has filed a Motion to Amend (Paper 45) contingent on claim 12 of the ’103 patent being held unpatentable. .. Since claim 12 of the ’103 patent and claim 17 of the ’508 patent have not been held unpatentable, there is no occasion to reach or decide the motions to amend.”)
5. See IPR2013-00048 (PTAB May 9, 2014) Paper 94; and IPR2012-00018 (PTAB May 10, 2013) Paper 20.
6. See IPR2013-00050, Paper 77 at p. 28 (siding with petitioner’s expert evidence over patent owner’s expert testimony.)
7. See *ex parte* reexamination no. 90/013,148 Order denying reexamination mailed March 21, 2014 (“While the examiner agrees that Walker presents a substantial question of patentability, the fact that the exact question is currently being considered by the PTAB means that the question cannot be considered new.”)
8. See, e.g., IPR2014-00043 (PTAB May 27, 2014) Paper 35 at p. 5 (staying a related *ex parte* reexamination to prevent inconsistent results).
9. See, e.g., IPR2013-00217 (PTAB May 10, 2013) Paper 8 at p. 2.
10. See, e.g., IPR2013-00136 (PTAB November 15, 2013) Paper 35 at p. 3 (requesting adverse judgment under 37 C.F.R. § 42.73(b)(2)); see also *id.* at p. 2 (notifying Board of reissue application).