



Amending Claims During *Inter Partes* Review: Patent Practitioners Beware

Although patent owners are allowed to amend patent claims during an *inter partes* review (“IPR”) proceeding at the U.S. Patent and Trademark Office (“USPTO”), in all of the proposed claim amendments submitted thus far, only one amendment has been allowed by the USPTO’s Patent Trial and Appeal Board (“PTAB” or “Board”)—only one. And that patent was owned by the United States. Practitioners need to understand that common claim amendment practices in *ex parte* prosecution practice, such as automatic claim amendment entry, multiple opportunities to amend claims, and the ability to broaden the scope of claims, are not permitted in PTAB claim amendment practice.

This *Commentary* briefly addresses some of the unique characteristics of PTAB post-grant amendment practice, including motion timing, the scope of amendments, the use of “substitute” claims, and the “contingent” nature of PTAB claim amendments. This *Commentary* also discusses—from the perspectives of both the petitioner and the patent owner—the PTAB’s guidance to date regarding claim amendments, what has worked (once), what has not worked (generally), and the PTAB’s expectations regarding

claim construction.¹ We describe certain pitfalls that patent owners have experienced in moving to amend patent claims during an IPR, and we suggest pointers that may improve the likelihood that a PTAB panel will grant a motion to amend. Conversely, petitioners may find much useful fodder here for opposing a patent owner’s motion to amend.

Background

The America Invents Act (“AIA”) introduced in September 2012 a new trial-like IPR proceeding for third-party patentability challenges. During an IPR, a panel of three Administrative Patent Judges of the PTAB first determines whether a third-party petition meets the standards for instituting an IPR, i.e., whether there is a reasonable likelihood that the third party would prevail with respect to showing unpatentability of at least one of the challenged patent claims. If the IPR is instituted, the patent owner has an opportunity to “file 1 motion to amend the patent in 1 or more of the following ways: (A) Cancel any challenged patent claim,” and “(B) For each challenged claim, propose a reasonable number of substitute claims.”³⁵

¹ In late June 2014, the USPTO issued a *Federal Register* notice seeking public comments on various aspects of PTAB post-grant trial proceedings, including “What modifications, if any, should be made to the Board’s practice regarding motions to amend?” *Federal Register*, Vol. 79, No. 124 at 36476 (June 27, 2014). Public comments are due by September 16, 2014.

U.S.C. § 316(d)(1). This statutory authority to amend the claims may give patent owners some comfort that they will have the ability to overcome prior art cited in an IPR petition. As has been discovered by all but a single patent owner, however, PTAB panels have found a host of reasons to deny motions to amend the claims.

Motions to amend may be denied because the patent owner has failed to meet the matters of form set forth in 37 C.F.R. § 42.121 or has not met the “burden of proof to establish that it is entitled to the requested relief” under 37 C.F.R. § 42.20(c).² Practitioners representing a patent owner must resist their instinct to treat an IPR like a conventional patent examination, i.e., to argue that the amended claims are not *prima facie* anticipated by or obvious over the cited prior art references. Instead, because there is no examination of the proposed amended claims, motions to amend in an IPR must establish a *prima facie* case of *patentability* of the proposed claims under 35 U.S.C. §§ 102 and 103, and at least some subsections of § 112. At the same time, a motion must satisfy numerous technical requirements that may not necessarily be evident from 37 C.F.R. § 42.121. As such, IPR petitioners should closely examine all aspects of a patent owner’s motion to amend and point out any failure to meet any of the PTAB’s requirements—not that the PTAB is likely to overlook any such failure itself.

Matters of Form in a PTAB Motion to Amend

Unlike standard *ex parte* patent prosecution practice, there is no amendment of claims as a matter of right in an IPR, and a patent owner must file a motion to amend the claims with the PTAB. Formal requirements for motions to amend are set out in 37 C.F.R. § 42.121(a) and (b), and they are discussed in more detail in the *Office Patent Trial Practice Guide* (“Practice Guide”). 77 Fed. Reg. 48,756 (August 14, 2012). In view of the Rules and the Practice Guide, one might expect patent practitioners could easily comply with the PTAB’s formal requirements. But given the number of motions to amend that have been denied due to failure to comply with matters of form, things are not as simple and straightforward as they seem.

Motion Timing and Conference Requirement. A patent owner motion to amend “must be filed no later than the filing of a patent owner response” to the IPR petition, unless a specific due date is provided in a PTAB order. 37 C.F.R. § 42.121(a)(1). If a PTAB order does not provide a specific due date for filing a patent owner response, the default date is “three months from the date the inter partes review was instituted.” 37 C.F.R. § 42.120(b). Although such deadlines are relatively tight, they do not appear to have caused much heartburn among patent practitioners, at least not yet.

Additionally, a patent owner is permitted to file a motion to amend “only after conferring with the Board.” 37 C.F.R. § 42.121(a). What counts as “conferring with the Board”? Different PTAB panels have answered that question in different ways. For example, the patent owner in *Idle Free* did not separately “confer” with the Board about the “specific amendments contemplated” in its motion to amend, and instead apparently—and incorrectly—assumed that discussing plans to file a motion to amend during an initial conference call would satisfy § 42.121(a)’s requirement of conferring with the Board.³ Although the patent owner in *Nichia* essentially took the same position as did the patent owner in *Idle Free*, it successfully argued that the initial conference call met the “conference” requirement.⁴ The safest course for a patent owner is to schedule a conference call with the PTAB to specifically discuss any planned motion to amend; if no specific conference was requested or held, a petitioner should raise that issue with the PTAB when responding to the patent owner’s motion to amend.

Format of Proposed Claim Amendments. The rules require that a motion to amend “must include a claim listing [and] show the changes clearly.” 37 C.F.R. § 42.121(b). The Practice Guide provides further instructions regarding the formatting requirements (77 Fed. Reg. at 48,766), and the PTAB provided guidance regarding the format for claim amendments in *Toyota*.⁵

Some patent owner motions to amend have been dismissed, at least in part, because they failed to satisfy the

2 If a patent owner is successful in persuading the PTAB that the original claims are patentable, then a motion to amend will be denied as moot. See *Avaya, Inc. v. Network-1 Security Solutions, Inc.*, IPR2013-00071, Paper No. 103 at 30 (PTAB May 22, 2014).

3 *Idle Free Systems, Inc. v. Bergstrom, Inc.*, IPR2012-00027, Paper No. 26 at 10 (PTAB June 11, 2013).

4 *Nichia Corp. v. Emcore Corp.*, IPR2012-00005, Paper No. 27 at 3 (PTAB June 3, 2013).

5 *Toyota Motor Corp. v. Am. Vehicular Sciences, Inc.*, IPR2013-00419, Paper No. 32 at 2–3 (PTAB March 7, 2014).

PTAB's expectations regarding formatting. A motion should include a claim listing having only original, canceled, or substitute claims along with new claim numbers, an indication of any claims being substituted, a clear showing of any claim changes, and also a discussion of the changes in the body of the motion.

Note that a claim listing must be set forth in the motion itself, rather than in an appendix. As discovered by one patent owner, filing a claim listing as an "Appendix" that brings the patent owner over the 15-page limit for motions to amend is impermissible.⁶ Because a lengthy listing of claims can potentially consume all or nearly all 15 pages of a motion to amend, leaving no room to satisfy other requirements of the motion, some patent owners may need to significantly curtail the number of proposed amended claims so as to meet the PTAB's page count requirements. The 15-page limit is a particular concern because the PTAB requires double-spaced, 14-point font in any motion.

Scope of Proposed Claim Amendments. Even if the formatting requirements are met, a motion to amend may still be denied where the proposed amendment: (i) does not respond to a ground of unpatentability involved in the trial; or (ii) seeks to enlarge the scope of the claims of the patent or introduce new subject matter. 37 C.F.R. § 42.121(a)(2). What, then, are the limits on the scope of proposed amended claims? A patent owner can only narrow the scope of the claims and must show support for amendments on a "claim-by-claim" basis.⁷ However, "[i]f there is a special circumstance to justify deviation from that general rule, the motion should provide adequate and persuasive explanation."⁸ It remains to be seen what a justifiable "special circumstance" may entail.

Written Description Support for Proposed Claim Amendments. The Rules prohibit a proposed claim amendment from introducing "new matter." 37 C.F.R. § 42.121(a)(2)(ii). Additionally, § 42.121(b) requires that a motion to amend must identify: (i) the support in the original disclosure of the patent for each claim that is added or amended; and (ii) the support

in an earlier-filed disclosure for each claim for which benefit of the filing date of the earlier filed disclosure is sought.

Although one might think it trivial to avoid adding new matter and showing written description support, PTAB panels have imposed stricter requirements than patent practitioners may ordinarily expect, e.g.,:

[M]erely indicating where each claim limitation *individually* described in the original disclosure may be insufficient to demonstrate support for the claimed subject matter as a *whole*...

[T]he proposed substitute claims need not be described "*in haec verba*" in the original disclosure in order to satisfy the written description requirement. However, should the claim language does (*sic*) not appear *in ipsis verbis* in the original disclosure, a mere citation to the original disclosure without any explanation as to why a person of ordinary skill in the art would have recognized that the inventor possessed the claimed subject matter as a whole may be similarly inadequate.⁹

Thus, a patent owner may need to not only cite the original disclosure but also explain how it supports the recited *combination* of elements—not just an added limitation—and, if the claim language differs from that of the original disclosure, to explain why one skilled in the art would have recognized in the original disclosure the claimed subject matter "as a whole." Recognizing the constraints imposed by the presumptive 15-page limit on a motion to amend, a patent owner will need to concisely, but fully, identify and explain the written description support. Petitioners may wish to lean heavily on the above-quoted language of *Nichia* if a patent owner motion to amend supports only *added limitations*, rather than the full combination of elements recited in a claim.

As a pure matter of form, a patent owner should cite to the *original disclosure* (and any priority applications) to support

6 *SATA GmbH & Co. KG v. Anest Iwata Corp.*, IPR2013-00111, Paper No. 20 at 2 (PTAB August 7, 2013).

7 *Idle Free*, No. IPR2012-00027, Paper No. 26 at 5 (PTAB June 11, 2013).

8 *Toyota*, IPR2013-00419, Paper No. 32 at 3 (PTAB March 7, 2014).

9 *Nichia*, IPR2012-00005, Paper No. 27 at 4 (June 3, 2013) (emphasis original).

each proposed substitute claim, rather than citing to the specification of the issued *patent*.¹⁰

Number of Substitute Claims. Another formal requirement that has tripped up some patent owners is the number of substitute claims presented. 37 C.F.R. § 42.121(a)(3) provides that a “motion to amend may cancel a challenged claim or propose a reasonable number of substitute claims,” and “[t]he presumption is that only one substitute claim would be needed to replace each challenged claim.” Compliance is determined on a claim-by-claim basis rather than on the number of claims, and “[i]f the patent owner needs more than one substitute claim for a particular patent claim, the motion should articulate a special circumstance to justify the request.”¹¹ But a mere “desire to obtain a new set of claims having a hierarchy of different scope” would not be justifiable under typical circumstances,¹² and none of the Board decisions we have reviewed provides any guidance as to what the Board may consider a “justifiable circumstance.” The safest course for a patent owner remains to propose one substitute claim per original patent claim, on a claim-by-claim basis.

Contingency of Substitution. As the PTAB explained in *Toyota*, a “motion to amend claims only may cancel claims or propose substitute claims.”¹³ While a “request to cancel claims will not be regarded as contingent,” a “request to substitute claims is always contingent”; this “means a proposed substitute claim will be considered only if the original patent claim it replaces is determined unpatentable or is cancelled by the patent owner.”¹⁴ The PTAB expects the patent owner to clearly explain the contingency of any claim substitutions on a claim-by-claim basis:

[I]t is unclear to state that in the event claims 1-50 are found unpatentable, entry of substitute claims 51-100 is requested. Facially, that would mean only if all challenged claims 1-50 are determined to be unpatentable would claims 51-100 be substituted in their place, which may not

be the intent of the patent owner. A patent owner should adopt a claim-by-claim approach to specifying the contingency of substitution, e.g., which claim for which claim, and in what circumstance.”¹⁵

A patent owner’s motion to amend should therefore clearly explain the contingencies of substitute claims on a claim-by-claim basis.

Content of a PTAB Motion to Amend

In addition to satisfying the PTAB’s multitude of formal requirements, a patent owner also bears the burden of proving, by a preponderance of the evidence, that the proposed substitute claims are *generally patentable*.¹⁶ Specifically, the patent owner “takes on the burden of presenting evidence that the proposed claims comply with all sections of the patent statutes.”¹⁷ “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.”¹⁸ As evidenced by the IPR decisions issued thus far, this can be an extremely difficult burden to satisfy. In particular, patent practitioners’ instincts may lead them to merely *rebut* the specific patentability challenges over the specific prior art references upon which the IPR was instituted, which the PTAB has made clear is insufficient to show patentability *in general*.

What Does the PTAB Say It Wants? The PTAB provided guidance as to the required showing for a motion to amend in *Idle Free*:

A patent owner should identify specifically the feature or features added to each substitute claim, as compared to the challenged claim it replaces, and come forward with technical facts and reasoning about those feature(s), including construction of new claim terms, sufficient to persuade the Board that the proposed substitute claim is

10 See, e.g., *Nichia*, IPR2012-00005, Paper No. 68 at 54–55 (PTAB February 11, 2014); *Smith & Nephew, Inc. v. ConvaTec Technologies, Inc.*, IPR2013-00102, Paper No. 87 at 51–52 (PTAB May 29, 2014).

11 *Toyota*, IPR2013-00419, Paper No. 32 at 3 (PTAB March 7, 2014).

12 *Idle Free*, IPR2012-00027, Paper No. 26 at 6 (PTAB June 11, 2013).

13 *Toyota*, IPR2013-00419, Paper No. 32 at 2 (PTAB March 7, 2014).

14 *Id.*

15 *Idle Free*, IPR2012-00027, Paper No. 26 at 10 (PTAB June 11, 2013).

16 *International Flavors & Fragrances Inc. v. United States*, IPR2013-00124, Paper No. 12 at 7 (May 20, 2014).

17 *SATA*, IPR2013-00111, Paper No. 44 at 5 (PTAB May 20, 2014).

18 *Idle Free*, IPR2012-00027, Paper No. 26 at 7 (PTAB June 11, 2013).

patentable over the prior art of record, and over prior art not of record but known to the patent owner.¹⁹

Importantly, “the prior art” over which the patent owner must distinguish does not merely refer to that which is at issue in the IPR but also includes “prior art not of record but known to the patent owner.” And because the patent owner must show patentability *in general*, the PTAB will demand some showing of patentability over “the prior art” *generally*. Still further, while the patent owner “is not assumed to be aware of every item of prior art presumed to be known to a hypothetical person of ordinary skill in the art,” the patent owner is expected to “set forth what it does know about the level of ordinary skill in the art, and what was previously known, regarding each feature it relies and focuses on for establishing patentability of its proposed substitute claims.”²⁰ And, moreover, the PTAB expects the patent owner to explain:

whether the feature was previously known anywhere, in whatever setting, and whether or not the feature was known in combination with any of the other elements in the claim. If any such combination was known, the motion should explain the surrounding facts in that regard, and why it would not have been obvious for one with ordinary skill in the art to adapt that knowledge for use with the rest of the claim elements.²¹

Thus, a motion to amend should discuss prior art beyond the art of record, as well as discussing any prior uses of the features relied upon for patentability, in *any* context or setting.

The PTAB demands specifics and will not credit a patent owner’s vague or generalized statements about the state of the art. The PTAB expects the patent owner to make a patentability showing over the “closest” prior art: “Some representation should be made about the specific technical disclosure of the closest prior art known to the patent owner, and not just a conclusory remark that no prior art known to the patent owner renders obvious the proposed substitute claims.”²²

This includes addressing the basic knowledge and skill set possessed by a person of ordinary skill in the art even without reliance on any particular item of prior art. A technical expert’s testimony regarding the “significance and usefulness of the feature(s) added by the proposed substitute claim, from the perspective of one with ordinary skill in the art, and also on the level of ordinary skill, in terms of ordinary creativity and the basic skill set,” has been cited as an example of sufficiently specific evidence of a patentable distinction.²³

What Worked for Showing General Patentability in *International Flavors*? The patent owner in *International Flavors*, the United States, has been the only patentee thus far to meet its burden of demonstrating patentability of proposed substitute claims. Notably, the motion to amend in *International Flavors* was unopposed; all the original claims were cancelled and the petitioner elected not to challenge the proposed new substitute claims. The patent owner thus did not face any rebuttal arguments or evidence in opposition to the motion to amend. Even so, studying the patent owner’s successful submission provides at least some insight into the kinds of arguments and evidence that can meet the PTAB’s heavy burden for a motion to amend.

Briefly, the patent owner represented what it knew to be the closest prior art (which also happened to be the primary reference cited in the IPR) and provided journal articles and a technical expert’s declaration to demonstrate the level of ordinary skill in the art and the non-obviousness of the proposed substitute claims. The PTAB noted that the patent owner’s “statement that [the cited prior art reference] is the ‘apparent’ closest prior art may appear conclusory,” but the patent owner went “beyond that statement to demonstrate the level of ordinary skill in the art, as well as providing evidence regarding what would have been understood by the ordinary artisan as to those features being relied upon to demonstrate patentability of the proposed claim.”²⁴ The PTAB concluded that the patent owner’s evidence “demonstrates that even small changes in structure can change the

19 *Idle Free*, IPR2012-00027, Paper No. 26 at 7 (PTAB June 11, 2013). The PTAB’s *Idle Free* guidance for claim amendments in IPRs also applies in the context of motions to amend in Covered Business Method (“CBM”) reviews. See *Volusion, Inc. v. Versata Software, Inc.*, CBM2013-00017, Paper No. 19 at 2–3 (PTAB Dec. 20, 2013).

20 *Idle Free*, IPR2012-00027, Paper No. 66 at 33 (PTAB January 7, 2014).

21 *Toyota*, IPR2013-00419, Paper No. 32 at 4 (PTAB March 7, 2014).

22 *Idle Free*, IPR2012-00027, Paper No. 26 at 7 (PTAB June 11, 2013).

23 *Id.* at 7–8.

24 *International Flavors*, IPR2013-00124, Paper No. 12 at 12 (PTAB May 20, 2014).

biological activity of an insect repellent.”²⁵ Further, the PTAB was persuaded from this evidence that “the prior art does not provide a reason to modify isolongifolanone to arrive at the modified isolongifolanone compounds of proposed claim 27, nor does it provide a reasonable expectation that such modifications would result in a compound having the desired insect repellent activity.”

Why did the PTAB grant the patent owner’s motion to amend in this one case? Is this decision an outlier, especially since the motion was unopposed? Only time will tell, but several points are instructive. First, even if tersely, the patent owner made “some representation” about the technical disclosure of the closest prior art. Additionally, the patent owner attempted to “set forth what it does know about the level of ordinary skill in the art, and what was previously known,” in that the patent owner discussed the relevant disclosures of three journal articles and a technical expert declaration, although it did not specifically attempt to establish the level of ordinary skill in the art. Another important aspect of the patent owner’s motion was a proactive effort to argue the *general* patentability of the proposed substitute claim by positively arguing what one skilled in the art would have understood and expected.

What Has Not Worked for Showing General Patentability?

Other than the *International Flavors* decision, the PTAB has denied every other motion to amend to date. A common theme of the denials is the patent owner’s apparent treatment of the IPR proceeding as though it were a traditional *ex parte* patent examination or reexamination proceeding, in which the burden is on the patent examiner to establish a *prima facie* case that the claims are unpatentable, and which the patent owner need merely rebut. An IPR is not an examination and not a reexamination, however. The PTAB places the burden on the patent owner to establish general patentability in an IPR, which has proven to be a much higher standard to meet.

The PTAB has routinely and repeatedly denied motions to amend where the patent owner failed to meet its burden to:

- Explain why the proposed substitute claims are patentable over all known prior art, not just the prior art cited in the petition;²⁶
- Identify and distinguish the *closest* prior art;²⁷
- Provide claim constructions for new claim terms;²⁸
- Address the level of ordinary skill in the art regarding each added feature added to the proposed substitute claims;²⁹ or
- Discuss how a skilled artisan would have viewed the newly recited claim elements in light of what was known in the art.³⁰

The PTAB’s precedential decisions over the last 12 months provide certain lessons for motions to amend. The patent owner should present specific evidence about the level of ordinary skill in the art, and what one skilled in the art would have understood about any elements being added to the substitute claims, even in contexts other than that being claimed. In particular, expert declarations discussing the level of ordinary skill in the art, as well as the importance and effect of any features added by amendment, from the perspective of one of ordinary skill, may be critical. Additionally, claim constructions should be proposed for any new limitations added in the substitute claims. On the flip side, petitioners should closely analyze the patent owner’s statements regarding what it understands to be the closest prior art, the level of ordinary skill in the art, and what one of ordinary skill would have understood about the relied-upon feature, in any context, and what kinds of evidence the patent owner proffers to support such statements.

What Does the PTAB Expect Regarding Claim Construction?

Although the patent rules appear only to require the IPR *petition* to identify “[h]ow the challenged claim is to be construed,”³¹ the PTAB has made clear via its decisions that it expects a patent owner to provide a claim construction for any terms newly added in the proposed substitute claims.³² According to the PTAB, “[w]ithout a reasonable construction of the claim features added in the substitute claims, [a

²⁵ *Id.* at 16.

²⁶ See, e.g., *Idle Free*, IPR2012-00027, Paper No. 66 at 31-33 (PTAB January 7, 2014).

²⁷ See, e.g., *Blackberry Corp. v. Mobile Media Ideas LLC*, IPR2013-00016, Paper No. 32 at 21-22 (PTAB February 25, 2014).

²⁸ See, e.g., *CBS Interactive Inc. v. Helferich Patent Licensing, LLC*, IPR2013-00033, Paper No. 122 at 51-52 (PTAB March 3, 2014).

²⁹ See, e.g., *Toyota*, IPR2013-00419, Paper No. 32 at 4 (PTAB March 7, 2014).

³⁰ See, e.g., *Microsoft Corp. v. Proxyconn, Inc.*, IPR2013-00109, Paper No. 16 at 55 (PTAB February 19, 2014).

³¹ 37 C.F.R. § 42.104(b)(3).

³² *Nichia*, IPR2012-00005, Paper No. 68 at 51 (PTAB February 11, 2014).

patent owner's] motion does not provide adequate information for the [PTAB] to determine whether [the patent owner] has demonstrated the patentability of its proposed substitute claims and, thus, [patent owner] fails to meet its burden of proof under 37 C.F.R. § 42.20(c)."³³ The patent owner's proposed claim construction should be provided in the motion to amend itself, as the patent owner may not get a second chance to offer its claim construction positions. Accordingly, patent owners should proactively construe new claim terms either with support from the specification or with explanations (and preferably an expert declaration) about how one skilled in the art would have interpreted the new terms—and petitioners should point out any new claim term that the patent owner failed to construe in its motion to amend.

Conclusion

Amending the claims during an IPR may represent a patent owner's best chance of maintaining at least some valid, enforceable claims. Conversely, a third-party petitioner may have a strong motivation to prevent a patent owner from amending the claims to avoid the prior art at issue in an IPR. As PTAB decisions thus far have made clear, there are plenty of opportunities for patent owners to stumble when moving to amend claims and, accordingly, many opportunities for petitioners to point out errors in a motion filed by a patent owner.

The Jones Day Post-Grant team continually monitors and studies the PTAB's handling of motions to amend and related IPR issues. Our familiarity with the PTAB's practices and procedures enables us to counsel patent owners on how best to present claim amendments to the PTAB, and also permits us to give guidance to petitioners on strategies for defeating proposed claim amendments in an IPR.

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³³ CBS *Interactive*, IPR2013-00033, Paper No. 122 at 52 (PTAB March 3, 2014).