

Motions to Amend End to End

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Presenters

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Overview of Topics

- Law and Procedure
- Statistics and Trends
- After the Motion to Amend
- Practice Tips

Law and Procedure

Requirements.

- *Lectrosonics, Inc. v. Zaxcom, Inc.* (IPR2018-01129, 01130, Paper 15 (Feb. 25, 2018)) (precedential) provides guidance on the requirements for a Motion to Amend
 - Must show support for ALL claim elements in original patent application (and any priority documents).
 - Must include a claim listing including all proposed substitute claims and showing all changes with respect to the respective original claims.
 - After it is determined that the Motion to Amend meets the statutory and regulatory requirements, petitioner has the burden to show that substitute claims are unpatentable by a preponderance of the evidence.

Statutory and regulatory requirements.

- Reasonable number of substitute claims.

35 U.S.C. § 316(d)(1)(B).

- Responsive to a ground of unpatentability.

37 C.F.R. § 42.121(a)(2)(i).

- Cannot enlarge scope of the claims.

35 U.S.C. § 316(d)(3); 37 C.F.R. § 42.121(a)(2)(ii).

- Cannot add new matter.

35 U.S.C. § 316(d)(3); 37 C.F.R. § 42.121(a)(2)(ii).

Grounds for unpatentability.

- *Amazon.com, Inc. v. Uniloc Luxembourg S.A.* (IPR2017-00948, Paper 34 (Jan. 18, 2019)) (precedential) provides guidance on grounds that can be raised against substitute claims
 - Unlike Petitions, the grounds raised in opposition to a Motion to Amend are not limited to 35 U.S.C. §§ 102 and 103.
 - Petitioners may also present grounds based on 35 U.S.C. §§ 101 and 112.

Grounds for unpatentability.

- *Hunting Titan, Inc. v. DynaEnergetics Europe GmbH* (IPR2018-00600, Paper 67 (July 6, 2020)) (precedential) provides that the “Board may, in certain rare circumstances, raise a ground of unpatentability that a petitioner did not advance, or insufficiently developed, against substitute claims proposed in a motion to amend.”
 - Petitioner has ceased to participate
 - Ground “is readily identifiable and so persuasive that the Board should take it up in the interest of supporting the integrity of the patent system, notwithstanding the adversarial nature of the proceedings.”

Final Rule (December 21, 2020).

- The patent owner to bear the burden of showing that a motion to amend complies with:
 - the statutory requirements of [35 U.S.C. §§ 316\(d\)](#) or [326\(d\)](#); and
 - the regulatory requirements of [37 C.F.R. §§ 42.121](#) or [42.221](#).
- The petitioner to bear the burden of showing the unpatentability of substitute claims proposed in a motion to amend.

Final Rule (December 21, 2020).

- The PTAB may grant or deny a motion to amend based on the interests of justice if supported by readily identifiable and persuasive evidence of record in the proceeding, including circumstances in which:
 - The petitioner does not oppose the amendment or has stopped participating in the proceeding.
 - Easily identified and persuasive evidence shows that the motion complies with the statutory and regulatory requirements, even if the patent owner has not expressly addressed them in its motion.
 - Easily identified and persuasive evidence shows that the substitute claims are not patentable, even where the petitioner has not advanced the relevant challenge in its opposition.

Final Rule (December 21, 2020).

- The PTAB may rely only on evidence suitable for including in the PTAB trial record, such as evidence:
 - from a related proceeding before the USPTO; or
 - that a district court can judicially notice.
- The parties will have the opportunity to respond whenever the PTAB exercises its interests of justice discretion.

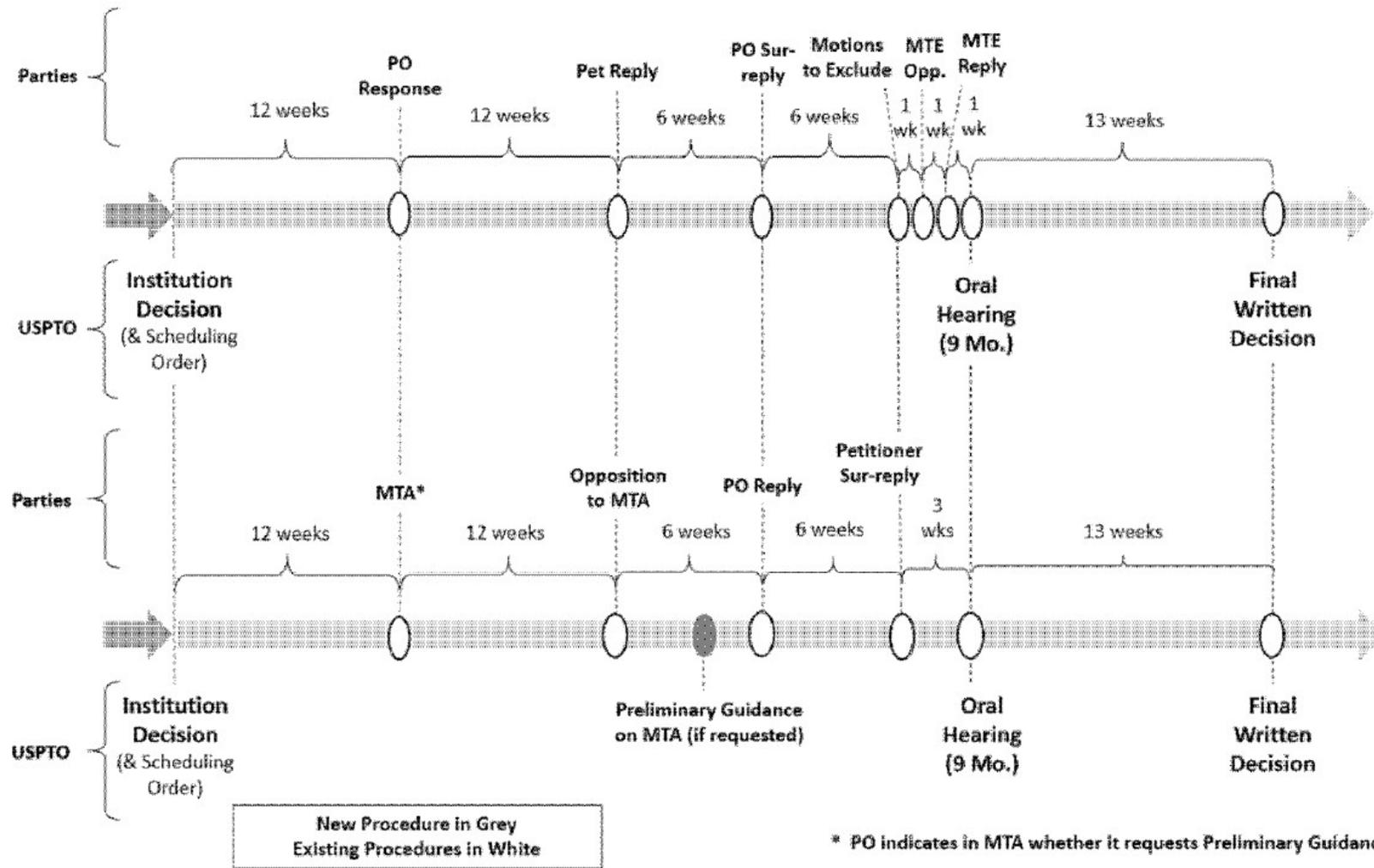
Final Rule (December 21, 2020).

- The USPTO states that it intends the final rule to be consistent with current PTAB practice on motions to amend reflected in its precedential decisions in [*Lectrosonics, Inc. v. Zaxcom, Inc.*, 2019 WL 1118864 \(PTAB Feb. 25, 2019\)](#) and [*Hunting Titan, Inc. v. DynaEnergetics Europe GmbH*, 2020 WL 3669653 \(PTAB July 6, 2020\)](#).

Motion to Amend Pilot Program.

- The Motion to Amend Pilot Program allows patent owners to request preliminary guidance from the Board about the likelihood that their motion to amend will succeed.
- The Board will typically enter preliminary guidance about 4 weeks after the petitioner's opposition to the motion to amend.
- The patent owner can respond to the guidance (1) filing a revised motion to amend; (2) filing a reply to the guidance; (3) withdrawing the motion to amend; or (4) doing nothing.

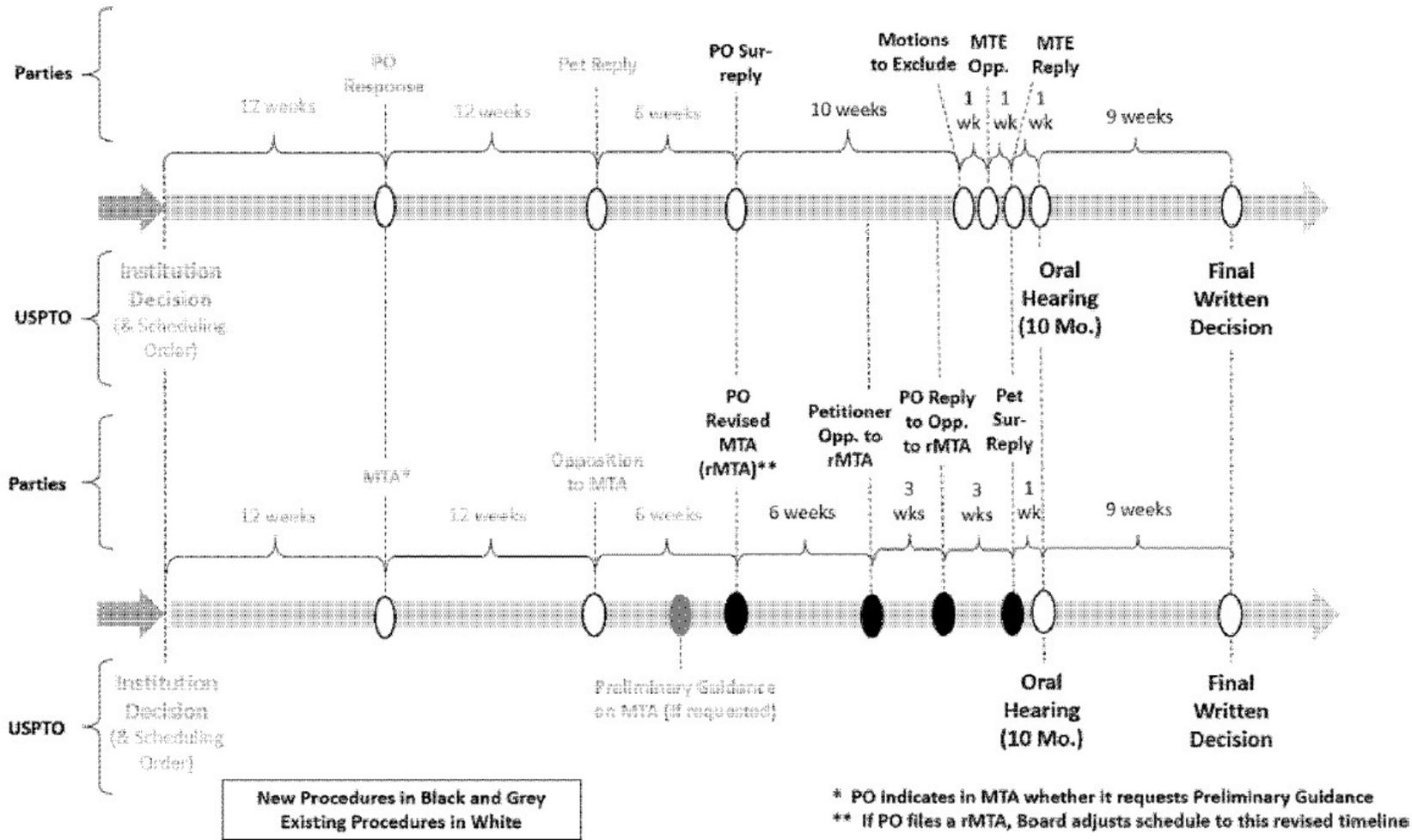
Pilot Program: patent owner files reply.



* PO indicates in MTA whether it requests Preliminary Guidance

Notice, 84 Fed. Reg. 9497, 9506 (Mar. 15, 2019).

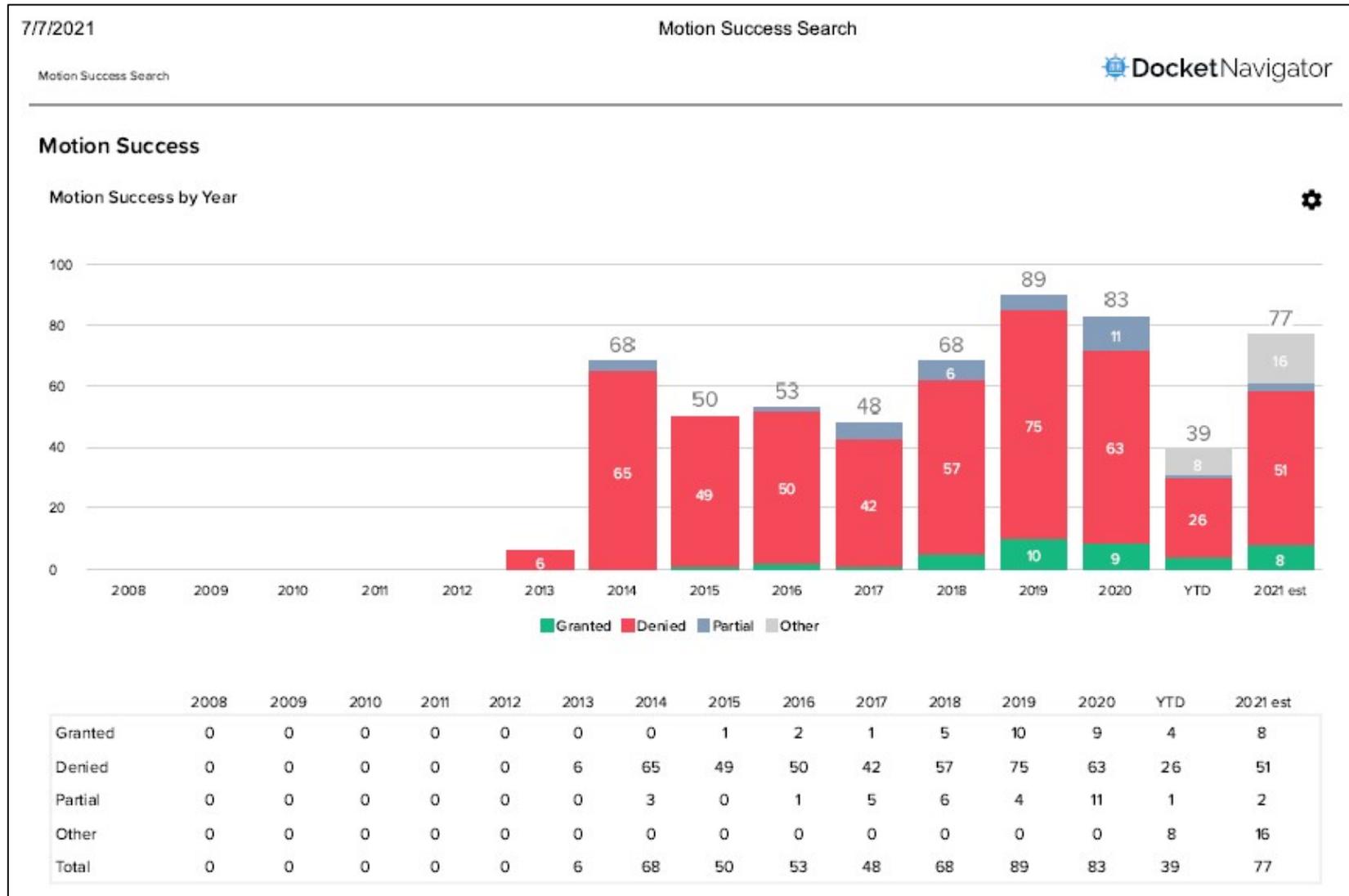
Pilot Program: patent owner files revised MTA.



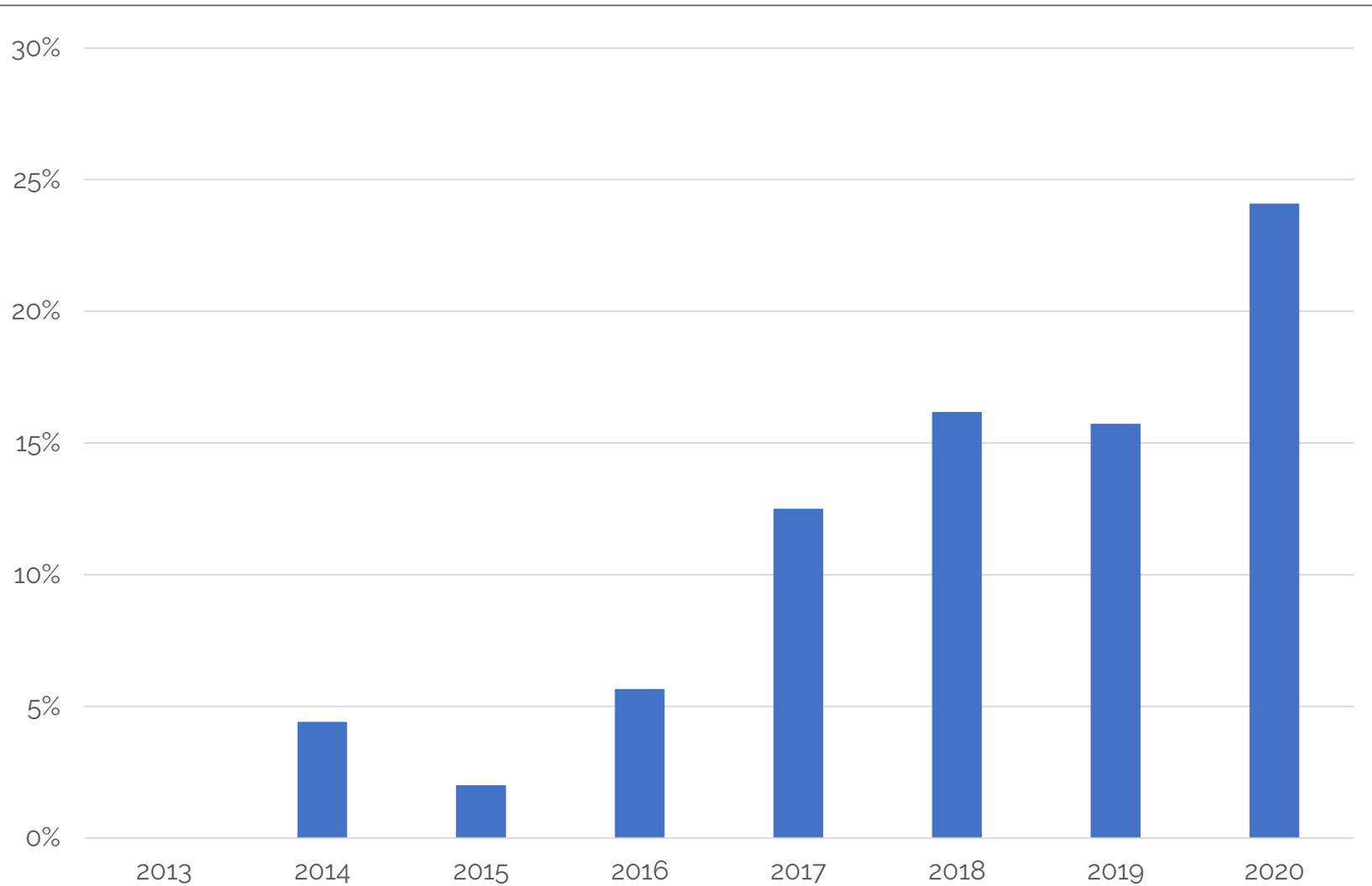
Notice, 84 Fed. Reg. 9,497, 9,507 (Mar. 15, 2019).

Trends and Statistics

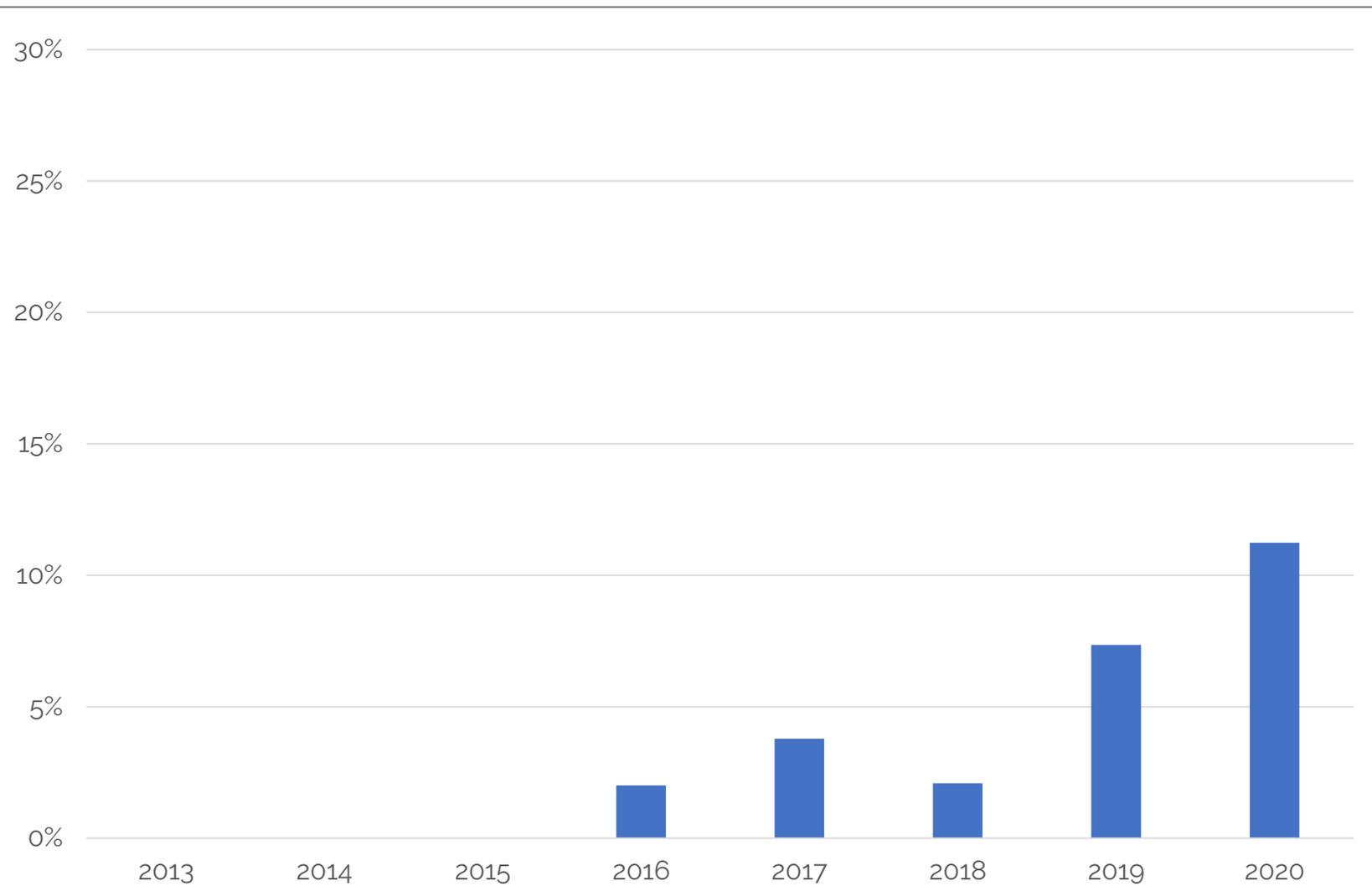
Motion to amend outcomes.



Grant rate (at least one substitute claim entered) over time.



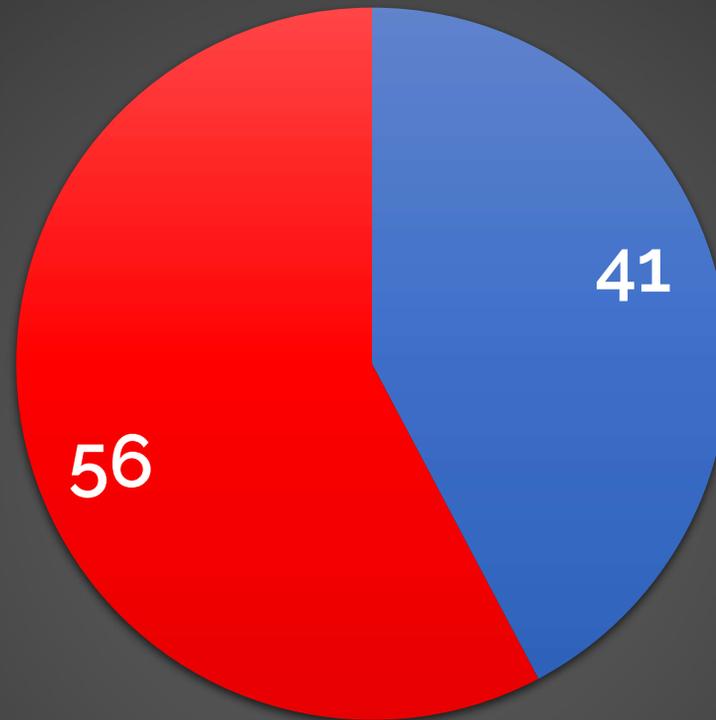
Grant rate (all substitute claims entered) over time.



Preliminary guidance trends.

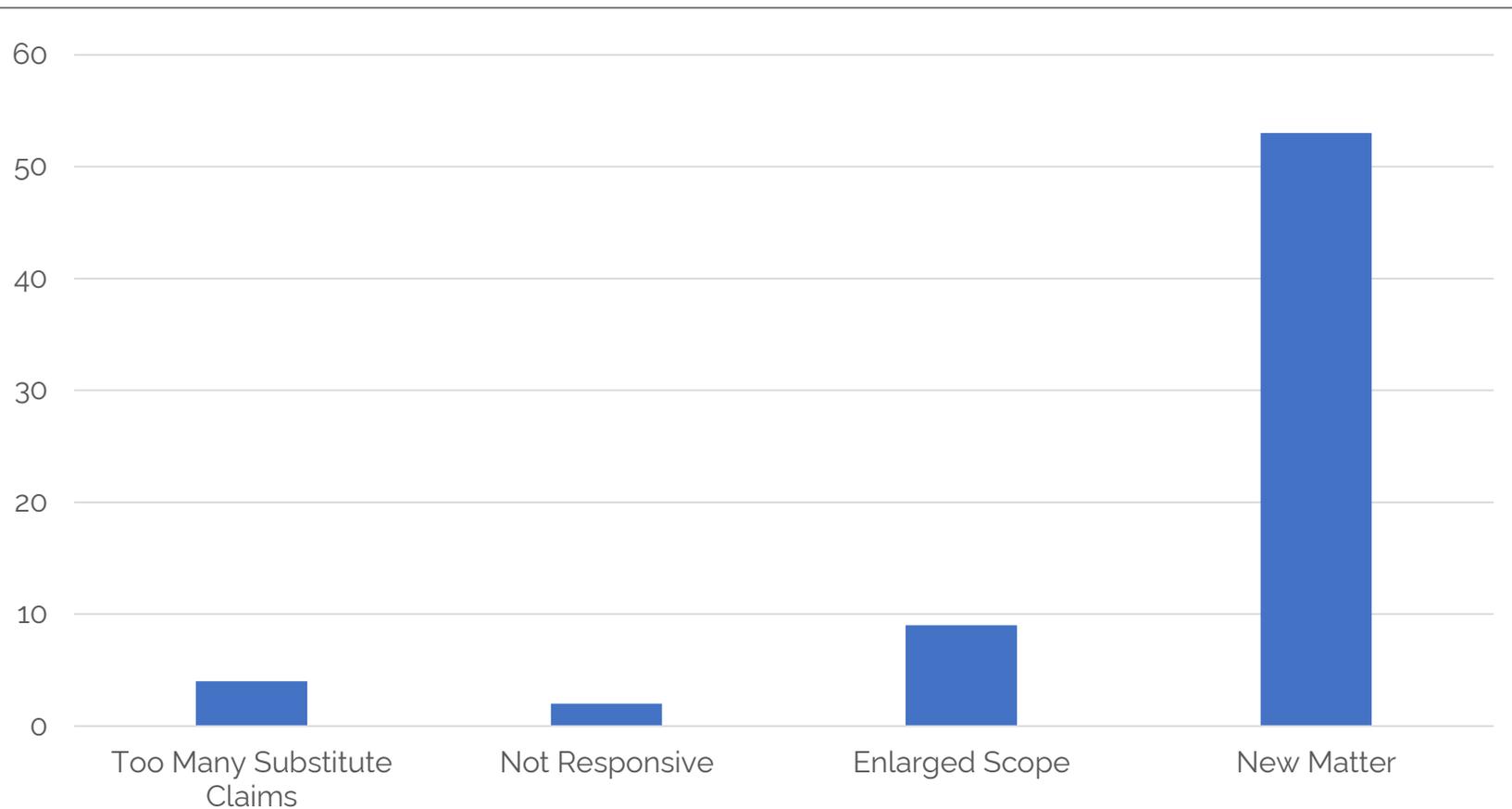
- Using Docket Navigator™, Kevin identified 97 proceedings with preliminary guidance.
- Kevin hand-coded preliminary guidance documents and corresponding final written decisions. (Any errors are his and his alone!)
- The data has some noise in it because many motions to amend involve related patents and related amendments, such that one issue would decide multiple proceedings.

Preliminary guidance: statutory and regulatory requirements.



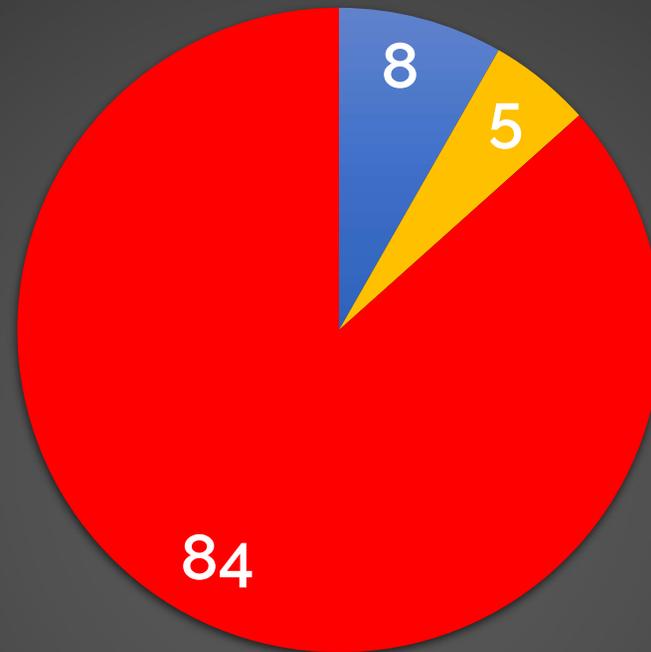
- No statutory/regulatory problems
- At least one statutory/regulatory problem

Preliminary guidance: statutory and regulatory problems.



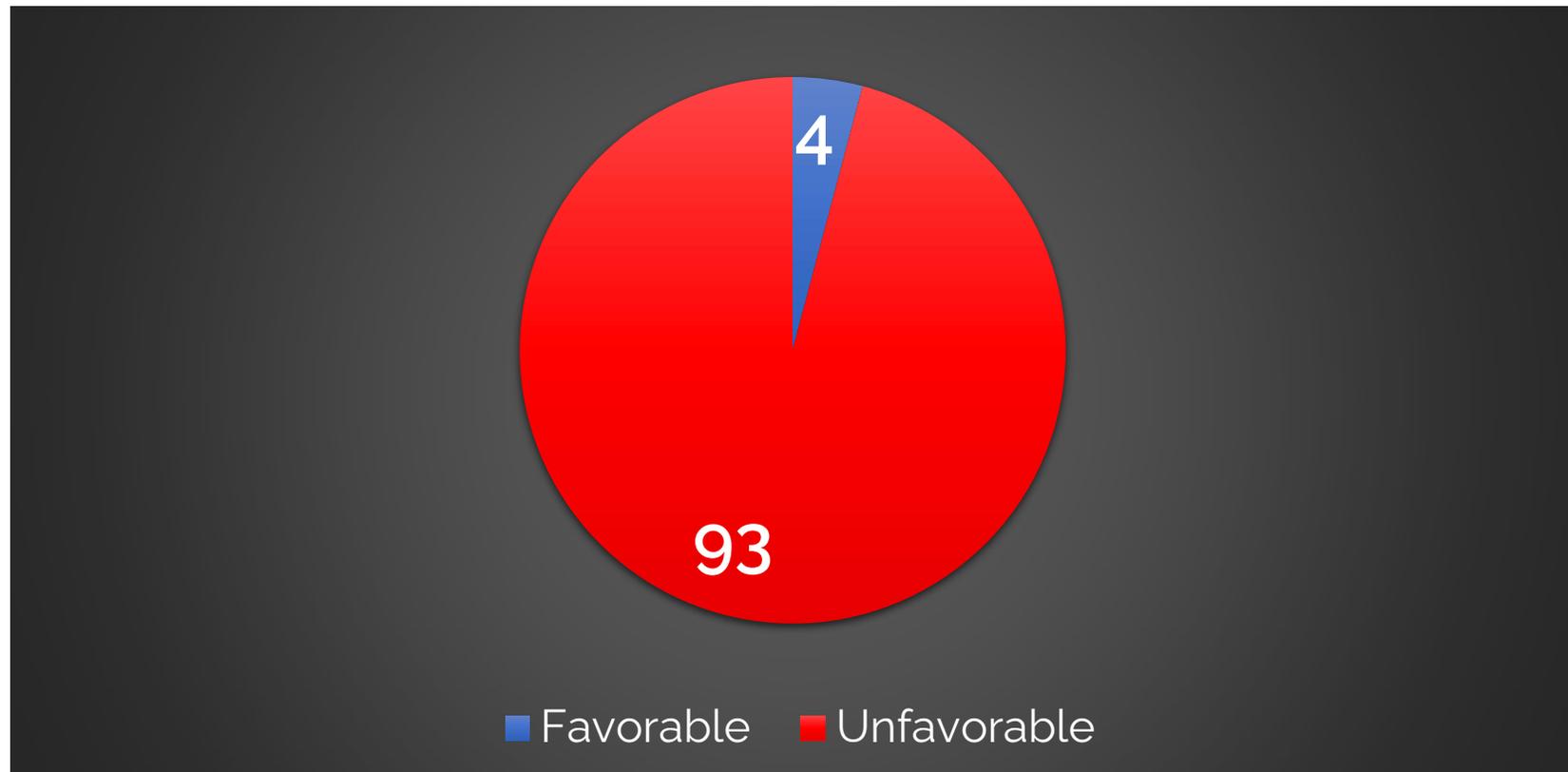
- Eight motions to amend that received preliminary guidance had multiple statutory or regulatory problems.

Preliminary guidance: patentability.



- All claims likely not unpatentable
- Some claims likely not unpatentable
- All claims likely unpatentable

Preliminary guidance: overall favorability.

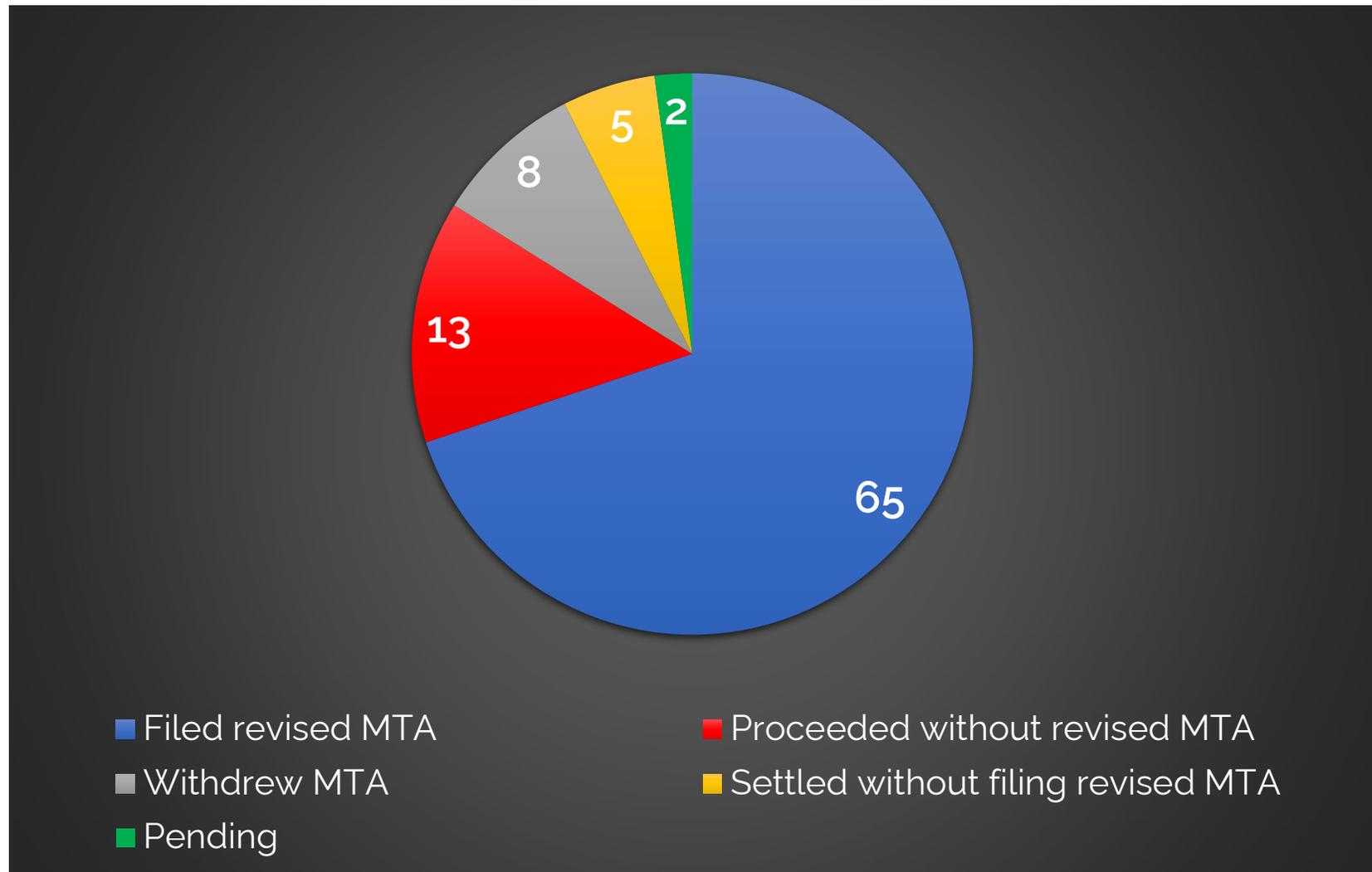


- “Favorable” guidance is defined as guidance indicating **both** (1) that the motion to amend likely satisfies all statutory and regulatory requirements, **and** (2) all substitute claims are likely not unpatentable.
- “Unfavorable” guidance is defined as guidance indicating at least one problem with the motion to amend: a statutory or regulatory requirement was not met; at least one claim was likely unpatentable; or both.

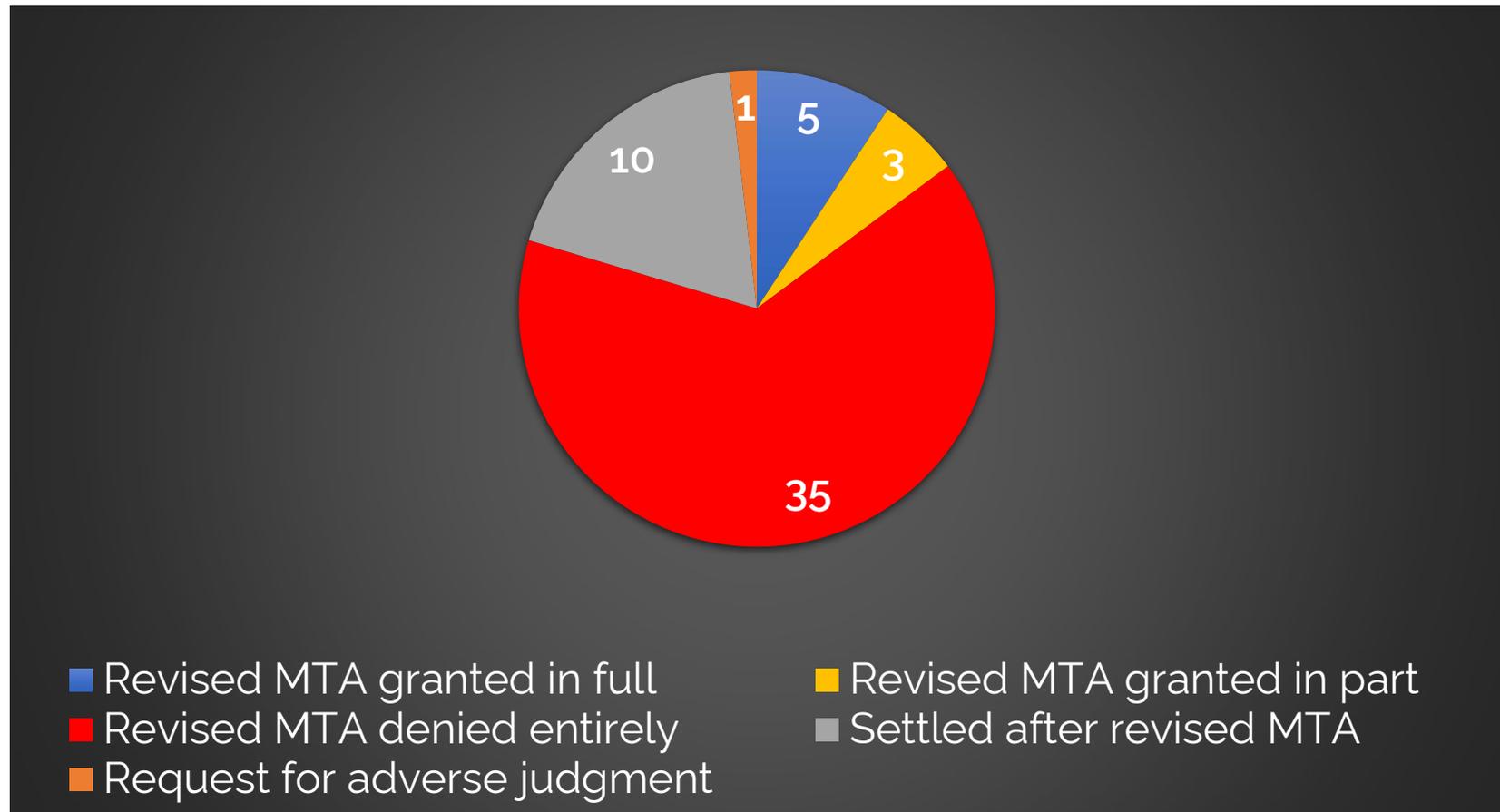
Where the Board has given the patent owner favorable guidance, what happened in the final written decision?

- In two decisions, the Board fully granted the patent owner's motions to amend.
- In one decision, all of the original claims survived, so the Board did not reach the patent owner's contingent motion to amend.
- The fourth case is still pending.

How are patent owners reacting to unfavorable guidance?

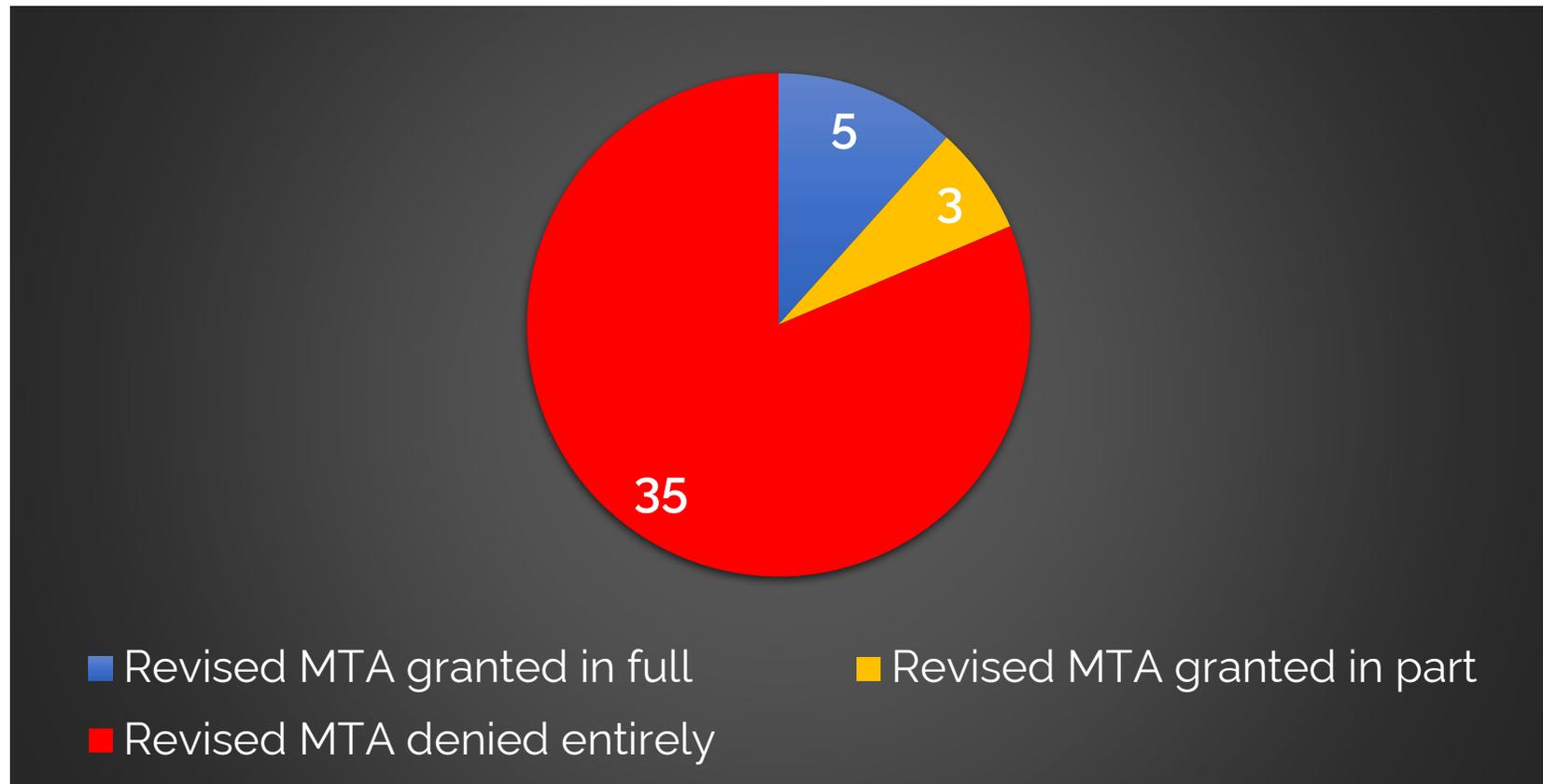


What happened when patent owners filed revised motions to amend?



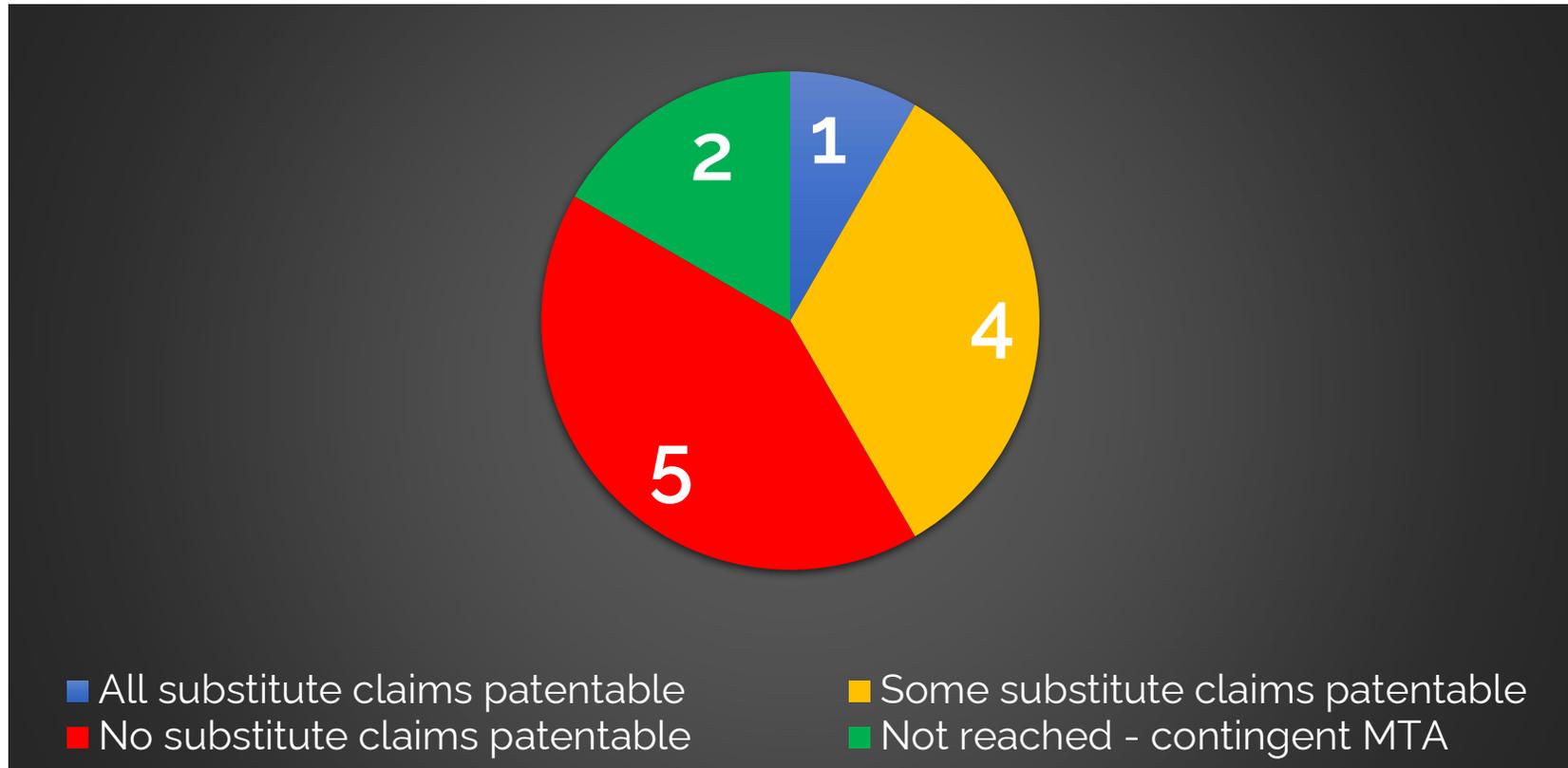
- Eleven proceedings are either still pending or have sealed FWDs not yet available to the public.

Revised motions to amend - dispositions on the merits.



- The Board granted revised motions to amend for at least one substitute claim in 8/43 decisions on the merits (18.6%) and for all substitute claims in 5/43 decisions on the merits (11.6%).

What happened when patent owners received unfavorable guidance, but did not file a revised motion to amend?



- The Board granted motions to amend for at least one substitute claim in 5/10 decisions that reached the motion to amend (50%) and for all substitute claims in 1/10 decisions that reached the motion to amend (10%).

What explains the higher patent owner success rate without a revised MTA in the face of unfavorable guidance?

- It's a small sample size; random chance is likely.
- In the IPR where all substitute claims were found patentable, the Patent Owner changed the Board's mind about whether process steps in a product-by-process claim imparted structural limitations.

KOA Corp. v. Vishay Dale Elecs., LLC, IPR2019-00201, Paper 30, at 82 (PTAB May 7, 2020).

- In one of the mixed decisions, the Patent Owner's reply in support of its MTA deleted most of the claims the Board initially found problematic. But, the Board declined to treat that reply as a revised MTA.

Smartmatic USA Corp. v. Election Sys. & Software, LLC, IPR2019-00531, Paper 40, at 36 n.15 (PTAB July 17, 2020).

After the Motion to Amend

Appellate review of motions to amend.

- Issues of patentability are reviewed according to their usual standards of review.

Issue	Question of...	Standard of review
Eligibility	Law	De novo
Anticipation	Fact	Substantial evidence
Obviousness	Law with underlying fact issues	Substantial evidence for factual findings (<i>Graham</i> factors, motivation to combine, reasonable expectation of success) De novo for ultimate conclusion
Written description and new matter	Fact	Substantial evidence
Enablement	Law with underlying fact issues	Substantial evidence for factual findings De novo for ultimate conclusion
Indefiniteness	Law	De novo
Claim construction	Law (mostly)	De novo, but substantial evidence review for factual findings related to extrinsic evidence

- Decisions on motions to amend are also subject to review under the Administrative Procedure Act (APA).

Bosch Auto. Serv. Sol'ns, LLC v. Matal, 878 F.3d 1027, 1039 (Fed. Cir. 2017).

The trial certificate.

- After the time for appeal has expired, or after any appeal has terminated, the Director shall publish a trial certificate that incorporates into the patent any new or amended claim found patentable.

35 U.S.C. § 318(b).

- The patentee does not have standing to assert new or amended claims until the trial certificate issues.

Pulse Elecs., Inc. v. U.D. Elec. Corp.,
No. 3:20-cv-01676, ECF No. 20, slip op. at 13-22 (S.D. Cal. Apr. 9, 2021).

Intervening rights.

- “Any proposed amended or new claim determined to be patentable and incorporated into a patent following an *inter partes* review under this chapter shall have the same effect as that specified in section 252 for reissued patents on the right of any person who made, purchased, or used within the United States, or imported into the United States, anything patented by such proposed amended or new claim, or who made substantial preparation therefor, before the issuance of a certificate under subsection (b).”

35 U.S.C. § 318(c).

- Two flavors of intervening rights:
 - Absolute: affects past damages.
 - Equitable: affects future damages.

Estoppel – petitioner.

- “The petitioner in an *inter partes* review of a **claim in a patent** under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that *inter partes* review.”

35 U.S.C. § 315(e)(2).

- Open questions:
 - Are new/amended claims addressed in a final written decision subject to IPR estoppel in litigation?
 - If so, what grounds “reasonably could have been” raised?

Estoppel – patent owner.

- “A patent applicant or owner is precluded from taking action inconsistent with the adverse judgment, including obtaining in any patent: [a] claim that is not patentably distinct from a finally refused or canceled claim.”

37 C.F.R. § 42.73(d)(3)(i).

- A patent owner that loses a motion to amend can't obtain indistinct claims via reissue, reexamination, or continuation practice.

Practice Tips

Practice tips for patent owners.

- Ask whether filing a motion to amend is better than litigating the claims as-is and filing a reissue or reexamination if you lose.
- Keep the attorney(s) handling any motion to amend clear of any prosecution bars.
- The PTAB won't fix informalities for you, so proofread your proposed substitute claims.
- Because of the deferential standard of review for new matter, if you lose a new matter issue at the PTAB, you'll almost certainly lose it on appeal.
- When considering a revised Motion to Amend, carefully review the Board's preliminary guidance.

Practice tips for petitioners.

- Determine quickly whether a new search will need to be conducted.
- Carefully consider any potential deficiencies to the statutory requirements.
- Consider potential grounds based on 35 U.S.C. §§ 101 and 112.
- Prioritize the best grounds to meet page limits.

Thank you!