

What You Need To Know About PTAB Amendment Guidance

By **Matthew Bultman**

Law360, New York (November 30, 2017, 10:09 PM EST) -- The Patent Trial and Appeal Board has released new guidance on amending patent claims in America Invents Act reviews, a measure that, while limited, should help to ensure a level of consistency among different panels of judges at the board, attorneys said.

The guidance, dated Nov. 21, comes in response to the Federal Circuit's en banc decision in October discarding the U.S. Patent and Trademark Office's rule that when owners seek to amend their patents in AIA reviews, they have the burden of proving the proposed new claims are patentable.

"It's helpful and it's consistent with what I think the PTAB is trying to do more of — that being ensuring some procedural regularity and consistency," said Michael Specht of Sterne Kessler Goldstein & Fox PLLC.

What Did the Board Say?

The guidance from Chief Judge David Ruschke was short — just three pages long. In it, he emphasized the Federal Circuit's limited holding in *In re: Aqua Products* and said the board will not place the burden of persuasion on a patent owner with respect to the patentability of substitute claims.

Going forward, the board instead will "determine whether the substitute claims are unpatentable by a preponderance of the evidence based on the entirety of the record, including any opposition made by the petitioner."

"Thus, for example, if the entirety of the evidence of record before the board is in equipoise as to the unpatentability of one or more substitute claims, the board will grant the motion to amend with respect to such claims," Judge Ruschke wrote.

Outside of that change, the practices and procedures surrounding motions to amend will look similar to what they are now.

Patent owners, for example, must still meet certain requirements, such as setting written description support and responding to invalidity grounds involved in the trial. The board also said it will continue its current briefing practice, including timing and page limits on filings.

The guidance did indicate that parties would be able to request additional briefing in cases where motions to amend were pending when the Aqua Products case was decided. It said these kinds of filings would generally be allowed.

What Does This Mean?

The Federal Circuit's ruling was a shift in the law that many felt could give patent owners a better chance at amending patent claims. The difficulty of securing claim amendments has long been a complaint in the AIA review process.

But in terms of what was in the PTAB's guidance, attorneys said there were no big surprises.

"I think the PTAB, like the Federal Circuit, provides a very focused and limited result," Specht said.

Because the board didn't change its procedures, there isn't much that patent owners looking to secure claim amendments will need to do differently, attorneys said. It's clear, they said, that patent owners still have to meet all the requirements of a typical motion to amend.

Joseph Palys of Paul Hastings LLP noted the PTAB's guidance did remind patent owners that they have a responsibility to disclose information they are aware of and that "is material" to the patentability of the substitute claims.

"This comment is giving a little highlight or flag to stakeholders that this duty of candor still exists," he said. "If the patent owner is aware of something that is material to the patentability of the substitute claim, they should present that to the board."

For petitioners, there could be some practical issues about how to address the substitute claim now that the burden of persuasion has shifted away from the patent owner. For example, attorneys said they might want more pages than are typically allotted for an opposition brief.

Specht said there is also an argument to be made that petitioners should now have the final word when briefing motions to amend. Typically, it is patent owners who get the last filing. He expects a fair number of petitioners will ask for permission to file a sur-reply.

"I think boards will likely be more willing to entertain more pages and a sur-reply by the petitioner, to make sure it's fair from a petitioner's perspective," Specht said.

Where Does It Go From Here?

The Federal Circuit in its decision left open the possibility that the USPTO could make a rule that reimposes the burden on the patent owner. There is no indication the USPTO is considering such a rule, but whether it goes that route could determine the permanence of this guidance.

"It could be a short-term bridge to the rule, or if the PTAB decides not to go down the path of creating the rule, it will be the long-term way that motions to amend are handled," said Matthew Cutler of Harness Dickey & Pierce PLC.

But even under the new standard, it could still be a challenge for patent owners to secure claim amendments. James Barney of Finnegan Henderson Farabow Garrett & Dunner LLP said he is waiting to

see how the guidance will be implemented by the board.

Barney, who represented patent-owner Aqua Products at the Federal Circuit, noted that while the PTAB has said it will no longer put the burden of persuasion on the patent owner, there is still a burden of production — a procedural burden to present arguments or evidence addressing grounds of unpatentability and known prior art.

“We’re going to have to wait and see how this works in practice because there is a fine line between saying that you’re not putting the burden [of persuasion] on the patent owner but then requiring the patent owner to do all these things under the banner of burden of production,” he said.

Barney said he didn’t expect to see a significant uptick in patent owners filing motions to amend based on this guidance, at least not right away. He expects many will watch to see what happens as the board begins ruling on more motions.

“If the PTAB truly follows what the Federal Circuit said to do — which is put the burden on the petitioner for these amended claims — and if more amendments start succeeding, then I think you will start to see an uptick in filed amendments,” he said.

--Editing by Philip Shea and Jill Coffey.