

# Is Amending at the PTAB About to Become Even More Difficult?

Evaluating The PTAB's Proposed Changes to  
Motion to Amend Practice

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# SAS Hurting?

## Petition Institution

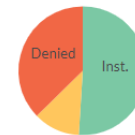
For All Time

**67%**  
of petitions are instituted  
in full or in part

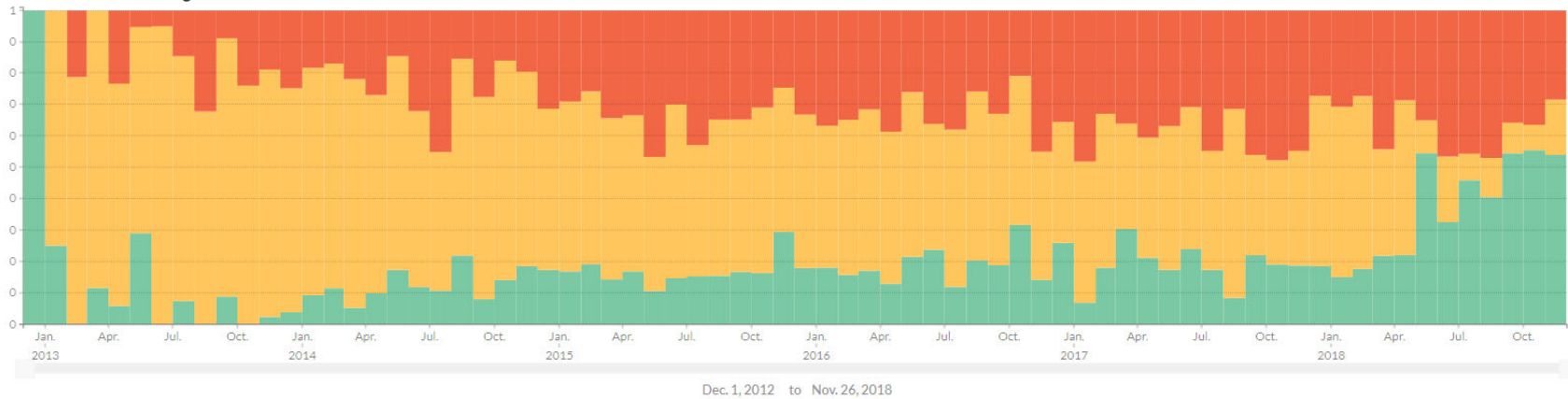


Last Three Months

**63%**  
of petitions are instituted  
in full or in part



Month-to-Month Histogram



# What's changed? BRI to *Phillips*

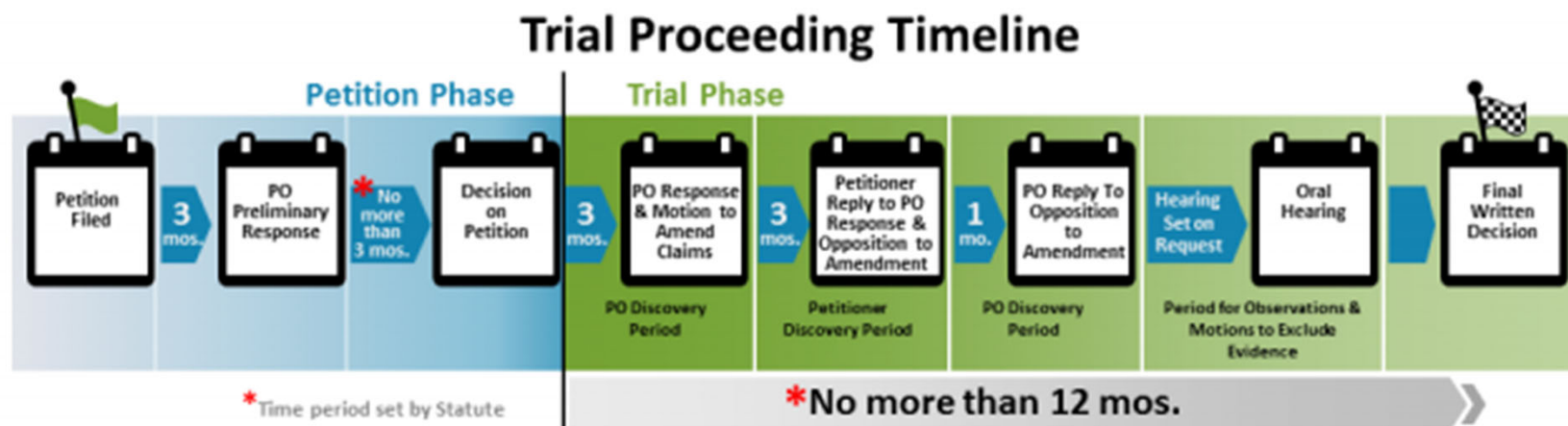
- What does *Phillips* change mean for petitioners?
  - Standards aren't really different
    - BRI and *Phillips* apply the plain and ordinary meaning, as modified by the context of the specification and prosecution history
  - Difference is PTAB decision makers
  - Terms construed that matter for patentability
    - Limited in number
    - Typically far less nuanced at PTAB than in courts
  - Patent owners likely to be disappointed

# What's changed? BRI to *Phillips*

- But...losing litigation “cover” of BRI hurts petitioners
  - Surge to 11/13
- One-size-fits-all claim construction
- Claim construction issues may not be smoked out in time for early PTAB filing.
- Effect of earlier Markman Orders more significant?
  - Will board need to do a Markman?
- Stays?

# Motion to Amend - Current Procedure

- Patent Owner may file a Motion to Amend (3 months)
- Petitioner may file an Opposition to the MTA (3 months)
- Patent Owner may file a Reply to the MTA (1 month)

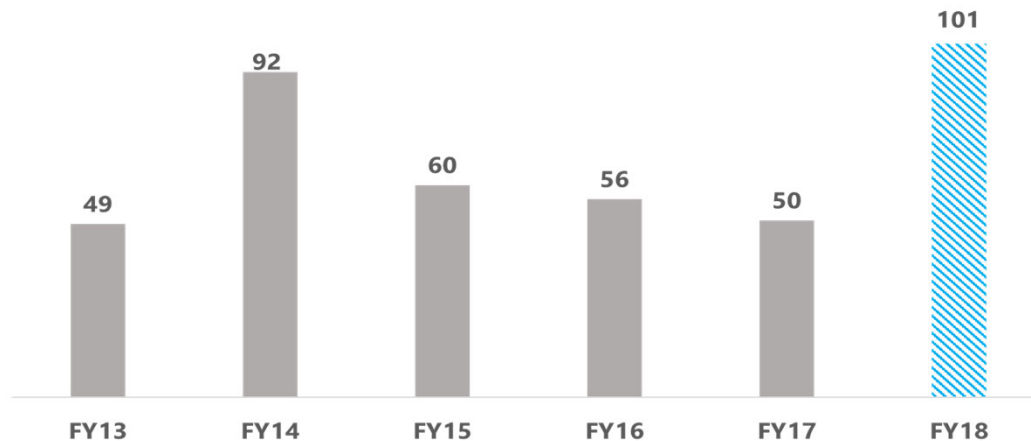


# Usage of Current MTA Procedure

- Motions to Amend Filed by Fiscal Year

(FY13 to FY18: 10/1/12 to 8/31/18)

- *Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017)
- *Western Digital Corp. v. SPEX Techs., Inc.* Case IPR2018-00082 (Paper 13) (PTAB April 25, 2018) (Designated Informative on June 1, 2018).



# Proposed New MTA Procedure

- Remarks by Director Iancu:
  - Current MTA procedure is ineffective
    - “Some have suggested that parties have simply stopped even trying to amend the claims because they see the effort as largely futile.”
  - Amendments must be available
    - “the AIA statute specifically provides for claim amendments in IPRs, so in order to fully implement the intent of the AIA, we must find a way to make this amendment process feasible and meaningful. . . . Therefore, the amendment process should allow the patent owner a meaningful opportunity to draft narrower claims.

<https://www.uspto.gov/about-us/news-updates/remarks-director-iancu-american-intellectual-property-law-association-annual>

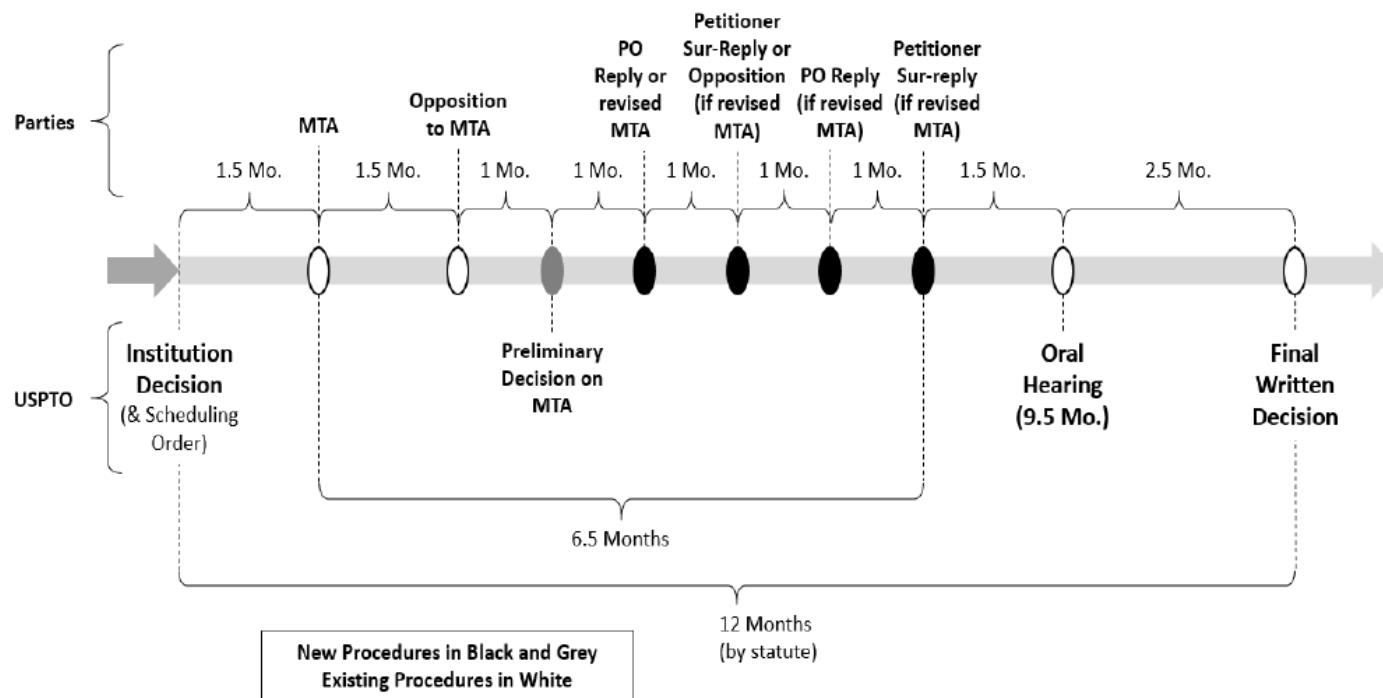
# October 29, 2018 Request for Comments Published in Federal Register

- <https://federalregister.gov/d/2018-23187>
- Proposed process in IPRs, PGRs and CBMs that would involve a preliminary non-binding Board decision on Motion to Amend
  - Preliminary decision evaluates the merits of the Motion to Amend
- Patent owner has opportunity to revise its Motion to Amend (MTA)
- Request for comments by December 14, 2018

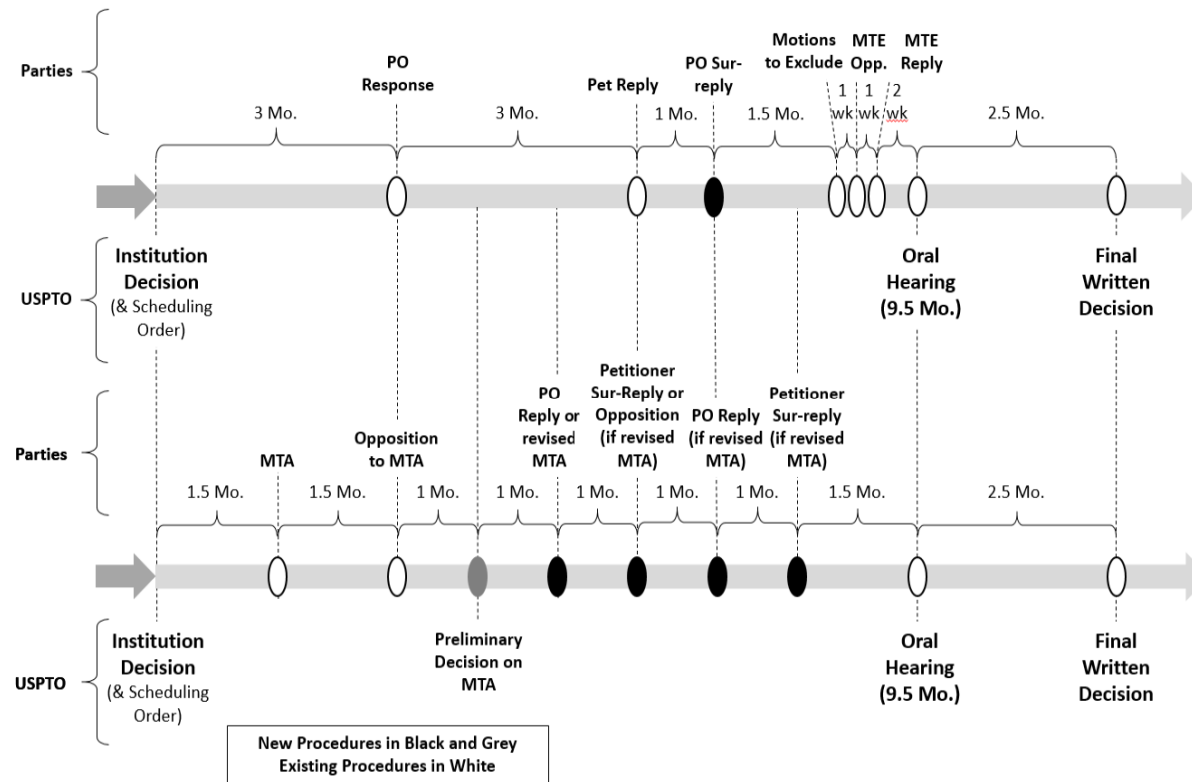


# Proposed Procedure – Appendix A1 to Notice

## Proposed Timeline for New Motion to Amend Process



# Proposed Procedure – Appendix A2 to Notice



# Proposed Procedure

- Patent Owner (PO) has 1.5 months after institution to file MTA
- Petitioner has 1.5 months to oppose
  - Due same day as Patent Owner Response (three months from Institution)
- Preliminary Decision (PD) issued one month later

# 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
  - Petitioner sur-reply/opposition due same day at Petitioner Reply to Patent Owner Response

# 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 Pilot Program

- To be implemented shortly after comment period ends (12/14/2018) along with a public notice providing additional details
  - PTAB to consider all comments before implementation
  - Likely to begin end of January 2019
- Pilot to be conducted for at least one year and subject to extension and possible further modification
- To apply to all AIA trials instituted after the pilot implementation date



# 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;
- 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?

# Comment Period on Federal Register Notice

- Expires December 14, 2018
- Comments should be submitted to  
[TrialRFC2018Amendments@uspto.gov](mailto:TrialRFC2018Amendments@uspto.gov)

# Proposed Procedure - Patent Owner

- A contingent MTA could provide a potential fail-safe option
  - Contingent MTA only decided if the challenged claims are found unpatentable
- Amended claims may have value, even if past damages are erased
  - Substitute claims are evaluated under *Phillips*, not BRI
  - Potentially immunizes claims from further PTAB challenges
- Proposed MTA Procedure puts pressure on Petitioners
- Impact on co-pending litigation?

# Proposed Procedure - Petitioner

- Before filing Petition, Petitioners should consider how Patent Owner might amend
  - Could Patent Owner resolve claim construction ambiguity without broadening the scope of the claim?
  - Subject matter in specification ripe for a contingent MTA?
  - Would amendment features require an additional prior art reference and new motivation to combine?

# Strategy Considerations

- Likely to increase cost for Patent Owner and Petitioner
  - Can add a paper for Pet., Patent Owner, and the Board
- Petitioners should budget additional cost and resources to oppose a possible MTA
  - MTA opposition will require expert support
  - Amended claim elements may require additional prior art searches
- Proposed procedure appears more burdensome for Petitioners than Patent Owners post-*Aqua Products*
  - Petitioner may need to address §§101, 112, 102, and 103, in addition to threshold requirements, in 25-page brief

# Thank You



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