

# Dramatic Changes to Motion to Amend Practice

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## Summary

Motions to amend have historically been viewed as an exercise in futility. The Director of the United States Patent and Trademark Office (USPTO), Andrei Iancu, agrees, having publicly stated that “[s]ome have suggested that parties have simply stopped even trying to amend the claims because they see the effort as largely futile.”<sup>1</sup> Director Iancu has since set his sights on overhauling this failing motion-to-amend system.<sup>2</sup>

The USPTO took significant strides toward achieving that goal in 2019. In addition to issuing a precedential decision

on motions to amend,<sup>3</sup> the USPTO initiated a new pilot program on motions to amend on March 15, 2019.<sup>4</sup> This new pilot program, if opted into, offers several procedural changes that provide patent owners with the ability to refine their motions to amend. After the new pilot program was instituted, we saw a substantial

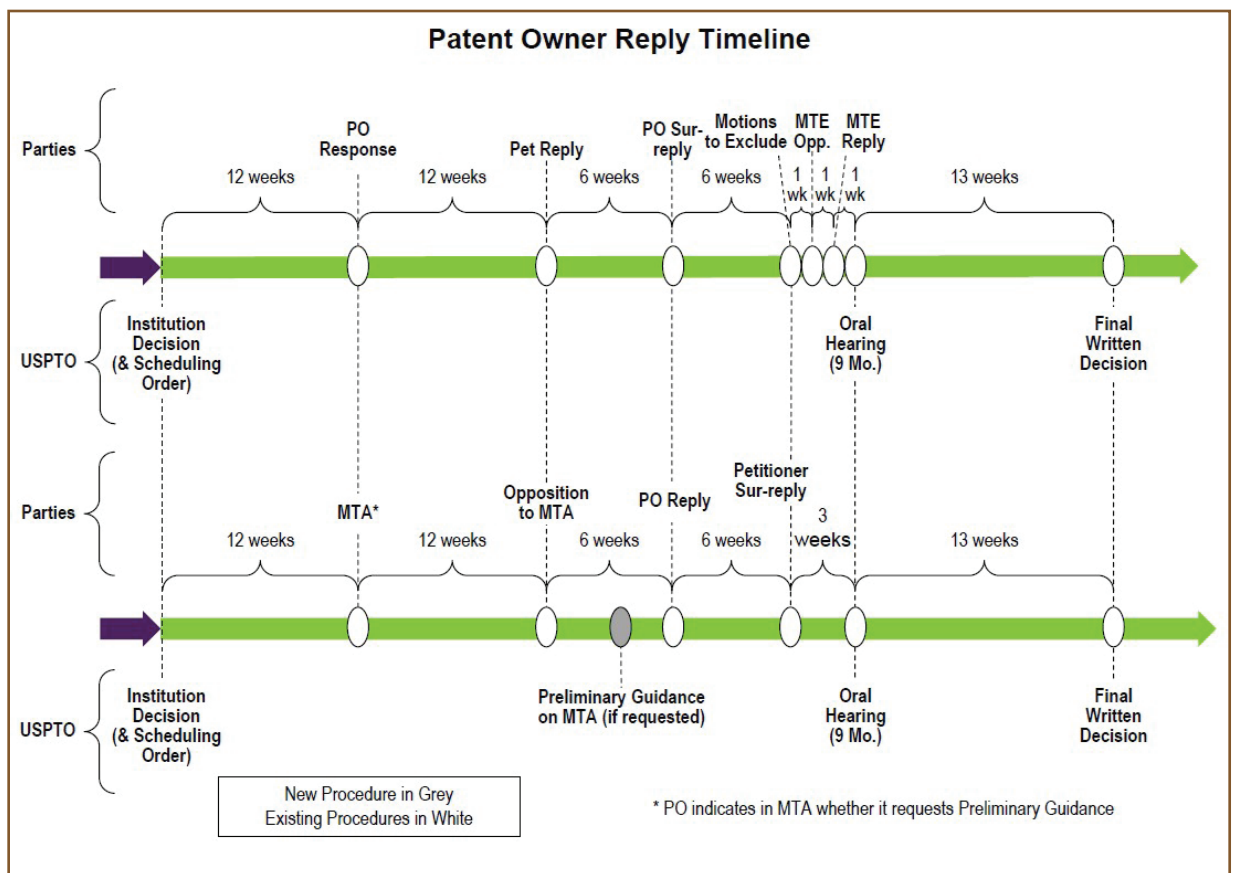
increase in the number of motions to amend filed in 2019 as compared to those of previous years.<sup>5</sup> The initial indications, however, are that patent owners’ success rates of proposing patentable substitute claims have not significantly increased under the new pilot program.

## Changes to Motions to Amend

The new pilot program created two additional options for patent owners when navigating the motion-to-amend process. First, a patent owner may choose to receive preliminary guidance from the Board on its motion to amend. Second, a patent owner may choose to file a revised motion to amend after receiving the petitioner’s opposition to the original motion to amend or after receiving the Board’s preliminary guidance (if requested).<sup>6</sup>

Should the patent owner request preliminary guidance, the Board will determine if the patent owner has met the regulatory and statutory requirements, as outlined in *Lectrosionics*. To meet statutory and regulatory requirements, a motion to amend must: propose a reasonable number of substitute claims; propose

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substitute claims that do not enlarge the scope of the claims or introduce new subject matter; respond to a ground of unpatentability involved in the trial; and set forth written description support for each substitute claim.<sup>7</sup> The Board also determines if the petitioner has established a reasonable likelihood that the proposed substitute claims are unpatentable.<sup>8</sup> The Board can issue its guidance in a short, non-binding paper or orally by conference call. In response to the petitioner's opposition to the motion to amend and/or the Board's preliminary guidance (if requested), the patent owner may take one of two options: (i) reply to the petitioner's opposition to the motion to amend and the preliminary guidance (if requested); or (ii) file a revised motion to amend.

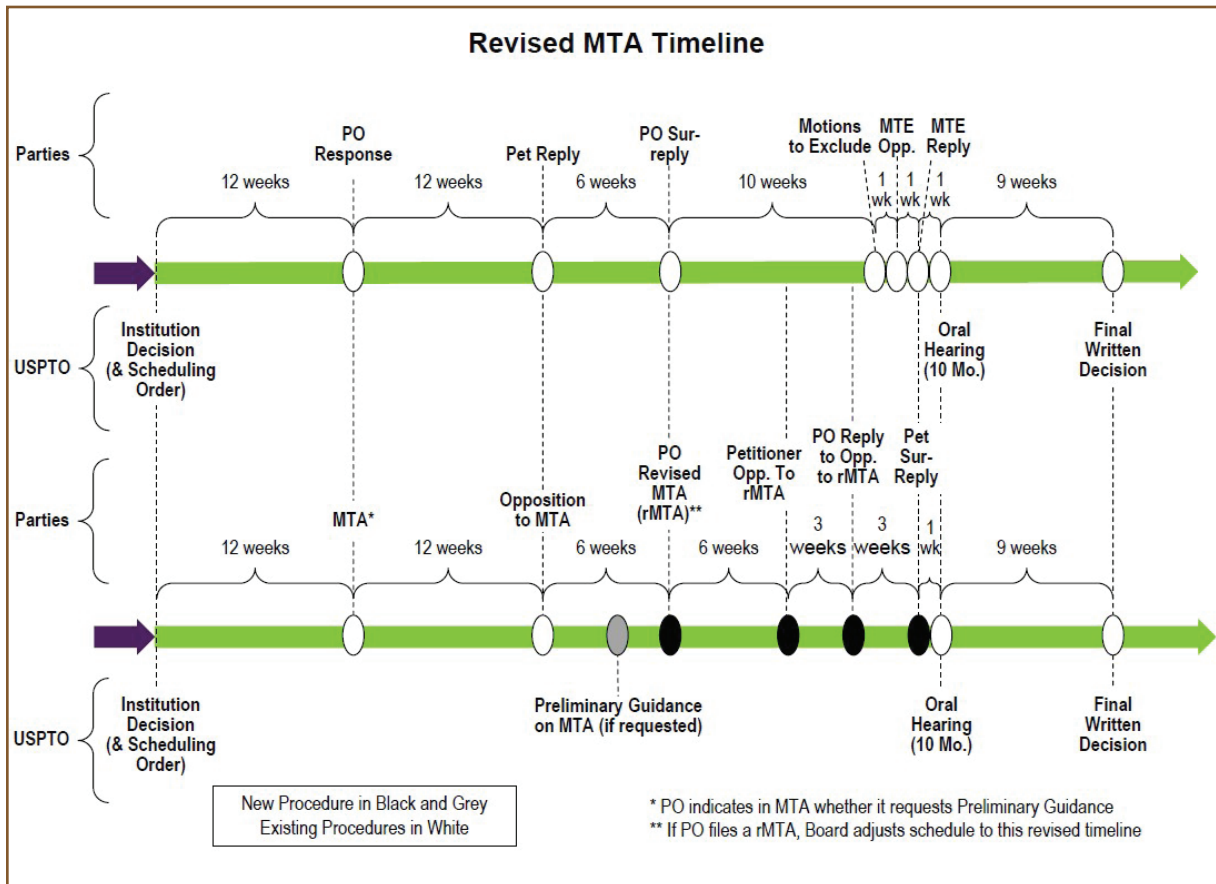
If the patent owner chooses to file a revised motion to amend, the patent owner must include one or more newly proposed substitute claims, in place of previously presented substitute claims, that address the issues identified within the preliminary guidance and/or the petitioner's opposition. When filing a revised motion to amend, the patent owner can include substitute claims, arguments, or evidence that were previously presented within the original motion to amend. It is important to note that any new substitute claim, argument, and/or evidence filed in the revised motion to amend must be related to an issue raised in the preliminary guidance and/or the petitioner's opposition to the motion to amend. Lastly,

if the patent owner files a revised motion to amend, the Board will issue a new schedule. Timelines comparing the changes to the scheduling order can be found on pages 12 and 13.

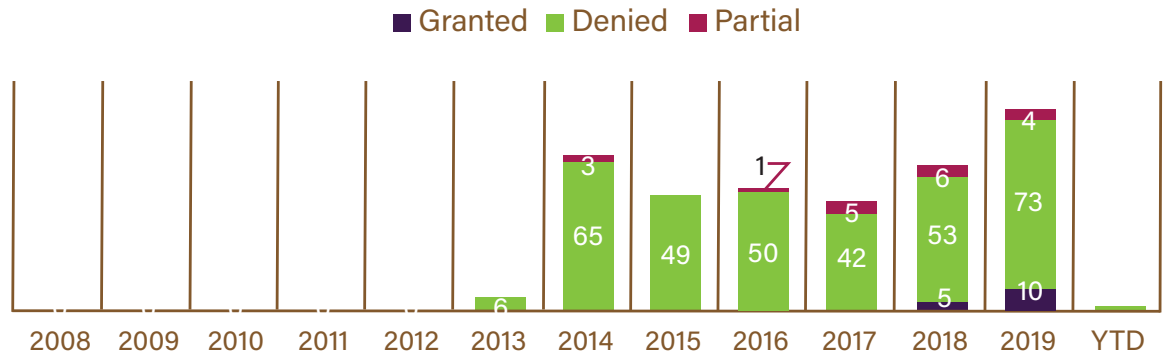
### Implications and Statistics

As shown by the figure titled "Motions to Amend Filed" on the following page, 87 Motions to amend were decided in 2019—more than in any previous year. And ten motions to amend were granted in 2019, which is twice as many as in any previous year. This increase in motions to amend being decided and granted coincides with Director Iancu's focus on improving the motion-to-amend process and the creation of the new pilot program. If the trend continues, it is likely that more motions to amend will be filed and granted in 2020.

But the initial data suggests that patent owners are not any more successful under the new pilot program than they were under the previous regime. After ten months under the new pilot program, the Board issued preliminary guidance on motions to amend only 12 times.<sup>9</sup> In the preliminary guidance, the Board determines two things: (i) whether the patent owner has met the statutory and regulatory guidelines for motions to amend; and (ii) whether the petitioner has established a reasonable likelihood that the proposed substitute claims are unpatentable. As indicated in the chart titled



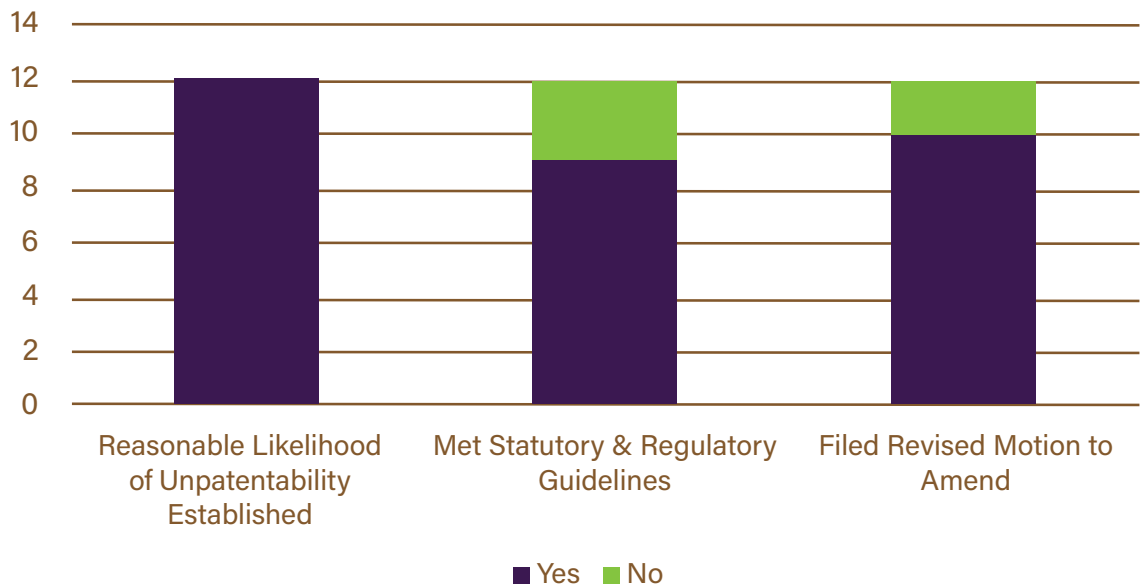
# MOTIONS TO AMEND FILED



“Preliminary Guidance,” the initial data shows that patent owners have met the statutory and regulatory guidelines for motions to amend in 75% of cases, but the Board found in all 12 cases that the petitioner established a reasonable likelihood that the proposed substitute claims were unpatentable. Although these are only preliminary findings and not final determinations of unpatentability, the initial indications are that patent owners’ likelihood of success on motions to amend has not increased substantially under the new pilot program. While the data on preliminary guidance seems to paint a bleak picture for the patentability of the proposed

substitute claims, the patent owners in these cases still have an opportunity to file a revised motion to amend. To date, ten revised motions to amend have been filed. Since there have not yet been any final written decisions for these cases, it is still too early to tell whether the pilot program has indeed overhauled the motion-to-amend process. It seemed as though the new pilot program would favor patent owners, but the initial numbers suggest otherwise. We will have to wait for data on final written decisions after receiving preliminary guidance to see if the new pilot program truly favors patent owners.

## Preliminary Guidance



<sup>1</sup> Remarks by Director Iancu at the American Intellectual Property Law Association Annual Meeting, October 25, 2018 (available at <https://www.uspto.gov/about-us/news-updates/remarks-director-iancu-american-intellectual-property-law-association-annual>).

<sup>2</sup> *Id.*

<sup>3</sup> *Lectrosionics, Inc. v. Zaxcom, Inc.*, Case IPR2018-01129, Paper 15 (P.T.A.B. Feb. 25, 2019).

<sup>4</sup> United States Patent & Trademark Office, Notice Regarding a New Pilot Program Concerning Motion to Amend Practice and Procedures in Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board, 84 Fed. Reg. 9,497 (Mar. 15, 2019).

<sup>5</sup> Data collected from Docket Navigator (available at <https://www.docketnavigator.com>).

<sup>6</sup> United States Patent & Trademark Office, 84 Fed. Reg. 9,497 (Mar. 15, 2019).

<sup>7</sup> *Id.* at 9,500; see also 35 U.S.C. 316(d), 326(d); 37 CFR 42.121, 42.221.

<sup>8</sup> United States Patent & Trademark Office, 84 Fed. Reg. 9,497 (Mar. 15, 2019).

<sup>9</sup> See, e.g., *Mylan Pharms. Inc. v. Sanofi-Aventis Deutschland GmbH*, IPR2018-01682, Paper 62; IPR2018-01679, Paper 55; and IPR2018-01680, Paper 65 (P.T.A.B. Oct. 16, 2019); *FormFactor, Inc. v. Feinmetall GmbH et al.*, IPR2019-00082, Paper 23; IPR2019-00080, Paper 24 (P.T.A.B. Nov. 5, 2019); *L&P Property Management Company et al. v. Remacro Machinery & Technology (Wujiang) Co., Ltd.*, IPR2019-00255, Paper 23 (P.T.A.B. Nov. 8, 2019); *Henrob Ltd. et al. v. Newfrey LLC*, IPR2019-00269, Paper 19 (P.T.A.B. Nov. 13, 2019); *KOA Corporation v. Vishay Dale Electronics, LLC f/k/a Vishay Dale Electronics, Inc.*, IPR2019-00201, Paper 21 (P.T.A.B. Nov. 14, 2019); *Becton, Dickinson and Company v. Baxter Corporation Englewood*, IPR2019-00121, Paper 39; IPR2019-00120, Paper 39 (P.T.A.B. Nov. 14, 2019); *Apple Inc. v. Zomm, LLC*, IPR2019-00275, Paper 16 (P.T.A.B. Nov. 19, 2019); *ZTE (USA) Inc. et al. v. CyWee Group Ltd.*, IPR2019-00143, Paper 35 (P.T.A.B. Dec. 5, 2019).