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To: TrialsRFC2014
Subject: Response To Request for Comments on AIA Trial Proceedings Before the PTAB

Dear Sirs/Madams:

This is in response to the Request for Comments on Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board, appearing at 79 Fed. Reg. 36474 (June 27, 2014).). Responsive to Issue No. 2, Motion To Amend (“What modifications, if any, should be made to the Board’s practice regarding motions to amend?”), I respectfully submit the text of an article I recently wrote on the subject. The article, reproduced below, originally appeared in Law 360 on March 13, 2014. In particular, please see the section “A Better Approach?”.

Many practitioners feel that the Board’s current highly restrictive approach to motions to amend effectively negates a Patent Owner’s opportunity to amend its claims in these proceedings (only one motion granted thus far to my knowledge). This is deemed particularly objectionable given the USPTO’s reliance on the opportunity to amend as justification for application of the broadest reasonable interpretation (BRI) claim construction standard.

Thank you for your consideration.

Respectfully submitted,

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Standard For Amending Claims In IPR May Need To Change

Law360, New York (March 13, 2014, 1:08 PM ET) --

The Idle Free decision[1] denied the patent owner’s motion to amend claims on the ground that the patent owner had not proven the patentability of the claims over the prior art. Remarkably, the decision makes no reference to the petitioner’s proofs on the issue, but rather denies the motion solely on the basis of perceived deficiencies in the patent owner’s showing of patentability. Under Idle Free, not only is the burden on the patent owner to prove patentability of its amended claims, but “general patentability over prior art” must be demonstrated.

The Patent Trial and Appeal Board routinely cites to Idle Free as setting forth the standard for a motion to amend in an inter partes review. Many believe that the requirements for a motion to amend as articulated in Idle Free are extreme and very difficult, if not impossible, to satisfy. At present, the author is unaware of any decision by the board granting a motion to amend, other than one merely canceling claims. A patent owner’s opportunity to amend its claims in an IPR may be hampered to such an extent that due process concerns may be

raised. It appears questionable whether the procedure is consistent with the enacting statute.

In *Idle Free*, the patent owner Bergstrom represented in its motion to amend that the closest prior art was the prior art addressed in the IPR. The patent owner explained how the amended claims were patentably distinguished over this prior art. The board agreed, but held that it was insufficient to show patentability over just the references applied in the IPR.

The board required that the patent owner describe the level of skill in the art, in terms of the skill set and ordinary creativity of one of ordinary skill in the art. Reasonable enough. It is other aspects of the decision that give rise to concern.

The board held that the patent owner has the obligation to distinguish not only the prior art of record, but the prior art in general (that the patent owner knows about). According to the board, this means that the patent owner is required to address whether the features added by amendment were known in any context, and if so, why those features would not have been obvious in the context of the claimed invention.

Some believe that the board's approach in *Idle Free* is problematic, not just because it requires the patent owner to prove a negative (the nonexistence of invalidating prior art), but because of the lengths it appears to require a patent owner to go to in raising and then distinguishing prior art — within highly constrained briefing. The test announced raises concern also because it is seemingly arbitrarily variable based upon what the patent owner may or may not know about the relevant prior art.

In a switch from patent prosecution and litigation, the board has placed the burden upon the patent owner to show patentability of amended claims over the prior art. Its rationale for this is that an IPR is an adjudicative rather than examinational proceeding.[2] The board is not in a position to "examine" patent claims as a patent examiner does in patent prosecution or re-examination.

The board also points to its rule that for any motion in an IPR, the movant is required to show that it is entitled to the relief requested.[3] But neither of these rationales justifies the demanding *Idle Free* approach. The extreme burdens placed upon the patent owner are unnecessary for the board to avoid having to "examine" claims to ascertain their patentability. In a modified approach proposed below, the patent owner may reasonably be deemed to have established entitlement to the relief requested with its motion to amend without satisfying all of the *Idle Free* requirements.

Proof of a Negative

Initially, it is notable that the board's approach of placing the burden on the patent owner to prove the patentability of its amended claims is novel procedurally under U.S. patent law. In original prosecution and re-examination, one is deemed entitled to a patent in the absence of a showing of unpatentability. In litigation, a patent claim is presumed valid until proven invalid.

As mentioned, the board cites to its Rule (42.20(c)) as a basis for placing the burden of proving the patentability of amended claims on the patent owner.[4] This rule, addressing motions generally, provides that a "moving party has the burden of proof to establish that it is entitled to the relief requested." However, it appears at least arguable that such an application of the rule to motions to amend is contrary to the enacting statute. 35 U.S.C. § 316(e) provides: "Evidentiary Standards — In an inter partes review instituted under this

chapter, the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence." No distinction is drawn here between original patent claims and proposed amended claims.

It is not unheard of for the law to impose upon a party the burden of proving a negative. For example, the plaintiff in a negligence action may be required to show an absence of due care on the defendant's part. However, even assuming that it is statutorily permissible to place the burden to prove patentability of amended claims on the patent owner, arguably the burden to prove a negative should not be imposed where proof of the negative in question (here, the nonexistence of any invalidating prior art) is impractical for the party bearing the burden in the proceeding, and where the opposing party (here, the petitioner) is in a much better position to prove the opposite (the existence of invalidating prior art).

Unfairness

The board's approach in *Idle Free* appears to have the potential to result in arbitrary unfairness. By requiring the patent owner to address the prior art known to it, the *Idle Free* standard would seemingly discriminate against patent owners having knowledge of a large amount of relevant prior art, versus those having knowledge of little prior art.

In both complex and simple technologies, it would not be unusual for hundreds of relevant prior art references to exist. One might ask: Why should the patent owner with a vast awareness of all those references have a burden to patentably distinguish over them all, whereas a patent owner with much less extensive knowledge would have a commensurately lesser burden?

Idle Free critics also observe that there is potential unfairness because the patent owner has no reasonable basis for determining just how far it has to go in explaining away known prior art references. By the directive of *Idle Free*, it is insufficient for the patent owner to only address the references in the relevant art. Rather, the patent owner must go further to explain away prior art applications of features added by amendment in other contexts.

Critics are concerned that it could often be impractical to expect the patent owner to show patentability to the extent required by *Idle Free*. For example, it would not be uncommon for the prior art of record, and prior art otherwise known to the patent owner, to include 10, 50, 100 or more arguably relevant references. Preparing an explanation of how the proffered claim amendments distinguish over all such art could be an enormous undertaking.

In a typical case, a feature added by amendment may be known in many different contexts. *Idle Free*'s requirement that the patent owner address the existence of added features in applications outside the field of invention compounds the patent owner's burden.

And to what benefit? The board emphasizes the importance of "convergence" in its trial proceedings, that is, the rapid narrowing of issues in the course of the trial.[5] To require the patent owner to raise and knock down an indeterminate number of straw men fails to focus on the key issues, and thus would seem to run contrary to this objective.

The patent owner's task in complying with the *Idle Free* standard is rendered all the more difficult by the strict briefing limitations imposed by the board. Only 15 pages are permitted for a motion to amend, inclusive of the listing of proposed substitute claims.[6] Fourteen-point font is required, as is double spacing.[7] In many cases, it may be unrealistic to expect the patent owner to be able to prove the patentability of amended claims over the

prior art in general within such constraints. Due process concerns could thus be raised.

A Better Approach?

An approach that would give the patent owner a fairer opportunity to amend its claims, while furthering the board's objective to maintain a streamlined, adjudicative (nonexaminational) proceeding, would be an improvement. Granted, the board should not be put in a position of having to examine amended claims to ascertain their patentability. It need not be, given the presence of the petitioner who is in the best position to bring forward arguments against patentability. This dynamic is at the heart of the adjudicative/adversarial model adopted for trials conducted before the PTAB.

Setting aside the issue of whether placing the burden on the patent owner to prove the patentability of its amended claims comports with the enacting statute, in the author's view, there is a more practical and fair approach that the board could take.

The approach would be to require the patent owner to initially establish the patentability of the claims over the prior art applied in the trial to the corresponding original claims. Upon doing so, the burden of production would be deemed shifted to the petitioner to rebut the arguments of patentability (with, as is currently permitted, the opportunity to introduce new evidence).

This makes sense since the petitioner, as the adverse party, is generally in a much better position to raise meritorious unpatentability grounds regarding amended claims, than is the patent owner to address the patentability of amended claims over some indeterminate universe of known prior art.

Presented with such patent owner arguments and evidence, and the petitioner's opposing arguments and evidence, the board would be well situated to decide whether, on balance, the patent owner has met its burden to prove patentability of the amended claims by a preponderance of the evidence. Absent countervailing arguments, a patent owner's persuasive showing that the amended claims patentably distinguish over the prior art applied in the trial to the corresponding original claims would be deemed sufficient to satisfy the patent owner's burden to establish entitlement to the relief requested with its motion to amend.

—By Christopher L. McKee, Banner & Witcoff Ltd.

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[1] Final Written Decision entered Jan. 7, 2014 in *Idle Free Systems Inc. v. Bergstrom Inc.*, IPR 2012-00027, Paper 66 (PTAB).

[2] *Idle Free*, IPR 2012-00027, Paper 66 at 33.

[3] *Id.*; 37 C.F.R. § 42.20(c).

[4] *Idle Free*, IPR 2012-00027, Paper 26 at 7; Paper 66 at 26 and 33.

[5] See, e.g., *Idle Free*, IPR 2012-00027, Paper 26 at 4 (“The Board seeks to streamline and converge issues at all phases of the proceeding.”).

[6] 37 C.F.R. § 42.24(a)(1)(v); *Synopsys Inc. v. Mentor Graphics Corp.*, IPR 2012-00042, Paper 30 (PTAB).

[7] 37 C.F.R. § 42.6(a)(2).