

Post-Grant for Practitioners

The logo consists of the letters 'FR' in a bold, white, sans-serif font, centered within a teal-colored square that is tilted slightly to the right.

Part VII: Claim Amendments
in Inter Partes Review:
How? When? Why? Risks?



Karl Renner & Dorothy Whelan
*Principals and Co-Chairs of Post-Grant
Practice*

Agenda

- I. Overview of Webinar Series
- II. Statistics
- III. Claim Amendments

I. Overview

Where? ... see invitation

How often? ... monthly

When? ... 2nd Wednesday

Topics? ...

Important decisions

Developments

Practice tips

FR FISH & RICHARDSON

Post-Grant Practice



Post-Grant for Practitioners:

A monthly series of webinars focusing on developments in post-grant proceedings and related practice tips

Part I: Inter Partes Review and Covered Business Method Patents - the First Five Months.

Wednesday, February 13, 2013
1:00 p.m. ET

Fish & Richardson's post-grant practice chairs are back with a new monthly series of webinars devoted to topics of interest in the emerging area of post-grant proceedings. Join them as they share their experiences, insights, and practice tips.

This first webinar will discuss the first five months of inter partes review and covered business method patents.

Speakers:

[Dorothy Whelan](#), Principal and Post-Grant Practice Co-Chair, Twin Cities

[Karl Renner](#), Principal and Post-Grant Practice Co-Chair, Washington, DC

Fish & Richardson will apply for 1.0 hour of general CLE credit in most states. If you would like to receive CLE credit, RSVP with your state bar information.

RSVP

If you have questions, please contact Tracey Spadavecchia at spadavecchia@fr.com.

I. Overview (con't)

- Housekeeping
 - CLE
 - Questions
 - Materials
 - 2012 & 2013 Webinar series: <http://fishpostgrant.com/webinars/>

II. Statistics (IPR)

- **IPR's Filed?**
 - 471 filed through September 6th
 - 62 filed in August
- **Application of Threshold: Reasonable Likelihood of Success**
 - IPR has been instituted in almost all petitions evaluated
 - In many cases where IPR was ordered, it was on only a subset of petitioned claims
 - BUT recently there have been a number of IPR petitions denied in full.

II. Statistics (CBM)

- **CBM's Filed?**
 - 52 filed through September 6th
 - 9 filed in August
- **Application of Threshold: Reasonable Likelihood of Success**
 - CBM instituted in vast majority of CBM Petitions that were evaluated
 - In a number of cases, CBM was ordered on only a subset of petitioned grounds and/or claims

II. Statistics (Stays)

Granted (41):

C.D. CA

Semiconductor Energy Lab Co., Ltd. v. Chimei Innolux Corp. et al.
 Star Envirotech Inc. v. Redline Detection LLC
 AutoAlert, Inc. v. Dominion Dealer Solutions, LLC
 Pi-NET International, Inc. v. The Hertz Corp.

N.D. CA

Grobler v. Apple Inc. (granted in part)
 Grobler v. Sony Computer Entertainment America LLC
 PI-Net International Inc. v Focus Business Bank

COFC

Cheetah Omni, LLC v. USA

D. CO

Fiber, LLC v. Ciena Corporation, et al

D. DE

Softview LLC v Apple Inc. (Stark)
 Trustees of Columbia University in the City of New York v. Illumina, Inc.
 In re: Bear Creek Technologies Patent Litigation
 Walker Digital v. Microsoft

M.D. FL

Capriola Corp. v. Larose Industries, LLC

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N.D. GA

Coprecitec, S.L. et al v. The Brinkmann Corp.,

C.D. IL

Bd. Of Trustees of the Univ. of Illinois v. Micron Tech., Inc.

N.D. IL

Clearlamp LLC v. LKQ Corp.
 Bergstrom, Inc. v. Idle Free Sys., Inc.
 ComplementSoft, LLC v. SAS Institute, Inc.

W.D. KY

SSW Holding Company Inc. v Schott Gemtron Corp.

N.D. OH

Progressive Casualty Ins. Co. v. Safeco Ins. Co. of Ill.
 Nutech Ventures v. Norman Noble, Inc.
 Bennett Regulator Guards, Inc v. Atlanta Gas Light Company, et al

S.D. OH

Escort Inc. v. K-40 Electronics, LLC

D. MN

Cutsforth, Inc. v. LEMM Liquidating Co.,

E.D. PA

Pride Mobility Products Corp. V Permobil

W.D. PA

Centria v. ATAS International, Inc

Granted (continued) (41):

E.D. TX

Network-1 Sec. Solutions, Inc. v. Alcatel-Lucent USA Inc. et al.

Achates Reference Pub., Inc. v. Symantec Corp.

Merck v. Macoven Pharmaceuticals et al.

Uniloc USA, Inc. et al. v. Distinctive Developments Ltd.

N.D. TX

Taylor Publishing Company v CTP Innovations LLC

S.D. TX

E-Watch, Inc. v. FLIR Systems, Inc.

W.D. TX

E-Watch, Inc. v. ACTi Corporation

M.D. TN

CTP Innovations LLC v. Waldsworth Publishing

CTP Innovations LLC v. Textile Printing Company

CTP Innovations LLC v. MPI Label Systems

CTP Innovations LLC v. American Printing Company

CTP Innovations LLC v. Jet Printing, LLC

CTP Innovations LLC v. Magna IV Color Imaging

E.D. WI

Prolitec, Inc. v. ScentAir Technologies, Inc.

Denied (17):

C.D. CA

Universal Electronics v. Universal Remote Control Inc.

N.D. CA

Ariosa Diagnostics, Inc. v. Sequenom, Inc.

S.D. CA

Whalen Furniture Mfg., Inc. v. Z-Line Designs, Inc.

Warsaw Orthopedic Inc. v. NuVasive Inc.

D. DE

General Electric Co. v. Vibrant Media, Inc.

Davol, Inc. v. Atrium Medical Corp.

M.D. FL

Automatic Manufacturing Systems, Inc. v. Primera Technology, Inc.

N.D. IL

SRAM, LLC v. HB Suspension Prods., LLC,

D. MA

Trustees of Boston University v. Everlight Electronics Co., Ltd., et. al.

E.D. MI

Everlight Electronics Inc. v. Nichia Corp.

N.D. MN

Dane Technologies Inc. v Gatekeeper System Inc.

N.D. NJ

Derma Sciences, Inc. et al v. Manukamed Ltd. et al.

N.D. NY

John Mezzalingua Associates, Inc. v. Corning Gilbert, Inc.

W.D. TN

One StockDuq Holdings, LLC v. Becton Dickinson and Co.

W.D. TX

National Oilwell Varco, LP v. Pason Systems USA Corp.

National Oilwell Varco, LP v. Omron Oilfield & Marine, Inc.

W.E. TX

E-Watch , Inc. v. Mobotix Corp. (denied in part)

II. Statistics (Stays)

Factors considered in denying requests for stays:

- Premature (IPR not ordered);
- Advanced stage of district court case;
- Undue prejudice to patent owner

III. Claim Amendments

- Standard
 - Reasonable Number of Substitute Claims
- Timing
 - Prior to Institution (Preliminary Response)
 - Post Institution (Patent Owner Response)

§ 42.107: Preliminary Response

- No claim amendments.
- However, Patent Owner can cancel claims.
- How to effect amendment in preliminary response?
 - File a statutory disclaimer under 35 U.S.C. 253(a).
 - No inter partes review will be instituted based on disclaimed claims. 42.107(e).

§ 42.107: Preliminary Response

Should you cancel claims at this stage?

- How solid is the challenge raised in the petition?
- In defending a claim, do you risk making arguments that could undermine infringement positions and/or other patentability positions?
- Do you risk credibility by defending indefensible claims?

§ 42.121: Amendments after IPR institution

How?

- Filing Motion (Confer)
 - PO confers with Board.
 - Potentially during scheduling conference if amendment then known.
 - Otherwise, must still confer with Board prior to filing motion to amend.
 - **After conferring, PO files motion to amend, which is separate from PO's response.** § 42.121(a).
- Deadline
 - No later than deadline for filing patent owner response unless the Board issues an order with a different date. § 42.121(1).
 - **"Office envisions that most motions to amend will be due three months after a trial is instituted." PTO Trial Practice Guidelines.**
 - Motion to amend typically filed with PO's response.

§ 42.121: Amendments after IPR institution

More than one motion to amend?

- PO is entitled to only ONE motion to amend as a matter of right.
- Additional motions to amend require Board authorization, based on showing of good cause or settlement. § 42.121(c).
- **Standards are similar to “after final” practice for claim amendments in *ex parte* prosecution**

§ 42.121: Amendments after IPR institution

Good cause - Factors:

- Did Petitioner submit additional material after the deadline for filing motions to amend set forth in Scheduling Order?
- Was Patent Owner aware of this material prior to the deadline for filing motions to amend?
- To what degree does the additional material affect the patentability of the original claims?
- How much time is remaining in the trial?

Practice tip: Best to file motion to amend as soon as possible after evidence justifying the amendments is discovered.

III. Motions to Amend: Requirements

- Limited to 15 pages. § 42.24(v).
- Double-spaced, 14 point font. § 42.6.
- Include a claim listing showing the changes. § 42.121(b).
- Show support in original disclosure for substitute claims. § 42.121(b)(1).
- Explain how substitute claims obviate grounds for unpatentability. § 42.121(a)(2)(i).
- Explain how substitute claims are patentable over closest art known to patent owner. *Idle Free Systems, Inc. v. Bergstrom, Inc.*, slip op. IPR2012-00027 (PTAB June 11, 2013).
- New/amended claims cannot enlarge scope of original claims. § 42.121(a)(2)(ii).
- **May only propose a “reasonable number of substitute claims”** (presumption is one substitute claim to replace each challenged claim). § 42.121(a)(3).

III. Claim Amendments

Idle Free Systems, Inc. v. Bergstrom, Inc., slip op. IPR2012-00027 (PTAB June 11, 2013)

- Provides the framework for claim amendments in IPR proceedings.
- One to one substitution:
 - “In the absence of special circumstance, a challenged claim can be replaced by only one claim, and a motion to amend should, for each proposed substitute claim, specifically identify the challenged claim which it is intended to replace.” slip. op. at 5 (emphasis added).
- Contrast with EPRx and IPRx
 - No limit on the number of claims that could be added, no requirement that new/amended claims respond to a ground of unpatentability, and no requirement to correlate new claims with original claims they were replacing.

III. Claim Amendments

Idle Free Systems, Inc. v. Bergstrom, Inc., slip op. IPR2012-00027
(PTAB June 11, 2013)

- PTAB emphasized that IPR is *not* the forum for all types of claim amendments:

“A desire to obtain a new set of claims having a hierarchy of different scope typically would *not* constitute a sufficient special circumstance. An *inter partes* review is more adjudicatory than examinational, in nature If a patent owner desires a complete remodeling of its claim structure according to a different strategy, it may do so in another type of proceeding before the Office.” slip op. at 6 (emphasis in original).
- PTAB suggested EPRx and reissue as examples of “another type of proceeding before the Office.”

III. Claim Amendments

Idle Free Systems, Inc. v. Bergstrom, Inc., slip op. IPR2012-00027
(PTAB June 11, 2013)

- PTAB emphasized the need for patent owner to demonstrate how substitute claims distinguished the prior art:
“For each proposed substitute claim, we expect a patent owner: (1) in all circumstances, to make a showing of patentable distinction over the prior art; (2) in certain circumstances, to make a showing of patentable distinction over all other proposed substitute claims for the same challenged claim; and (3) in certain circumstances, to make a showing of patentable distinction over a substitute claim for another challenged claim.” slip. op. at 6-7.

III. Claim Amendments

Idle Free Systems, Inc. v. Bergstrom, Inc., slip op. IPR2012-00027
(PTAB June 11, 2013)

- To show patentable distinction over the prior art, patent owner must:
 - (a) specifically identify features added to substitute claim vs. challenged claim;
 - (b) present “technical facts and reasoning about those feature(s), including construction of new claim terms” sufficient to demonstrate patentability.
 - Can rely on expert testimony to demonstrate significance of added features
 - “*A mere conclusory statement by counsel*, in the motion to amend, to the effect that one or more added features are not described in any prior art, and would not have been suggested or rendered obvious by prior art, *is on its face inadequate.*” slip op. at 8 (emphasis added).

III. Claim Amendments

Idle Free Systems, Inc. v. Bergstrom, Inc., slip op. IPR2012-00027
(PTAB June 11, 2013)

- **Petitioner can oppose motion to amend “with specific evidence and reasoning, including citation and *submission of any applicable prior art* and reliance on declaration testimony of technical experts, to rebut the patent owner’s position on patentability of the proposed substitute claims.”** slip op. at 8.
- Opposition not limited to prior art identified in original IPR petition.

III. Claim Amendments

Idle Free Systems, Inc. v. Bergstrom, Inc., slip op. IPR2012-00027 (PTAB June 11, 2013)

- Patent owner's burden not limited to demonstrating patentability over prior art of record in IPR:

"The burden is not on the petitioner to show unpatentability, but on the patent owner to show patentable distinction over the prior art of record and also prior art known to the patent owner. Some representation should be made about the specific technical disclosure of the closest prior art known to the patent owner, and not just a conclusory remark that no prior art known to the patent owner renders obvious the proposed substitute claims." slip op. at 7 (emphasis added).

- How does patent owner comply with this requirement?
- Is it fair to argue that the closest prior art known to patent owner is prior art of record in IPR because the latter prompted the amendments?

III. Claim Amendments

Idle Free Systems, Inc. v. Bergstrom, Inc., slip op. IPR2012-00027 (PTAB June 11, 2013)

What must the Patent Owner do if it wants to substitute more than one claim for a challenged claim?

- Must still identify challenged claim that the additional claim is designed to replace.
- Must show patentable distinction of this claim *over all other proposed substitute claims* for the challenged claim.
- **“Each substitute claim for the same challenged claim should be proposed for a meaningful reason. Submission of multiple patentably non-distinct substitute claims is redundant and not meaningful in the context of an *inter partes* review.” slip op. at 9.**
- Risks for Patent Owner?

III. Claim Amendments

Avaya, Inc. v. Network-1 Security Solutions Inc., slip op. IPR2013-00071 (PTAB July 22, 2013)

- Makes clear that Patent Owner's duty to explain why substitute claims are patentable is *not* limited to prior art of record in IPR.

“Patent Owner further should explain its motion why the new claims are patentable over not just the prior art of record, but also prior art not of record but known to Patent Owner This includes addressing the basic knowledge and skill set possessed by a person of ordinary skill in the art even without reliance on any particular item of prior art.” slip op. at 2.

III. Claim Amendments

Avaya, Inc. v. Network-1 Security Solutions Inc., slip op. IPR2013-00071
(PTAB July 22, 2013)

PTAB held that if patent owner wanted to add a feature to a claim, he/she had to do the following:

- (1) Indicate whether the feature was known in *any* context;
- (2) **If known, “explain why that context is so remote or different from that of the claimed invention that one with ordinary skill in the art would not have applied that teaching to arrive at the claimed invention”;**
- (3) **Explain why a person of ordinary skill “would not have adapted relevant basic or general techniques taught in textbooks in the field of the invention to the particular use required by the claimed invention.”**

III. Claim Amendments

Beware the page limitations for motions!

Innolux Corp. v. Semiconductor Energy Laboratory Co. Ltd., slip. op. IPR2013-00066 (PTAB July 18, 2013)

- Motions to amend require inclusion of many items but are limited to 15 pages.
- In *Innolux*, the PTAB denied the patent owner's request to (a) extend the page limit, (b) use single spacing in its claim listing, or (c) to incorporate by reference arguments from its patent owner response into its motion to amend.

III. Claim Amendments

- In *Innolux*, the PTAB offered the following reasons for denying the **patent owner's request**:
 - (1) Single spaced claim listings would adversely impact publication of the post-IPR certificate because the claims would not be in the proper format for publication (additional cost/possible delay).

III. Claim Amendments

(2) No incorporation by reference from patent owner's response:

“The Patent Owner Response should be directed to the claims involved in the proceeding. A motion to amend is contingent upon the Board determining that some or all of the involved claims are unpatentable. In the context of a motion to amend, the patent owner should focus on the feature or features added to each **substitute claim** *A motion to amend is contingent upon the Board determining that the arguments made in a patent owner response are not persuasive.* Therefore, it is not clear why a patent owner would want to include those same exact arguments in its **motion to amend.**” slip op. at 4 (emphasis added).

III. Claim Amendments

- Suggests that Patent Owner's response should focus on patentability of *unamended* claims.
- Is the Board's rationale inconsistent with requiring a motion to amend to be filed no later than the Patent Owner's response?

III. Claim Amendments

(3) No additional pages for motion to amend:

- Patent Owner argued that most of the 15 pages was consumed by the claim listing (double-spaced).
- PTAB countered that there was no reason for Patent Owner to present so many substitute claims.

“[T]here is no apparent reason, and none was provided, why one claim, or even just a few claims, with the single patentable addition would not suffice. To the extent that SEL perceives the limit for motion to amend to be unfair, SEL is not without remedy. SEL may possibly pursue such additional claims by filing a request for *ex parte* reexamination or by filing a reissue application.” slip op. at 5.

III. Claim Amendments

Risks and Strategic Considerations

- Limited ability to add new or amended claims
 - Consider reissue as an alternative
- Requires patent owner to distinguish prior art of record AND closest prior art known to patent owner
 - Admissions
 - Possibly compromise unamended claims
- Allows petitioner to oppose based upon art not of record
 - Possibly allows petitioner to improve its case

- In our initial 7-part webinar series titled “Challenging Patent Validity in the USPTO,” we explored details regarding several of the post grant tools, with 3 sessions dedicated to Inter Partes Review (IPR), and a final session walking through several hypotheticals, to help listeners understand how these apply to common situations.
- Audio and slides for these webinars are posted online at:
<http://fishpostgrant.com/webinars/>
- If you listen to these webinars, you will be well positioned to engage in a conversation over whether and when to use those tools and how to defend against them.

Resources

- F&R web sites:
 - Post-Grant for Practitioners: <http://fishpostgrant.com/webinars/>
 - General: <http://fishpostgrant.com/>
 - IPR: <http://fishpostgrant.com/inter-partes-review/>
 - PGR: <http://fishpostgrant.com/post-grant-review/>
 - Rules governing post-grant: <http://fishpostgrant.com/>
- USPTO sites:
 - AIA Main: http://www.uspto.gov/aia_implementation/index.jsp
 - Inter Partes: http://www.uspto.gov/aia_implementation/bpai.jsp

Questions?



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