

# Post-Grant for Practitioners

Amendments, Live Testimony, and Disclaiming  
to Avoid the Broadest Reasonable  
Interpretation Standard - The PTAB has  
Spoken...

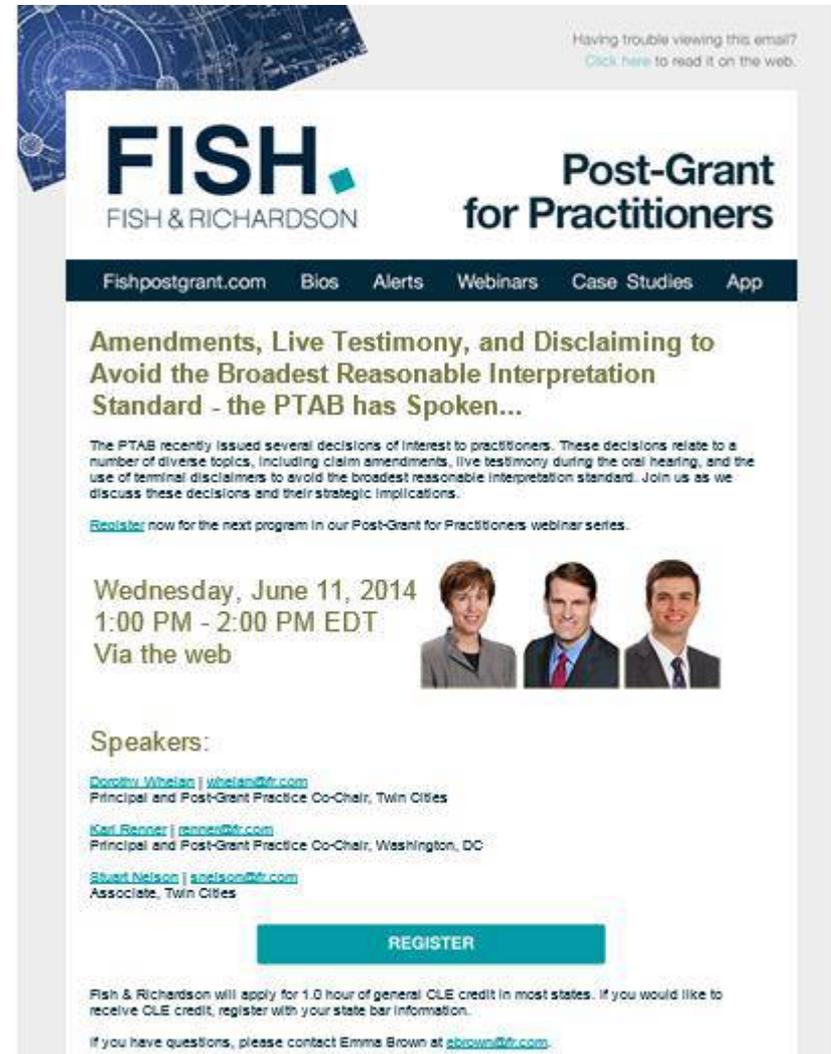


Dorothy Whelan  
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- I. Overview of Webinar Series
- II. Statistics
- III. Motions to Amend
- IV. Oral Hearings
- V. Broadest Reasonable Interpretation

# Overview

- Where? ... see invitation
  - How often? ... monthly
  - When? ... 2<sup>nd</sup> Wednesday
  - Topics? ...
    - Important decisions
    - Developments
    - Practice tips
  - Housekeeping
    - CLE
    - Questions
    - Materials
- <http://fishpostgrant.com/webinars/>



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## Post-Grant for Practitioners

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### Amendments, Live Testimony, and Disclaiming to Avoid the Broadest Reasonable Interpretation Standard - the PTAB has Spoken...

The PTAB recently issued several decisions of interest to practitioners. These decisions relate to a number of diverse topics, including claim amendments, live testimony during the oral hearing, and the use of terminal disclaimers to avoid the broadest reasonable interpretation standard. Join us as we discuss these decisions and their strategic implications.

[Register](#) now for the next program in our Post-Grant for Practitioners webinar series.

Wednesday, June 11, 2014  
1:00 PM - 2:00 PM EDT  
Via the web



**Speakers:**

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**REGISTER**

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

If you have questions, please contact Emma Brown at [ebrown@fr.com](#).

## II. Statistics (IPR)

- IPR's Filed?
  - **1262** filed through June 1, 2014
  - **131** filed in May 2014
- Application of Threshold: Reasonable Likelihood of Success
  - IPR continues to be instituted in most petitions evaluated
  - In many cases, however, IPR was ordered on only a subset of the grounds requested

## II. Statistics (CBM)

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- CBM's Filed?
  - **181** filed through June 1, 2014
  - **19** filed in May 2014
- Application of Threshold: More Likely Than Not
  - CBM also instituted in vast majority of Petitions evaluated
  - Here too, CBM is often ordered on only a subset of petitioned grounds and/or claims

## II. Statistics (Final Written Decisions)

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- FWD's Filed?
  - IPR: **64** through June 1, 2014
  - CBM: **11** through June 1, 2014
- Almost all have found all claims unpatentable
- One motion to amend claims granted to date

## II. Stays (Statistics)

- Frequently updated listing of district court orders related to motions to stay is provided on our post-grant website, [fishpostgrant.com/stays](https://fishpostgrant.com/stays)
- Webpage contains a tally of motions for stay granted and motions for stay denied, and provides the court orders
- Most motions for stay continue to be granted

# III. Motions to Amend

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*International Flavors & Fragrances Inc. v. The United States of America*, IPR2013-00124, Paper No. 12 (PTAB May 20, 2014)

- First motion to amend claims granted to date
- Provides insight into PTAB's requirements
- Aspects of grant suggest that bar will remain high

# III. Motions to Amend

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## Requirements for Motions to Amend:

- Governed by 35 U.S.C. § 316(d) and 37 CFR § 42.121
- Broadly: Patent owner *may* file 1 motion to amend by canceling any challenged claim or by proposing a “reasonable number of substitute claims.”
- Presumption: one substitute claim for each challenged claim.
- Prohibition: Cannot enlarge scope of original claim or introduce new matter.
- Technical Requirements:
  - Motion must include a claim listing showing amendments and identify support in original disclosure for amendments.
  - Limited to 15 pages. May be opposed. 37 CFR §§ 42.22-42.24.
  - Must be filed no later than filing of patent owner response.

# III. Motions to Amend

- Leading case for standards governing motions to amend is *Idle Free Systems, Inc. v. Bergstrom, Inc.*, IPR2014-00027, Paper No. 26 (PTAB June 11, 2013).
- Per *Idle Free*, patent owner bears the burden of establishing, by a preponderance of the evidence, that the substitute claims are patentable.
- Patent owner must establish patentability over prior art in IPR proceeding AND closest prior art known to patent owner.
- To establish patentability, patent owner must (a) specifically identify features added to substitute claims and (b) present “technical facts and reasoning about those feature(s), including construction of new claim terms.”

# III. Motions to Amend

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*International Flavors & Fragrances Inc. v. The United States of America*, IPR2013-00124, Paper No. 12 (PTAB May 20, 2014)

- Petitioner challenged claims 1, 4, 5, 7, 8, and 14-26 of '016 patent.
- PTAB instituted trial as to all challenged claims.
- Patent owner did NOT file a response following institution. Instead, filed motion to amend canceling claims 1-26 and substituting new claims 27-45.
- Petitioner did NOT oppose motion to amend.

# III. Motions to Amend

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*International Flavors & Fragrances Inc. v. The United States of America*, IPR2013-00124, Paper No. 12 (PTAB May 20, 2014)

- Patent was directed towards a method for repelling arthropods.
- Original claim 1: required treating object or area with an isolongifolenone analog.
- Prior reference (Behan) in IPR disclosed repelling mosquitoes and cockroaches with a particular isolongifolenone analog.
- Substitute claim 27: identical to claim 1 except limited isolongifolenone analog to a member of the Markush group found in original claim 8. Group excluded Behan's analog.
- Substitute claims 28-44 depended on claim 27, and corresponded to original claims 9-26.
- Substitute claim 45: identical to claim 1 except limited arthropods to ticks or mites, rather than limiting the class of analogs.

# III. Motions to Amend

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*International Flavors & Fragrances Inc. v. The United States of America*, IPR2013-00124, Paper No. 12 (PTAB May 20, 2014)

- PTAB granted motion to amend as to substitute claims 27-44, but denied it with respect to claim 45.
- Straightforward for patent owner to establish absence of broadening for substitute claims because each added features to original claims.
- Straightforward for patent owner to establish written description support for substitute claims because claims 27-44 added features formerly found in dependent claims, and feature added to claim 45 explicitly disclosed in original patent specification.

# III. Motions to Amend

*International Flavors & Fragrances Inc. v. The United States of America*, IPR2013-00124, Paper No. 12 (PTAB May 20, 2014)

- Substitute claims 27-44 novel over closest prior art (Behan) because they excluded Behan's analog.
- To demonstrate nonobviousness, patent owner submitted publications and an expert declaration to establish that even small structural changes could create compounds having different properties, including compounds that no longer repelled insects.
- PTAB held that evidence was sufficient to prove that substitute claims 27-44 were patentable.

# III. Motions to Amend

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*International Flavors & Fragrances Inc. v. The United States of America*, IPR2013-00124, Paper No. 12 (PTAB May 20, 2014)

- For substitute claim 45, patent owner also submitted publications and expert declaration to establish that a compound used to repel mosquitoes and cockroaches would not be expected to repel ticks and mites.
- PTAB denied the motion as to claim 45 because patent owner:
  - “provides no evidence that ticks and mites would not be present on the same objects or areas where mosquitoes and cockroaches are found, which are the insects addressed in Behan. Thus, by applying the isolongifolanone taught by Behan to an object or airspace for the purpose of repelling mosquitoes or cockroaches, one would also inherently repel ticks and mites.”

# III. Motions to Amend

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*International Flavors & Fragrances Inc. v. The United States of America*, IPR2013-00124, Paper No. 12 (PTAB May 20, 2014)

## Takeaways from *International Flavors*:

- Bar for successful motions to amend remains high, consistent with PTAB's view that IPR trials are not patent examinations, and not a forum for extensive claim amendments
- Facts of *International Flavors* were unusual: no patent owner's statement, petitioner did not oppose motion.
- Yet, even under this scenario, motion to amend granted only in part.

# IV. Oral Hearings

*K-40 Electronics LLC v. Escort, Inc.*, IPR2013-002-3, Paper Nos. 34 and 36 (PTAB May 21 and 30, 2014)

- First time PTAB authorized live testimony at oral hearing
- PTAB granted patent owner's motion to present live testimony from the inventor at the oral hearing
- Patent owner previously submitted a declaration from the inventor to antedate the only two references at issue in the IPR
- Patent owner had submitted declarations from the inventor in other PTO proceedings to antedate the same reference
- PTAB granted the motion because demeanor of witness was critical to assessing credibility and could be case-dispositive

# IV. Oral Hearings

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*K-40 Electronics LLC v. Escort, Inc.*, IPR2013-002-3, Paper Nos. 34 and 36 (PTAB May 21 and 30, 2014)

## Factors Considered:

1. “importance of the witness’s testimony to the case, i.e., whether it may be case dispositive;”
2. Whether witness is a fact witness or an expert witness:

“Another factor favoring live testimony is that Mr. Orr is a fact witness. In contrast, the credibility of experts often turns less on demeanor and more on the plausibility of their theories.”

- PTAB stressed that granting requests for live testimony would not become the norm

# IV. Oral Hearings

*K-40 Electronics LLC v. Escort, Inc.*, IPR2013-002-3, Paper Nos. 34 and 36 (PTAB May 21 and 30, 2014)

PTAB set forth the following format for the live testimony:

1. Proceedings begin with live testimony
2. Petitioner gets up to 30 minutes of cross-examination
3. Patent Owner gets up to 30 minutes of re-direct

# IV. Oral Hearings

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*K-40 Electronics LLC v. Escort, Inc.*, IPR2013-002-3, Paper Nos. 34 and 36 (PTAB May 21 and 30, 2014)

- Petitioner filed a request for rehearing
- PTAB granted request in part
- PTAB stated that petitioner was not required to conduct cross-examination during oral hearing, but could choose to rely on deposition testimony
- PTAB stated that although there was a video record of the inventor's deposition testimony, "this case presents special circumstances warranting the presentation of live testimony."
- PTAB authorized petitioner to submit up to 30 minutes of the video recording within 5 days of the oral hearing
- PTAB modified oral hearing by limiting redirect examination to the discretion of the Board

# IV. Oral Hearings

*K-40 Electronics LLC v. Escort, Inc.*, IPR2013-002-3, Paper Nos. 34 and 36 (PTAB May 21 and 30, 2014)

## Takeaways:

- PTAB will authorize live testimony at oral hearings but in **very** limited circumstances
- Fact witness where demeanor is critical and potentially dispositive
- Prior video-recorded deposition testimony not a bar
- Unlikely to apply in the majority of IPR trials because witnesses are typically experts
- More likely in PGR?

# V. Broadest Reasonable Interpretation

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*Amkor Tech., Inc. v. Tessera, Inc.*, IPR2013-00242, Paper No. 129 (PTAB May 22, 2014)

- PTAB applies broadest reasonable construction (“BRI”) to claims unless patent has expired.
- In *Amkor*, patent owner filed a terminal disclaimer that would have caused the patent at issue in the IPR to expire, thereby avoiding application of BRI.
- PTAB ruled that terminal disclaimer would be held in abeyance until final written decision, and that BRI would continue to apply.

# V. Broadest Reasonable Interpretation

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*Amkor Tech., Inc. v. Tessera, Inc.*, IPR2013-00242, Paper No. 129 (PTAB May 22, 2014)

- Patent owner did not file terminal disclaimer until after petitioner has filed its reply—i.e. well after trial instituted.
- Patent owner never challenged PTAB’s claim constructions or application of the BRI standard
- In deciding to hold the terminal disclaimer in abeyance, PTAB emphasized late stage of proceedings:

“It is not feasible, at this late stage of the proceeding, to change the standard by which the challenged claims will be interpreted, as ***all*** of the arguments and evidence we have before us have applied the broadest reasonable interpretation standard.”

- PTAB further noted that changing the claim construction standard would have required re-starting the proceedings and would have jeopardized ability to complete trial within one year.

# V. Broadest Reasonable Interpretation

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*Amkor Tech., Inc. v. Tessera, Inc.*, IPR2013-00242, Paper No. 129 (PTAB May 22, 2014)

- Would the result have been different if patent owner had filed the terminal disclaimer earlier—e.g., before trial institution?
- PTAB expressed concern re gamesmanship and potential for abuse

# Post-Grant for Practitioners

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- In Fish & Richardson's 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.

- 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/>
  - Post-Grant App: <http://fishpostgrant.com/app/> *New!*
- USPTO sites:
  - AIA Main: [http://www.uspto.gov/aia\\_implementation/index.jsp](http://www.uspto.gov/aia_implementation/index.jsp)
  - Inter Partes: [http://www.uspto.gov/aia\\_implementation/bpai.jsp](http://www.uspto.gov/aia_implementation/bpai.jsp)

# Thank You!

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