

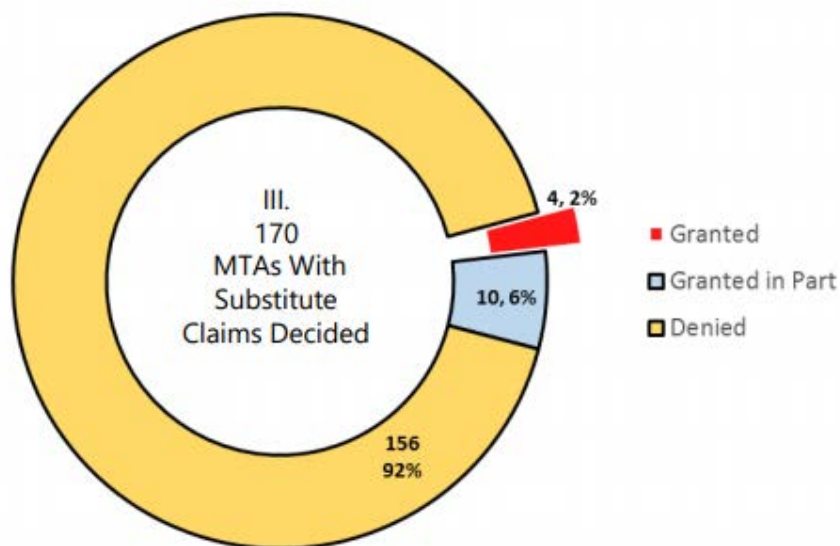
An Uptick In PTAB's Motion To Amend Grant Rate

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The PTAB has long been hesitant in granting motions to amend. But a recent review of motion to amend statistics shows that they are being granted with greater frequency—with a notable uptick since February. Although it's likely still too early to draw any conclusions from this change, patent owners should increasingly consider adding motions to amend to their overall IPR/PGR strategy.

This past spring, Chief Administrative Patent Judge David Ruschke presented slides with statistics on PTAB motion to amend practice. The numbers were bleak for patent owners. As of September 2017, only 8% of motions to amend have been granted or granted-in-part, and 92% have been denied.

**Disposition of Motions to Amend
Through September 30, 2017**



Facing such long odds, patent owners often forgo the time and expense of filing motions to amend, instead focusing their efforts on petitioners' substantive invalidity arguments. As a result, through September 2017, motions to amend have been filed in only 29% of PTAB trials¹

In October of last year, the Federal Circuit issued an en banc decision in *Aqua Products Inc. v. Matal*, holding that the patent owner does not bear the burden of proving patentability of its amended claims. Instead, the burden appears to be on the petitioner or, in some cases, is shared by the PTAB.² In view of this shift, the initial consensus

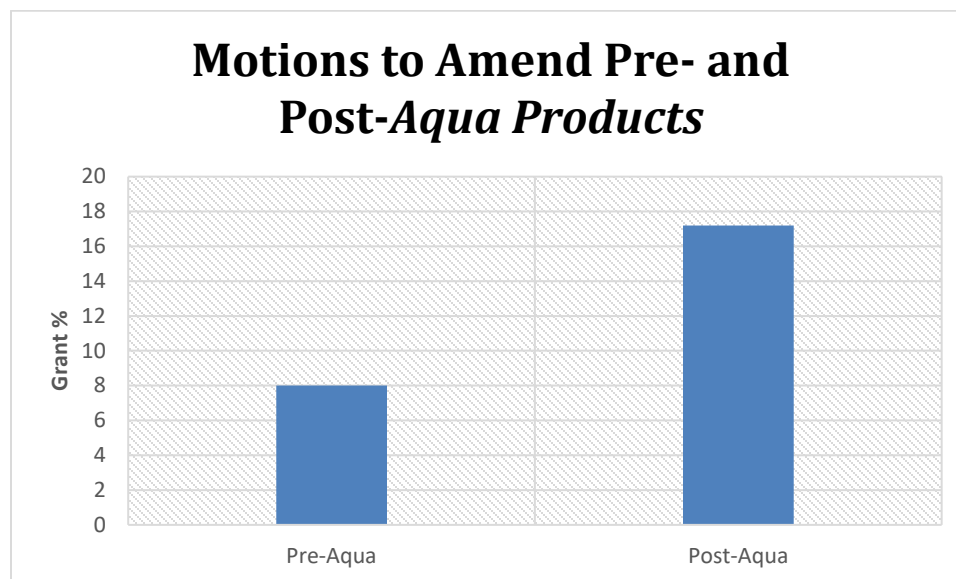
¹ PTAB [Motion to Amend Study](#) at 4 (Sept. 30, 2017).

² See *Western Digital Corp. v. SPEX Techs., Inc.*, IPR2018-00082, -00084, Apr. 25, 2018 (Paper 13) (informative) (indicating burden "ordinarily" lies with petitioner but that "the Board itself also may justify any finding of unpatentability by reference to the evidence of record...."); see also Steven Trader, [USPTO Says Fed Circ. Ruling Misapplies Aqua Decision](#), Law360 (Feb. 13, 2018).

following *Aqua Products* was that the PTAB would loosen its reigns and begin granting motions to amend at a greater pace.

Shortly after the *Aqua Products* decision, the Board issued guidance indicating that it would no longer place the burden of persuasion on the patent owner with respect to the patentability of any substitute claims presented in a motion to amend. Otherwise, however, the Board indicated, “practice and procedure before the Board will not change.”³ In fact, early statistics indicated that little did change in terms of grant rate. One recent study based on numbers through February, for example, concluded that the shift in burden did not have an appreciable impact on the motion to amend grant rate.⁴

More recently, however, the numbers *have* changed, appearing to show a shift in patent owners’ favor. Since the Federal Circuit’s decision in *Aqua Products* on October 4, 2017, the PTAB has decided 29 motions to amend and has granted or granted-in-part 5 of these motions. The resulting 17% grant rate is **more than two times greater** than the pre-*Aqua Products* grant rate.⁵ Moreover, of the 29 motions to amend decided by the Board since the *Aqua Products* decision, seven of these motions to amend were denied as moot since the motion was decided in a corresponding case that was instituted on the same patent.⁶ Factoring out these decisions from the statistics, the grant rate rises even more to 23%.



Taking a closer look, the grant rate shows a particularly interesting trend in recent months. Although the sample size was small, in March the Board granted 66% of motions to amend, and in April the Board granted 50% of motions to amend. These recent months stand in contrast to the span from October 2017 to February 2018, when

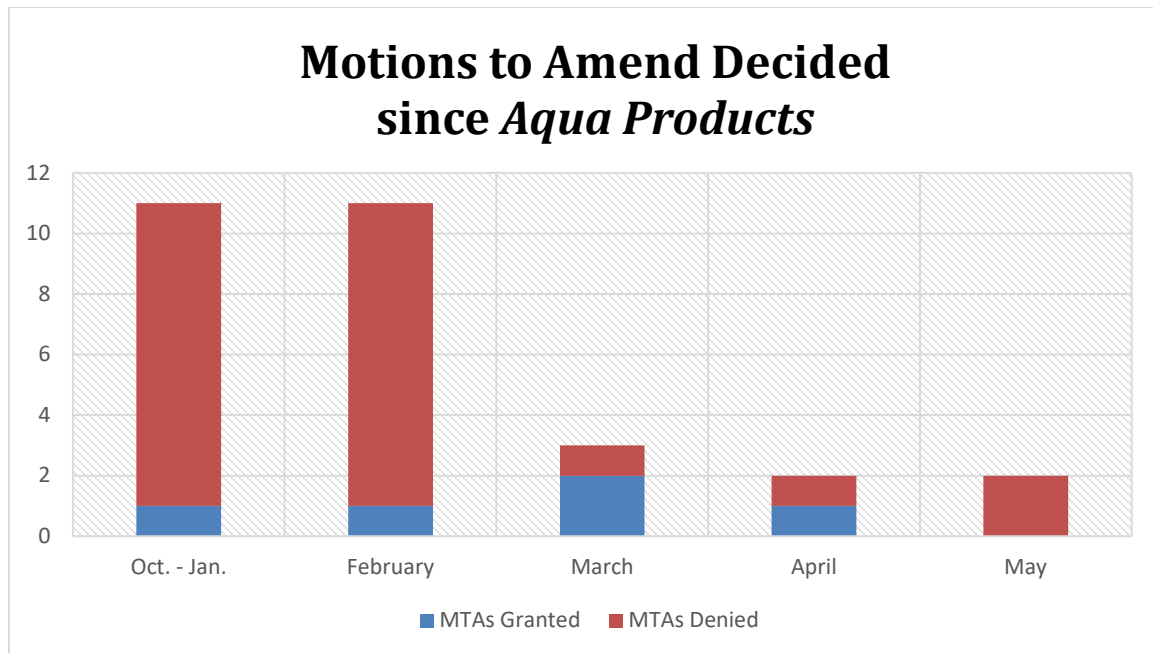
³ Memorandum from David P. Ruschke, Chief Administrative Patent Judge, to the Patent Trial and Appeal Board, U.S.P.T.O. (Nov. 21, 2017).

⁴ James Glass and Richard Lowry, [IPR Claim Amendments in the Wake of Aqua Products](#), Law360 (Mar. 5, 2018).

⁵ Statistics were taken between October 4, 2017 and May 31, 2018. Three of these motions to amend were granted-in-part.

⁶ The Board denied the motions to amend as moot regardless of whether the motion was granted or denied.

the Board granted only 9% of motions to amend. The increase in overall grant rate is notable and could reflect the beginning of a new trend.



*MTAs that have been granted or granted-in-part as of May 31, 2018.

The significance of this uptick remains to be seen. Nevertheless, it is noteworthy that the total number of motions to amend granted in March and April was more than the number granted in the immediately preceding five months combined. It remains to be seen whether March and April were just outliers or whether they reflect a change in PTAB practice.

Notably, Andrei Iancu, who was confirmed as the new Director of the US Patent & Trademark Office in February, has repeatedly indicated the need for patent reform, in particular in the PTAB, to provide greater consistency and certainty in the US patent system.⁷ He has also been a strong advocate in strengthening patents and has specifically mentioned amendment practice as an area of particular focus.⁸ The recent uptick in motions to amend granted in March and April coincides with his swearing in February, and it is possible that the increased grant rate may be tied to his confirmation as the new Director.

Do these numbers support a change in how the PTAB is evaluating motions to amend? Perhaps. On the one hand, it makes sense that the change in burden would result in an

⁷ [Remarks by Director Iancu at U.S. Chamber of Commerce Patent Policy Conference](#), "Role of U.S. Patent Policy in Domestic Innovation and Potential Impacts on Investment," Keynote Address, April 11, 2018.

⁸ In May, the PTAB proposed new rules changing the claim construction standard for PTAB proceedings, including for motions to amend, from the "broadest reasonable interpretation" standard to the narrower *Phillips* standard. Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board, 83 Fed. Reg. 21221 (proposed May 9, 2018).

increased motion to amend grant rate. On the other hand, it's still too early to make any definitive conclusion on the impact of the *Aqua Products* decision on motion to amend practice. To be sure, more data is needed. But one thing remains clear: the effect of the *Aqua Products* decision on PTAB practice is evolving.

The recent increase in motion to amend grant rate supports that the Board may be increasingly willing to grant motions to amend post-*Aqua Products*. As a result, patent owners would be well-advised, at least for the time being, to strongly consider incorporating motions to amend as a part of their overall IPR and PGR strategy.