Insights: Alerts

PTAB Relaxes Rules Related to Motion to Amend in IPR

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Following early criticisms of nearly impossible-to-meet requirements for granting of motions to amend in IPR proceedings, the Patent Trial and Appeal Board (PTAB) has signaled a relaxing of the standards.

In the *Final Written Decision of Idle Free Systems*, the PTAB instructed that the patent owner must "… show patentable distinction over the prior art of record and *also prior art known to the patent owner*. [1] 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." (emphasis in opinion) PTAB went on to explain that the patent owner should address what the person having ordinary skill would have known, particularly with respect to claim elements added in the proposed amendment. Judge Newman's dissent in the appeal of *In re Cuozzo* noted that possibility for amendment in AIA proceedings under this standard "thus far appears to be almost entirely illusory." [2] The PTAB appears to have reacted to the criticism.

More recently, in *MasterImage*, [3] the PTAB clarified the somewhat relaxed requirements for amendment. The PTAB explained that reference to "prior art of record" in *Idle Free* refers to: a) any material art in the prosecution history of the patent; b) any material art of record in the current proceeding, including art asserted in grounds on which the Board did not institute review; and c) any material art of record in any other proceeding before the Office involving the patent.

The PTAB also noted that its reference to "prior art known to the patent owner" is to be understood as "no more than the material prior art that Patent Owner makes of record in the current proceeding pursuant to its duty of candor and good faith to the Office under 37 C.F.R. § 42.11, in light of a Motion to Amend." In proposing an amendment, a patent owner should place initial emphasis on each added limitation.

Finally, the PTAB explained that once the patent owner sets forth a *prima facie* case of patentability for proposed narrower substitute claims, the burden shifts to Petitioner to rebut or explain why the patent owner did not make out a *prima facie* case. Ultimately, the burden of persuasion remains with the patent owner, who has an opportunity to respond to Petitioner in its reply.

The motion to amend must also point to written description support for proposed amendments and it must not enlarge claim scope. This clarification of the rules, suggesting a more permissive PTAB approach, came shortly after another rare example where motion to amend was granted, in *REG Synthetic Fuels v. Neste Oil OYJ*. [4]

This decision is especially noteworthy because the patent owner failed to address specific prior art references raised by the petitioner in the proceeding. In spite of this relaxing of the standards, a significant uptick in the rate of PTAB allowances of motions to amend remains to be seen.

[1] *Idle Free Systems, Inc. v. Bergstrom, Inc.,* IPR2012-00027 (PTAB, January 7, 2014).
[2] *In re Cuozzo Speed Techs., LLC*, No. 14-1301 (Fed. Cir. Feb. 4, 2015).
[3] *MasterImage 3D, Inc. v. RealD Inc.,* IPR 2015-00040 (PTAB, July 15, 2015).
[4] *REG Synthetic Fuels LLC v. Neste Oil OYJ*, IPR 2014-00192 (PTAB, June 5, 2015).

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