Insights: Alerts

A Second Chance for a Motion to Amend

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On Tuesday, August 30, the Federal Circuit vacated the Patent Trial and Appeal Board's denial of a motion to amend. *Veritas Techs. LLC v. Veeam Software Corp*., Case No. 15-1894. The Federal Circuit found that "the Board was arbitrary and capricious in its sole ground for denying the motion." Slip Op. at 3. The Federal Circuit remanded the case to the Board to determine the patentability of Veritas' proposed amended claims.

The patent at issue describes a method for creating and restoring backups, including block-level and file-level background restoration. In the *inter partes* review, Veritas filed a response including arguments for limiting the claims to file-level background restoration. In the alternative, Veritas submitted conditional amended claims expressly limited to file-level background restoration. Along with its amendment, Veritas submitted arguments that the newly added features were not described in the prior art and specifically discussed the prior art on which the Board instituted review. Veritas also submitted a declaration to support the arguments.

The Board made no evidentiary determination of the patentability of the proposed amended claims. Instead, the Board concluded that Veritas had not made a requisite showing because it did not "discuss whether each newly added feature was separately known in the prior art." Slip Op. at 13. The Federal Circuit found that the Board was arbitrary and capricious in denying the motion to amend. "We do not see how the Board could reasonably demand more from Veritas in this case." Slip Op. at 15.

Somewhat surprisingly, the Federal Circuit made this finding despite having recently granted *en banc* review in the *In Re Aqua Products, Inc*. case, which challenges the procedures for amending claims in PTAB proceedings. The Federal Circuit noted this, stating that the "rationale here is erroneous independently of any resolution" in *In Re Aqua Products*. Slip Op. at 15-16.

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