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# Insights from the First Year of the USPTO’s New Motion to Amend Pilot Program

BY BROOKE M. WILNER AND AMANDA K. MURPHY, PH.D.

Andrei Iancu, Director of the American Intellectual Property Law Association’s 2018 annual meeting, has repeatedly stated his desire to give patent owners greater ability to amend claims during AIA trial proceedings.<sup>1</sup> In March 2019, the USPTO took a step in that direction with its pilot program for motion to amend practice.<sup>2</sup> An eligible patent owner who chooses to take advantage of the pilot program can receive valuable preliminary guidance from the Board on its motion to amend, and, if desired, can file a revised motion to amend based on that feedback.<sup>3</sup> Eighteen months after the pilot program’s launch, only a handful of eligible trials have reached final disposition at the Board. In this article, we take a close look at each of these cases to analyze whether and how the Board’s preliminary guidance has impacted their outcome—and provide strategic practice tips for both petitioners and patent owners.

## HOW THE PILOT PROGRAM WORKS

Under the motion to amend pilot program,<sup>4</sup> a patent owner is provided “with two options not previously available.”<sup>5</sup> First, the patent owner may

1. See, e.g., Andrei Iancu, *Remarks by Director Iancu at the Am. Intellectual Property L. Ass’n Annual Meeting*, USPTO (Oct. 25, 2018), <https://www.uspto.gov/about-us/news-updates/remarks-director-iancu-american-intellectual-property-law-association-annual>.

2. Notice Regarding a New Pilot Program Concerning Motion to Amend Practice and Procedures in Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board, 84 Fed. Reg. 9497 (Mar. 15, 2019) [hereinafter “Pilot Program Notice”].

3. *Id.*; see also *Patent Quality Chat Webinar Series: New pilot program for motions to amend in AIA trial proceedings*, USPTO, at 10 (Apr. 9, 2019), [https://www.uspto.gov/sites/default/files/documents/Patent%20Quality%20Chat%20Webinar%20Motions%20to%20Amend%20PTAB%204\\_2019.pdf](https://www.uspto.gov/sites/default/files/documents/Patent%20Quality%20Chat%20Webinar%20Motions%20to%20Amend%20PTAB%204_2019.pdf) [hereinafter, “Patent Quality Webinar”].

4. This is only a brief summary of the pilot program. For more information, see Pilot Program Notice, *supra*, n. 2; see also J. Derek McCorquindale, *The USPTO Creates a Sweeping New Pilot*

elect to receive “preliminary guidance” from the Board on its motion to amend.<sup>6</sup> Second, after receiving that guidance and/or the petitioner’s opposition to the motion, the patent owner “may choose to file a revised” motion to amend.<sup>7</sup> Both the original and revised motions to amend are presumed to be contingent unless the patent owner indicates otherwise or cancels its original claims.<sup>8</sup> If the patent owner does not choose to utilize either option under the pilot program, the AIA trial and the motion to amend practice is largely unchanged.<sup>9</sup>

If the patent owner chooses one or both options under the pilot program, however, the AIA trial changes in several ways. One of these changes involves the schedule: if the patent owner elects to file a revised motion to amend, the Board will issue a revised scheduling order that alters certain deadlines.<sup>10</sup> For example, the parties will receive six weeks for filing reply and sur-reply briefs regarding the motion to amend, rather than the typical one-month deadline.<sup>11</sup> And, of course, the revised schedule will make time for the Board to issue its preliminary guidance. If requested, the Board is required under the program to provide such guidance within four weeks of the due date for the Petitioner’s opposition to the motion to amend.<sup>12</sup>

The USPTO made clear in the Pilot Program Notice that the Board’s preliminary guidance is a non-binding, initial assessment of whether, based on the record at that point in the case, (1) there is a reasonable likelihood that the motion meets statutory and regulatory requirements and (2) the Petitioner has established a reasonable likelihood that the proposed substitute claims are unpatentable.<sup>13</sup> Focusing only on the limitations added in the motion to amend, the guidance does not address the patentability of the original claims or provide any case-dispositive

*Program for Motions to Amend*, FINNEGAN (Mar. 15, 2019), <https://www.finnegan.com/en/insights/blogs/america-invents-act/the-uspto-creates-a-sweeping-new-pilot-program-for-motions-to-amend.html>.

5. Patent Quality Webinar at 10.

6. *Id.*

7. *Id.*

8. *Id.* at 13.

9. *Id.* at 11.

10. *Id.* at 12. For example, under the pilot program, the oral hearing occurs ten months from the institution decision, rather than the typical nine months. *Id.* at 14. And other briefing deadlines are generally compressed. For example, the Petitioner only receives three weeks to draft its sur-reply to the patent owner’s motion to amend, rather than the usual six. *Id.* at 14. In any event, the final written decision must be issued on or before the statutory deadline—one year after the institution decision. 35 U.S.C. § 316(a)(11).

11. Patent Quality Webinar at 16.

12. *Id.* at 17.

13. Pilot Program Notice, *supra*, n. 2.

conclusions.<sup>14</sup> In addition, parties cannot request rehearing of the preliminary guidance.<sup>15</sup> With this background in mind, we will now examine the handful of cases that have utilized the pilot program and proceeded to final written decision.

#### COMPLETED CASES THAT UTILIZED THE PROGRAM

Only AIA trials that began on or after the publication date of the Pilot Program Notice are eligible for inclusion in the program. Given the length of the average AIA trial, it is perhaps not surprising that eighteen months after the program's inception, only five trials that have taken advantage of the program have reached final disposition.

The first pilot program trial to reach a final written decision was *KOA Corp. v. Vishay Dale Electronics, LLC*, in which the patent owner decided not to file a revised motion to amend in response to the Board's preliminary guidance, and instead filed only a reply to the petitioner's opposition to the motion to amend.<sup>16</sup> In its final written decision, the Board noted that "the Preliminary Guidance . . . is not binding," and thus that it would "consider anew Patent Owner's Motion to Amend and Petitioner's Opposition," as well as the parties' reply and sur-reply briefing.<sup>17</sup>

In the reply brief, the patent owner addressed the patentability concerns that the Board had identified in its preliminary guidance.<sup>18</sup> Specifically, in its preliminary guidance, the Board stated that the proposed amended claim may be an unpatentable product-by-process claim. In its reply, the patent owner argued that the added step should be afforded patentable weight because it "imparts distinguishing structure and function to the claimed product."<sup>19</sup> The Board ultimately agreed, finding that the petitioner had sufficiently shown that some of the original claims were unpatentable, but not that the proposed amended claim was unpatentable.<sup>20</sup>

Another pilot program patent owner success can be seen in *Snap, Inc. v. Blackberry Ltd.*<sup>21</sup> Unique among completed pilot program trials, the

14. *Id.*

15. *Id.*

16. IPR2019-00201 (PTAB Nov. 5, 2018).

17. *Id.*, Paper 30 at 82 (PTAB May 7, 2020).

18. *Id.*

19. *Id.* at 90.

20. *Id.* at 102.

21. IPR2019-00715 (PTAB Feb. 22, 2019).

patent owner's motion to amend in that case was non-contingent.<sup>22</sup> The Board's preliminary guidance indicated that the petitioner's arguments "seemed persuasive" to show that the primary limitation of the proposed substitute claim was obvious.<sup>23</sup> As in *KOA Corp.*, the patent owner did not file a revised motion to amend, but did file a reply to the petitioner's opposition to the motion to amend.<sup>24</sup>

The preliminary guidance in *Snap* also indicated that some of the petitioner's arguments in its opposition brief regarding the obviousness of the amended claim were not sufficiently explained.<sup>25</sup> Despite this guidance, however, the petitioner did not provide alternative obviousness positions in its subsequent briefing.<sup>26</sup> The patent owner refuted petitioner's arguments in its reply brief, specifically challenging whether the prior art references indeed taught the proposed claim limitations. Ultimately, the Board granted the patent owner's non-contingent motion to amend, noting that "based on the full record," it "no longer h[e]ld that view" from the preliminary guidance that the primary claim limitation was obvious.<sup>27</sup>

Another case in which the patent owner found partial success is *ClearOne, Inc. v. Shure Acquisition Holdings, Inc.*<sup>28</sup> In that case, after receiving the Board's preliminary guidance, the patent owner filed a revised motion to amend adding further limitations to the original claims, which the Board ultimately granted in large part.<sup>29</sup> After finding many of the original claims unpatentable, the Board reconsidered anew the patent owner's revised motion to amend. "For the matter in the proposed substitute claims that [wa]s in the original claims," the Board found that the "Petitioner has made a persuasive showing of unpatentability."<sup>30</sup> But while the petitioner was also successful in showing that several proposed amended claims were unpatentable, the Board concluded that certain limitations added by the patent owner in response to the preliminary guidance rendered eleven of the proposed amended claims nonobvious.<sup>31</sup>

22. *Id.*, Paper 37 at 80 (PTAB Sept. 1, 2020). As discussed above, motions to amend under the pilot program are presumed to be contingent unless the patent owner indicates otherwise. *See* n. 8, *supra*.

23. *Snap, Inc. v. Blackberry, Ltd.*, IPR2019-00715, Paper 37 at 90 (PTAB Sept. 1, 2020).

24. *Id.* at 80. Remember that motions to amend under the pilot program are presumed to be contingent unless the patent owner indicates otherwise. *Supra* note 8.

25. *Id.* at 101.

26. *Id.* at 92–93.

27. *Id.* at 90, 142.

28. IPR2019-00683 (PTAB Feb. 15, 2019).

29. *Id.*, Paper 91 at 2 (PTAB Aug. 14, 2020).

30. *Id.* at 100.

31. *Id.* at 116–17. The petitioner has filed a request for rehearing of the Board's final written decision. *See id.*, Paper 92 (PTAB Aug. 24, 2020).

Not all patent owners have been successful under the pilot program, however. In *Mylan Pharmaceuticals Inc. v. Sanofi-Aventis Deutschland GmbH*,<sup>32</sup> for example, the Board determined that the proposed substitute claims were unpatentable despite the patent owner filing a revised motion to amend after receiving the Board's preliminary guidance.<sup>33</sup> In its final written decision, the Board faulted the patent owner for not responding to all of the arguments raised in petitioner's reply. For example, in responding to at least one of petitioner's obviousness arguments, the patent owner did not dispute whether a person having ordinary skill in the art would have had a reasonable expectation of success in arriving at the amended claims after making the petitioner's proposed modifications to the prior art.<sup>34</sup> And for other claim limitations, the Board noted that the patent owner had not provided any argument at all.<sup>35</sup> Ultimately, the Board found that the petitioner had shown all of the challenged claims were unpatentable and denied the patent owner's revised motion to amend.<sup>36</sup>

And in the only post-grant review proceeding to reach final determination under the pilot program, the patentee in *LifeScan Global Corp. v. Ikeda Food Research, Ltd.*<sup>37</sup> likewise was unable to convince the Board that its proposed substitute claim was patentable.<sup>38</sup> The Board's preliminary guidance indicated that the patent owner's motion likely did not satisfy the statutory and regulatory requirements associated with filing a motion to amend because it sought to introduce new matter.<sup>39</sup> Further, the guidance stated that the petitioner had established a reasonable likelihood that the proposed substitute claims were unpatentable.<sup>40</sup> After receiving the Board's preliminary guidance, the patent owner filed a revised motion to amend.<sup>41</sup> In its revised motion, the patent owner sought to cancel an original claim and proposed a substitute claim.<sup>42</sup>

In its sur-reply, the petitioner echoed the Board's preliminary guidance, arguing not only that the proposed substitute claim was obvious,

32. IPR2018-01679.

33. *Id.*, Paper 100, at 114–15 (PTAB May 29, 2020).

34. *Id.* at 86.

35. *See, e.g., id.* at 94.

36. *Id.* at 115. The patent owner has filed a notice of appeal. *See id.*, Paper 101 (PTAB July 23, 2020).

37. PGR2019-00032 (PTAB Jan. 30, 2019).

38. *LifeScan Global Corp. v. Ikeda Food Res., Ltd.*, PGR2019-00032, Paper 38 (PTAB Aug. 12, 2020).

39. *Id.*, Paper 27, at 3 (PTAB Mar. 10, 2020).

40. *Id.* at 7.

41. *Id.*, Paper 38, at 3 (PTAB Aug. 12, 2020).

42. *Id.*

but also that the patent owner's revised motion to amend did not meet statutory and regulatory requirements. The Board partially agreed with the petitioner, finding the proposed claim obvious.<sup>43</sup> Because the Board determined that the proposed claim would have been obvious, however, it did "not consider whether [the] Patent Owner's motion otherwise complie[d] with the statutory and regulatory requirements."<sup>44</sup> The Board granted the portion of the revised motion to amend that sought to cancel an original claim, but denied the proposed substitute claim.<sup>45</sup>

#### PRACTICE TIPS FOR PETITIONERS AND PATENT OWNERS

Although the pilot program has now been in place for over eighteen months, practitioners still have only a few completed cases from which to glean information about the program's efficacy. Of course, as more cases taking advantage of the program reach final written decisions, we will understand more about whether the program truly does benefit patent owners, as it was intended.<sup>46</sup> Nonetheless, the first five cases provide valuable insight for petitioners and patent owners alike.

*Patent owners can achieve success without filing a revised contingent motion to amend in response to the Board's preliminary guidance.* The preliminary guidance provides a valuable look into how the Board may rule, and patent owners should take advantage of the opportunity to respond to the patentability issues addressed in the guidance. That response, however, need not come in the form of a revised contingent motion to amend to be successful. In *KOA Corp.*, for example, the patent owner did not file a revised motion to amend, instead choosing to file a reply addressing the Board's concerns.<sup>47</sup> And in *Snap*, the patent owner filed a non-contingent motion to amend that it likewise did not revise after receiving guidance from the Board.<sup>48</sup> In both cases, the patent owner saw at least a partial win.<sup>49</sup> After reviewing the preliminary guidance, a patent owner may find that a revised contingent motion to amend is the best path forward; but, in some cases, a simple reply brief may suffice.

*Parties should make sure to address each of the concerns raised by the Board in its preliminary guidance and each of the arguments raised by*

43. *Id.* at 11.

44. *Id.*

45. *Id.* at 6, 32.

46. See notes 1–2, *supra*.

47. *KOA Corp.*, IPR2019-00201, Paper 30, at 80 (PTAB May 7, 2020).

48. *Snap, Inc.*, IPR2019-00715, Paper 37, at 80 (PTAB Sept. 1, 2020).

49. *KOA Corp.*, IPR2019-00201, Paper 30, at 102 (PTAB May 7, 2020); *Snap, Inc.*, IPR2019-00715, Paper 37, at 142 (PTAB Sept. 1, 2020).

*the other party in response to that guidance.* Parties should attempt to respond to all issues identified by the Board in the preliminary guidance. In *Snap*, although the guidance indicated that the petitioner was successful in preliminarily convincing the Board that the proposed amended claims were unpatentable, it also warned the petitioner that some of its arguments were not sufficiently explained.<sup>50</sup> The Board eventually granted the patent owner's motion to amend, perhaps in part because the petitioner did not provide alternative obviousness positions in its post-guidance briefing.<sup>51</sup> Similarly detrimental was the patent owner's approach in *Mylan Pharms*.<sup>52</sup> There, the patent owner did not respond to all arguments that the petitioner had raised in its post-guidance reply.<sup>53</sup> The Board, in its final written decision, ultimately found in the petitioner's favor.<sup>54</sup> Thus, in addition to addressing each of the concerns raised by the Board in its preliminary guidance, parties should also attempt to respond to all of the arguments raised by the other party relating to the motion to amend.

*Arguments relating to unpatentability are likely stronger than arguments regarding whether the motion to amend meets the statutory requirements.* While arguments addressing whether the motion to amend complies with the statutory and regulatory requirements can be helpful to petitioners, the Board did not rely on those arguments in the cases where it ultimately found the proposed substitute claims unpatentable.<sup>55</sup> In other words, petitioners should keep in mind that not all arguments are equal—ultimately it was the petitioners' arguments challenging the patentability of the proposed claims that carried the day, not their arguments addressing the statutory and regulatory requirements for motions to amend.

*Remember that the preliminary guidance is indeed preliminary.* Remember that the Board will review the parties' briefing *de novo* when rendering its final written decision.<sup>56</sup> The Board has repeatedly emphasized this point. For example, in *KOA Corp.*, the Board wrote that it would "consider anew Patent Owner's Motion to Amend" and the parties' subsequent briefing.<sup>57</sup> Keeping this in mind, even if the preliminary guidance seems to weigh in a party's favor, that party should not rest on its

50. *Snap, Inc.*, IPR2019-00715, Paper 37, at 101 (PTAB Sept. 1, 2020).

51. *Id.* at 92–93.

52. IPR2018-01679, Paper 100 (PTAB May 29, 2020).

53. *Id.* at 86, 94.

54. *Id.* at 115.

55. *Life Scan Global*, PGR2019-00032, Paper 38, at 11 (PTAB Aug. 12, 2020); *Mylan Pharms.*, IPR2018-01679, Paper 100, at 57 (PTAB May 29, 2020).

56. *See, e.g., KOA Corp.*, IPR2019-00201, Paper 30, at 82 (PTAB May 7, 2020).

57. *Id.*



laurels. Instead, each party should view the guidance as an opportunity to respond to what the Board has identified as the central issues in the case and to clarify its position before the Board.

In the first handful of cases completing the motion to amend pilot program, patent owners have seen some success. But there has not yet been a complete victory for a patent owner filing a revised motion to amend. It remains to be seen whether the pilot program will fundamentally alter motion to amend practice. In the meantime, both petitioners and patent owners should consider how the pilot program may impact their case.