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LESSONS LEARNED FROM THE FIRST SUCCESSFUL MOTION TO AMEND IN AN INTER PARTES REVIEW

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While the Leahy-Smith America Invents Act (AIA) provides a mechanism that allows amendments to patents challenged in an *inter partes* review, until recently, all motions to amend have failed. The final decision in ***International Flavors & Fragrances, Inc. v. United States*** marks the first time the Patent Trial and Appeal Board (PTAB) (at least partially) granted a patentee's motion to amend.¹ The decision highlights the potential value of a motion to amend in an *inter partes* review and also provides some guidelines on how to succeed.

I. An *Inter Partes* review can be resolved by amendment, but the burden is quite high.

During an *inter partes* review, a patent owner may motion the PTAB to amend the patent by: (1) cancelling challenged claims; or (2) proposing a reasonable number of substitute claims for challenged claims.² The substitute claims cannot enlarge the scope of the original claims nor introduce new matter.³ Moreover, there is a general presumption that "only one substitute claim would be needed to replace each challenged claim."⁴ Further, the patent owner must establish that it is entitled to the relief requested.⁵ This has been interpreted by the PTAB as requiring the patent owner to establish that the substitute claims are patentable.⁶ Accordingly, the bar for succeeding with such a motion is quite high.

However, patentees that succeed with such a motion may be able to effectively terminate an *inter partes* review by cancelling all of the challenged claims or by amending the claims to overcome the art used as a basis of the review. This is precisely what the patentee achieved in *International Flavors*.

At issue in *International Flavors* was the validity of certain claims of U.S. Patent No. 7,579,016 (the '016 patent). The '016 patent is directed to methods of repelling arthropods by treating an object or area with at least one isolongifolenone analog. *International Flavors & Fragrances* petitioned for *inter partes* review of claims 1, 4, 5, 7, 8 and 14 to 26 of the twenty-six claims of the '016 patent. The PTAB instituted review as to all of the challenged claims. Rather than filing a Patent Owner Response, the patent owner filed a motion to amend requesting cancellation of the original claims and addition of substitute claims 27 to 45. The motion was unopposed. Moreover, the parties indicated that they did not intend to file any additional papers and that no substantive hearing would be requested. The PTAB granted the motion as to claims 27 to 44, denied the motion as to claim 45, and issued a final decision terminating the *inter partes* review.

II. It is possible to establish that the substitute claims are patentable.

In *International Flavors*, the PTAB clarified the burden of showing patentability over the prior art. Merely distinguishing the proposed claims from the prior art applied during prosecution of the patent is insufficient. Rather, the patent owner must "demonstrate patentability of the proposed claims over the prior art in general, and thus entitlement to the proposed claims."⁷ Although, the patentee is not "assumed to be aware of every item of prior art presumed to be known to a hypothetical person of ordinary skill in the art," to meet the burden, "the patent owner should discuss, as well as present evidence, if appropriate, as to the level of ordinary skill in the art, and what was known regarding the features being relied upon to demonstrate patentability of the proposed claims."⁸

This analysis is not conducted in a vacuum, and from a practical standpoint, the patent owner obviously has to address the patentability of the substitute claims over the references at issue in the *inter partes* review.⁹ To do this, the patentee has to identify the feature that distinguish them from the prior art, and

then establish the non-obviousness of the claims' distinguishing features.¹⁰ To establish non-obviousness, the patent owner must demonstrate the level of ordinary skill in the art and provide evidence regarding what would have been understood by the ordinary artisan as to those features being relied upon to demonstrate patentability of the proposed claim.¹¹

While a motion to amend is likely to be fact specific, the decision in *International Flavors* shows that this burden can be met by presenting focused arguments as to the patentability of the proposed substitute claims supported by evidence such as contemporaneous publications and an expert declaration. To prevail, the arguments and supporting materials together must convince the PTAB that the proposed claims are patentable, *i.e.* neither anticipated nor obvious.

III. Filing a motion to amend instead of responding to a petition may be a way to streamline an *Inter Partes* review proceeding.

When a petition requesting *inter partes* review is filed, a patent owner has the option to file a preliminary response to the petition showing why *inter partes* review should not be granted.¹² Moreover, after *inter partes* review is initiated, "a patent owner may file a response to the petition addressing any grounds for unpatentability not already denied."¹³ Despite the low success rate patentees have encountered in the past, the PTAB's favorable decision in *International Flavors* shows that a motion to amend can be another tool for a patentee early in the proceeding to streamline the proceeding. Surviving the challenge does not have to be an "all or nothing" gamble on the claims as originally issued. Where narrower claims would provide adequate protection, a successful motion to amend may be an effective mechanism to simplify or terminate an *inter partes* review.

IV. Not opposing a motion to amend may be a bad idea.

International Flavors & Fragrances, Inc. did not oppose the motion to amend.¹⁴ By not opposing the motion, the PTAB decided the motion solely based on the one-sided landscape painted by the arguments and evidence presented by the patentee. In light of this favorable decision on a motion to amend, future petitioners may want to give greater consideration to opposing a motion to amend. In particular, since the patentee has to prove the patentability of the claims, an opposition to the motion to amend may provide a petitioner with another opportunity to reiterate the grounds of patent invalidity.

Since covered business method reviews and post-grant reviews also provide for motions to amend, the lessons learned from the PTAB's decision in *International Fragrances* are equally applicable to those proceedings.¹⁵ The decision goes to show that motions to amend have the potential to be a great tool in AIA trials; a successful motion to amend may resolve the underlying infringement concerns giving rise to the AIA trial. However, the decision also illustrates that the current procedures for motions to amend are far from perfect and in need of improvement. In a recent [Federal Register notice](#) that may be an implicit acknowledgement of such defects, the USPTO asked for public comments on what modification should be made to procedures for motions to amend. Accordingly, we may soon see revisions in the PTAB's procedures for motions to amend, and hopefully an increase in successful motions to amend.

¹IPR2013-00124 (PTAB May 20, 2014 (Paper 12)).

²35 U.S.C. § 316(d)(1); 37 C.F.R. § 42.121.

³*Id.*

⁴37 C.F.R. § 42.121(a)(3).

⁵37 C.F.R. § 42.20(c).

⁶IPR2013-00124, slip op at 33 (PTAB May 20, 2014 (Paper 12)).

⁷IPR2013-00124 (PTAB May 20, 2014 (Paper 12)), slip.op. at 11.

⁸*Id.*

⁹See *id.* at 12.

¹⁰*Id.*

¹¹*Id.*

¹²37 C.F.R. § 42.107.

¹³37 C.F.R. § 42.120.

¹⁴*Id.* at 2.

¹⁵See 37 C.F.R. §§ 42.221; 42.300.