

USPTO Floats New Rules For Amending Patents In AIA Review

By **Matthew Bultman**

Law360 (October 21, 2019, 6:19 PM EDT) -- The U.S. Patent and Trademark Office has proposed formal rules for the amendment of patents in America Invents Act reviews that make clear it is the challengers' responsibility to show the proposed claims are not patentable.

The rules, which are set to be published in the Federal Register on Tuesday, specify that the burden is on the petitioner in an AIA review to show that substitute claims proposed by the patent owner in a motion to amend are unpatentable.

The burden of proving patentability had been on the patent owner until a 2017 Federal Circuit ruling.

The USPTO's rules would also allow the Patent Trial and Appeal Board to exercise its discretion to deny a motion to amend "for any reason supported by the evidence," although the office said it expects that would happen only in rare circumstances.

"Ordinarily, in cases where the petitioner has participated fully and opposed the motion to amend, the office expects that the petitioner will bear the burden of persuasion and there will be no need for the board to independently justify a determination of unpatentability," the office wrote in a notice of proposed rulemaking.

The proposed rules come in the wake of the full Federal Circuit's October 2017 ruling in *Aqua Products v. Matal*. Sitting en banc, the court found the PTAB could not put the burden on patent owners to show that their proposed substitute claims are patentable.

The decision created some optimism for patent owners looking to amend patents in AIA reviews, a task that historically has been an uphill battle.

"The proposed rules are consistent with *Aqua Products* and also with current board practice as described in the precedential board decision *Lectrosonics Inc. v. Zaxcom Inc.* ... and as such do not reflect a change from current practice," the notice said.

Lectrosonics is a PTAB decision that was designated precedential in March and laid out guidance on various aspects of motions to amend.

Last year, the USPTO requested comments on the amendment process at the PTAB. Certain groups, including the American Bar Association, urged the agency to create rules outlining the burden of persuasion regarding the patentability of proposed substitute claims.

“In general, the office should engage in rulemaking to achieve greater clarity and predictability on how the office will address particular issues before it,” the ABA wrote in December.

When a patent owner asks to amend a patent in AIA, certain requirements must be met. For example, a motion must propose a “reasonable number” of substitute claims. The amendments also cannot broaden the scope of the claims.

The rules proposed by the USPTO in its notice state the patent owner has the burden of showing that the motion to amend complies with those requirements. The rules will be open for public comment until Dec. 23.

Scott Hejny, a principal at McKool Smith PC, noted that USPTO Director Andrei Iancu has made efforts to insert a higher degree of predictability into AIA reviews. The proposed rules appear to continue those efforts, providing litigants with some certainties in the context of motions to amend.

“The law is already out there. The law has already been made,” Hejny said. “This is just an application of the law in a consistent manner.”

In the meantime, the USPTO has been testing a pilot program for motions to amend. Finalized in March, the program gives patent owners new options in the amendment process that include the ability to ask the board for preliminary feedback about the proposed substitute claims.

During a webinar earlier this month, top PTAB judges indicated that nearly 20 motions to amend have been filed since the program began. All but five have requested feedback from the board.

The PTAB's first-ever guidance was issued last week based on proposed amendments that Sanofi filed with respect to certain insulin patents that were challenged by Mylan. The board found the substitute claims are likely obvious.

--Editing by Jill Coffey.