

10-1-2015

Amending Rather than Cancelling Claims in *Inter Partes* Reviews

Stacy Lewis

Finnegan, Henderson, Farabow, Garrett, & Dunner, LLP

Tom Irving

Finnegan, Henderson, Farabow, Garrett, & Dunner, LLP

Follow this and additional works at: <https://digitalcommons.law.buffalo.edu/buffaloipjournal>



Part of the [Administrative Law Commons](#), [Intellectual Property Law Commons](#), and the [Litigation Commons](#)

Recommended Citation

Stacy Lewis & Tom Irving, *Amending Rather than Cancelling Claims in Inter Partes Reviews*, 11 Buff. Intell. Prop. L.J. 178 (2015).

Available at: <https://digitalcommons.law.buffalo.edu/buffaloipjournal/vol11/iss1/6>

This Article is brought to you for free and open access by the Law Journals at Digital Commons @ University at Buffalo School of Law. It has been accepted for inclusion in Buffalo Intellectual Property Law Journal by an authorized editor of Digital Commons @ University at Buffalo School of Law. For more information, please contact lawscholar@buffalo.edu.

AMENDING RATHER THAN CANCELLING CLAIMS IN *INTER PARTES* REVIEWS

STACY LEWIS¹ AND TOM IRVING²

FINNEGAN, HENDERSON, FARABOW, GARRETT, & DUNNER, LLP

I. MOTIONS TO AMEND IN *INTER PARTES* REVIEWS

(IPRS).....	179
A. Statute Provides for Amendment of Claims but Does Not Provide for a PTO Examiner to be involved	179
B. When in the proceeding can a motion to amend be filed?	183
C. What are the requirements/limitations?.....	184
D. Petitioner Opposition and Patent Owner Reply to Opposition	190
E. PTAB Guidance on Amending Claims.....	191
F. Federal Circuit guidance on amending claims.....	193

II. SUCCESS RATE OF MOTIONS TO AMEND SO FAR..... 195

A. Motion to amend canceling claims: generally easily granted.....	195
B. Motion to amend requesting allowance of substitute claims: rarely granted.....	195
C. Why Have So Few Motions to Amend Requesting Substitute Claims Been Granted?.....	196
D. To Date No Additional Motions to Amend Authorized .	198

III. EXAMPLES OF PTAB'S REJECTIONS OF MOTIONS

TO AMEND.....	198
A. Early PTAB Decisions Set Stage	198
B. Improper broadening.....	200
C. Reasonable number of substitute claims.....	200

¹ Stacy Lewis is a law clerk at Finnegan, Henderson, Farabow, Garrett & Dunner, LLP.

² Tom Irving is a partner at Finnegan, Henderson, Farabow, Garrett & Dunner, LLP.

- D. Lack of support in original specification 201
- E. Failed to provide claim construction for new terms 203
- F. Failed to Show Patentability Over Prior Art..... 204
 - 1. Prior Art Grounds In Petition 204
 - 2. Prior Art (Not Just Art Asserted In Petition) 204
- G. Failed To Show Separate Patentability of Proposed Substitute Claims Over Allowed Substitute Claims (Allowed Substitute Claims Treated As Prior Art Against Remaining Proposed Substitute Claims)..... 207

IV. SAMPLE CASES WHERE MOTIONS TO AMEND PROPOSING SUBSTITUTE CLAIMS WERE GRANTED 208

- A. Int'l Flavors & Fragrances Inc. v. the U.S.A., as represented by the Secretary Of Agriculture, IPR2013-00124 208
- B. Riverbed Tech. Inc. v. Silver Peak Systems, Inc., (Riverbed I), IPR2013-00402..... 212
- C. Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II), IPR2013-00403 218

V. CONCLUSION..... 224

I. MOTIONS TO AMEND IN *INTER PARTES* REVIEWS (IPRS)

A. *Statute Provides for Amendment of Claims but Does Not Provide for a PTO Examiner to be involved*

In creating the new post-grant proceedings, American legislators drew on the many years of experience with *ex parte* reexamination, more recent experience with *inter partes* reexamination, and the example of opposition proceedings in the European Patent Office (“EPO”).³ All of these proceedings include an opportunity for the Patent Owner to amend the patent claims, and this feature was included in the America Invents Act (AIA) *inter partes* review (IPR) and post-grant review (PGR) proceedings.⁴ This is also consistent

³ See Convention on the Grant of European Patents art. 101(3), Oct. 5, 1973, 1065 U.N.T.S. 199, as revised Nov. 29, 2000 [hereinafter European Patent Convention].

⁴ See Leahy-Smith America Invents Act, 35 U.S.C. § 316(d)(1) (2012) (“(1) IN

with historically standard practice before the USPTO: the patent claims are in the Patent Office, so the claims are not presumed valid and the patentability of the claims is under negotiation in the give and take of prosecution. Finally, the opportunity to amend claims in IPRs/PGRs is often offered as a reason why the “broadest reasonable interpretation” standard of claim construction is appropriate in IPRs/PGRs.⁵

However, there is a major procedural difference between IPRs/PGRs and *ex parte* examination: IPRs and PGRs are heard by a panel of administrative judges⁶ who sit on the Patent Trial and Appeal Board (PTAB),⁷ while *ex parte* examinations occur in the examining corps and are usually handled by one USPTO examiner and possibly a supervisor.⁸ The AIA does not provide for involvement of a USPTO

GENERAL.—During an *inter partes* review instituted under this chapter, the patent owner may file 1 motion to amend the patent in 1 or more of the following ways: (A) Cancel any challenged patent claim. (B) For each challenged claim, propose a reasonable number of substitute claims.”); Leahy-Smith America Invents Act, 35 U.S.C. § 326(d)(1) (2012) (“(1) IN GENERAL.—During a post-grant review instituted under this chapter, the patent owner may file 1 motion to amend the patent in 1 or more of the following ways: (A) Cancel any challenged patent claim. (B) For each challenged claim, propose a reasonable number of substitute claims.”).

⁵ See, e.g., Office Patent Trial Practice Guide, 77 Fed. Reg., 48,756, 48,764 (Aug. 14, 2012) (“An essential purpose of the broadest reasonable claim interpretation standard in the amendment process is to encourage a patent owner to fashion clear, unambiguous claims. Only through the use of the broadest reasonable claim interpretation standard can the Office ensure that uncertainties of claim scope are removed or clarified. Since patent owners have the opportunity to amend their claims during IPR, PGR, and CBM trials, unlike in district court proceedings, they are able to resolve ambiguities and overbreadth through this interpretive approach, producing clear and defensible patents at the lowest cost point in the system. Patent owners in IPR, PGR, and CBM proceedings will be permitted to file a first motion to amend the patent, after conferring with the Board. §§ 42.121(a) and 42.221(a).”); see also Changes To Implement *Inter Partes* Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 Fed. Reg. 48,680, 48,688 (Aug. 14, 2012) (“[A] party’s ability to amend claims to avoid prior art – which exists in these proceedings (§ 42.121) – distinguishes Office proceedings from district court proceedings and justifies the broadest reasonable interpretation standard for claim interpretation.”).

⁶ United States Patent and Trademark Office (April 10, 2014), http://www.uspto.gov/ip/boards/bpai/ptab_brochure_v2_4_10_14.pdf [<http://perma.cc/VE9Y-M45W>] (stating that all PTAB judges must be lawyers and scientifically qualified; the Board has interpreted this as requiring, at a minimum, a four-year undergraduate scientific degree and a law degree).

⁷ See 35 U.S.C. § 316(c) (“PATENT TRIAL AND APPEAL BOARD.—The Patent Trial and Appeal Board shall, in accordance with section 6, conduct each *inter partes* review instituted under this chapter.”); 35 U.S.C. § 326(c) (“PATENT TRIAL AND APPEAL BOARD.—The Patent Trial and Appeal Board shall, in accordance with section 6, conduct each post-grant review instituted under this chapter.”).

⁸ See MANUAL OF PATENT EXAMINING PROCEDURE § 2636 (9th ed. 2014).

examiner in IPRs/PGRs. Thus, any amended claims approved by PTAB go right into the challenged patent without ever having passed under the experienced eye of a patent examiner.⁹

As stated by PTAB in several decisions, “An *inter partes* review is more adjudicatory than examinational.”¹⁰ More explanation was provided in *Idle Free Systems, Inc. v. Bergstrom, Inc.*, No. IPR2012-00027:

An *inter partes* review is neither a patent examination proceeding nor a patent reexamination proceeding. The proposed substitute claims are not entered automatically and then subjected to examination. Rather, the proposed substitute claims will be added directly to the patent, without examination, if the patent owner’s motion to amend claims is granted.¹¹

Further in *Ariosa Diagnostics v. Isis Innovation Ltd.*, No. IPR2012-00022, PTAB explained:

when considering a motion to amend, we do not *examine* and *allow* or *reject* the substitute claims, but determine whether the patent owner has met its burden of establishing that it is entitled to the substitute claims that it seeks in its motion to amend. (Emphasis in original)¹²

This procedural detail, particularly in the context of the statutorily-mandated short timeline for IPRs and PGRs, when translated into reality, has so far resulted in PTAB applying an extremely strict standard to motions to amend and reluctance to grant such motions. That apparent attitude of PTAB seems to have rendered the “right” to amend claims in IPRs and PGRs somewhat illusory. This reality favors Petitioners (in proceedings that are already procedurally weighted in favor of Petitioners¹³) and increases

⁹ See Leahy-Smith America Invents Act, 35 U.S.C. §§ 318, 328 (2012).

¹⁰ See, e.g., *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 26, at 6 (P.T.A.B. June 11, 2013).

¹¹ See *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 66, at 33 (P.T.A.B. Jan. 7, 2014).

¹² See *Ariosa Diagnostics v. Isis Innovation Ltd.*, No. IPR2012-00022, Paper 166, at 51 (P.T.A.B. Sept. 2, 2014).

¹³ See, e.g., 37 C.F.R. § 42.1(d) (2014) (stating no presumption of validity, broadest reasonable interpretation standard for claim construction, and preponderance of the evidence evidentiary standard).

the pressure on Patent Owners to try to avoid institution of an IPR or PGR.

The USPTO hinted that there might be rule changes coming impacting motions to amend,¹⁴ but when the proposed rule package was released on Aug. 20, 2015, it included only a discussion in the Commentary about motions to amend rather than proposing any rule amendments.¹⁵ The USPTO Director's blog on Aug. 19, 2015, noted "PTAB's development of motions-to-amend practice through its own body of decisions, including a recent decision that clarified what prior art a patent owner must address to meet its burden of proof."¹⁶ Acting Chief Judge Nathan Kelley publicly stated that Patent Owners should take comfort in recent PTAB case law making motions-to-amend practice more clear.¹⁷ The bar does not seem convinced yet.¹⁸

This article will discuss details and requirements of motions to amend, as established in the statute and rules. We will only be discussing IPRs, since there have not yet been motions to amend or final written decisions in any PGRs. We will review the results to date

¹⁴ See *PTAB'S Quick-Fixes for AIA Rules Are to Be Implemented Immediately*, DIRECTOR'S FORUM: A BLOG FROM USPTO'S LEADERSHIP (Mar. 27, 2015), http://www.uspto.gov/blog/director/entry/ptab_s_quick_fixes_for [<http://perma.cc/ZWJ2-LUC2>] ("Later this summer, we will issue a second proposed-rule package . . . we are considering proposing a number of other revisions to rules including: further modifications to the motion to amend process; adjustments to the evidence that can be provided in the patent owner preliminary response; and clarification of the claim construction standard as applied to expired patents in AIA proceedings . . . Additionally, regarding motions to amend, we are contemplating proposed changes to emphasize that a motion for a substitutionary amendment will always be allowed to come before the Board for consideration (i.e., be "entered"), and for the amendment to result in the issuance ("patenting") of amended claims, a patent owner will not be required to make a prior art representation as to the patentability of the narrowed amended claims beyond the art of record before the Office. Of course, the duty of candor and good faith requires the patent owner to make of record any additional prior art material to patentability known by the patent owner. These contemplated changes would be intended to more noticeably limit the burden on the patent owner, even though the patent owner is the party moving for the change in the patent.")

¹⁵ See *Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board*, 80 Fed. Reg. 50,720 (Aug. 20, 2015).

¹⁶ See *PTAB Update: Proposed Changes to Rules Governing PTAB Trial Proceedings*, DIRECTOR'S FORUM: A BLOG FROM USPTO'S LEADERSHIP (Aug. 19, 2015), http://www.uspto.gov/blog/director/entry/ptab_update_proposed_changes_to [<http://perma.cc/VQ3Y-UTZB>].

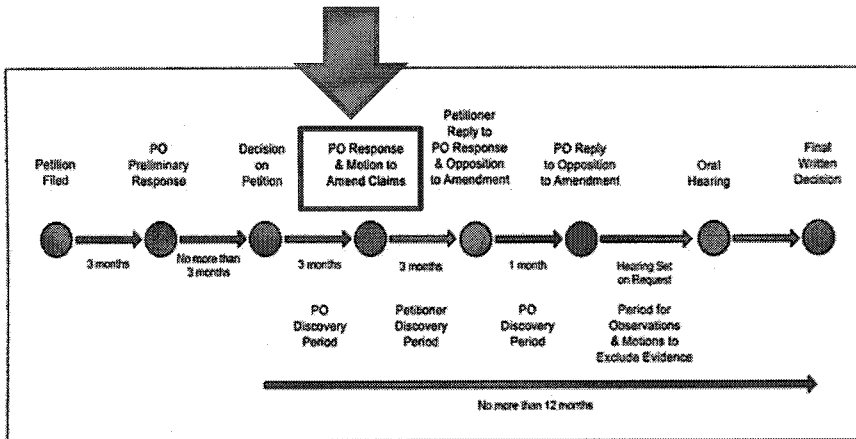
¹⁷ See Ryan Davis, *Don't Be Shy in Seeking AIA Amendments*, *PTAB Chief Says*, LAW360 (Aug. 20, 2015), <http://www.law360.com/articles/693647/don-t-be-shy-in-seeking-aia-amendments-ptab-chief-says> [<http://perma.cc/8ANS-XMKM>].

¹⁸ See Ryan Davis, *Easier AIA Review Amendments Still May Not Be Best Option*, LAW360 (Aug. 27, 2015), <http://www.law360.com/articles/694632/easier-aia-review-amendments-still-may-not-be-best-option> [<http://perma.cc/ND3Q-SY3F>].

in IPR proceedings and analyze examples of PTAB's rejections of motions to amend. We will also discuss the few cases where motions to amend substituting claims have been granted, and end with some suggestions for patent owners in light of the current state of motions to amend practice in IPRs.

B. When in the proceeding can a motion to amend be filed?

According to the USPTO Rules, a motion to amend may not be filed with the Patent Owner Preliminary Response.¹⁹ Motions to amend are provided for only if a trial is instituted.²⁰ If a Patent Owner chooses to file a motion to amend, it must be filed no later than the due date of the Patent Owner Response.²¹ The Patent Owner Response is usually due three months after the decision instituting the trial. In the Office Patent Trial Practice Guide,²² the USPTO provided the following sample schedule:



Sometimes a Patent Owner will indicate early on that it does not intend to file a Motion to Amend, such as in an initial conference call with PTAB²³ immediately following the decision to institute.

¹⁹ See 37 C.F.R. § 42.107(d) (2014); 37 C.F.R. § 42.207(d) (2014) (“No amendment. The preliminary response shall not include any amendment.”).

²⁰ See Leahy-Smith America Invents Act, 35 U.S.C. §§ 316(d)(1), 326(d)(1) (2014).

²¹ See 37 C.F.R. § 42.121(a)(1); 37 C.F.R. § 42.221(a)(1) (“(1) *Due date*. Unless a due date is provided in a Board order, a motion to amend must be filed no later than the filing of a patent owner response.”); see also, Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012).

²² See Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756 (Aug. 14, 2012).

²³ See, e.g., Nissan N. Am., Inc. v. Collins, No. IPR2012-00035, Paper 33, at 3 (P.T.A.B. Apr. 26, 2013) (“Collins indicated that it will not file a motion to amend the

According to the Commentary accompanying the final rules, PTAB will issue a Scheduling Order with its decision to institute. Then, “an initial conference call will be held about one month from the date of institution to discuss the motions that the parties intend to file[,]” including a motion to amend.²⁴

C. What are the requirements/limitations?

The statute states that a Patent Owner may file a motion to amend canceling any challenged patent claim and/or proposing a reasonable number of substitute claims for each challenged claim.²⁵ It then authorizes the USPTO to set rules regarding the requirements for amending claims in IPRs/PGRs.²⁶ These rules are set out at 37 C.F.R. § 42.121 and 37 C.F.R. § 42.221. The statute does specify, however, that an amendment may not enlarge the scope of the claims of the patent or introduce new matter.²⁷

The rules state that for any proposed substitute claim, the Patent Owner must respond to the ground(s) of unpatentability on which the trial was instituted,²⁸ and show support in the original disclosure and any earlier-filed disclosure for which date benefit is sought.²⁹ The Office Trial Practice Guide instructs that “[m]otions to amend should clearly state the patentably distinct features for proposed substitute claims. This will aid the Board in determining whether the amendment narrows the claims and if the amendment is responsive to the grounds of unpatentability involved in the trial.”³⁰

In a decision decided by an expanded panel of six PTAB judges and designated by PTAB as “Informative,” PTAB indicated that the Patent Owner bears the burden “to show patentable distinction over

claims under review.”).

²⁴ See Changes to Implement *Inter Partes* Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents 77 Fed. Reg. 48,680, 48,705 (Aug. 14, 2012) (quoting the Response to Comment 76).

²⁵ See Leahy-Smith America Invents Act, 35 U.S.C. §§ 316(d)(1), 326(d)(1) (2012).

²⁶ See Leahy-Smith America Invents Act, 35 U.S.C. § 316(a)(9) (“(9) setting forth standards and procedures for allowing the patent owner to move to amend the patent under subsection (d) to cancel a challenged claim or propose a reasonable number of substitute claims, and ensuring that any information submitted by the patent owner in support of any amendment entered under subsection (d) is made available to the public as part of the prosecution history of the patent;”).

²⁷ See 35 U.S.C. § 316(d)(3) (“(3) SCOPE OF CLAIMS.—An amendment under this subsection may not enlarge the scope of the claims of the patent or introduce new matter.”); see also 37 C.F.R. §§ 42.121(a)(2)(ii), 42.221(a)(2)(ii) (2014).

²⁸ 37 C.F.R. § 42.121(a); § 42.221(a).

²⁹ 37 C.F.R. § 42.121(b); § 42.221(b).

³⁰ Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 47,767 (Aug. 14, 2012).

the prior art of record *and also prior art known to the patent owner.*” (Emphasis added).³¹ In the Final Written Decision, PTAB explained further:

For a patent owner’s motion to amend claims, 37 C.F.R. § 42.20(c) places the burden on the patent owner to show general patentability over prior art. That means Bergstrom is not rebutting a rejection in an Office Action, as though this proceeding is patent examination or reexamination. Instead, Bergstrom bears the burden of proof in demonstrating patentability of the proposed substitute claims over the *prior art in general*, and thus entitlement to add these proposed substitute claims to its patent. (Emphasis added)³²

Many commentators speculated on the impact of how broad “prior art in general” was. Did that mean the Patent Owner had to actively seek new prior art other than the asserted references? This speculation was fueled by subsequent decisions such as *ZTE Corp. v. ContentGuard Holdings, Inc.*, No. IPR2013-00136, where PTAB held that Patent Owner’s arguments directed only to the references of record and references cited during foreign prosecution of a corresponding patent application were insufficient:

ContentGuard should have addressed the general level of ordinary skill in the art outside of the references of record and the references cited during foreign prosecution, with respect to the features ContentGuard added to the claims to render the claimed subject matter as a whole allegedly patentably distinct from the prior art.³³

Also in *Int’l Flavors & Fragrances Inc. v. U.S.A.*, as represented by the *Sec. of Agriculture*, IPR2013-00124, PTAB commented that

³¹ See, e.g., *Idle Free Systems, Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 26, at 7 (P.T.A.B. June 11, 2013); see also Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48766-48767 (Aug. 14, 2012).

³² See, e.g., *Idle Free Systems, Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 66, at 33 (P.T.A.B. Jan 7, 2014); see also *Toyota Motor Corp. v. American Vehicular Sciences LLC*, No. IPR2013-00419, Paper 32, at 4 (P.T.A.B. Mar. 7, 2014) (“Accordingly, the patent owner must show patentability over the prior art in general, and not just over the references applied by the petitioner against the original patent claims.”).

³³ *ZTE Corp. v. ContentGuard Holdings, Inc.*, No. IPR2013-00136, Paper 33 (P.T.A.B. Nov. 7, 2013).

only showing patentability over the prior art asserted was not enough:

Distinguishing the proposed claims only from the prior art references applied to the original patent claims is insufficient to demonstrate patentability over prior art. As the moving party, a patent owner bears the burden to show entitlement to the relief requested. 37 C.F.R. §42.20(c). We agree with the reasoning in *Idle Free . . .*, as to what that burden entails. Specifically, in the case of a motion to amend, the patent owner bears the burden of proof to demonstrate patentability of the proposed claims over the prior art in general, and thus entitlement to the proposed claims. (Emphasis added)³⁴

The Federal Circuit weighed in on motions to amend in IPRs in *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292 (Fed. Cir. 2015). Proxyconn appealed PTAB's denial of its motion to amend for failure to show patentability over a reference that was not a basis for institution of the IPR against the amended claims.³⁵ The Federal Circuit upheld PTAB's application of *Idle Free* and its rules:

The Board has reasonably interpreted these provisions as requiring the patentee to show that its substitute claims are patentable over the prior art of record, at least in the circumstances in this case. First, nothing in the statute or regulations precludes the Board from rejecting a substitute claim on the basis of prior art that is of record, but was not cited against the original claim in the institution decision. Second, the very nature of IPRs makes the Board's interpretation appropriate. During IPRs, once the PTO grants a patentee's motion to amend, the substituted claims are not subject to further examination. . . . If the patentee were not required to establish patentability of substitute claims over the prior art of record, an amended patent could issue despite the PTO having before it prior art that undermines patentability.³⁶

A month later, PTAB again sat as an expanded 6-judge panel

³⁴ *Int'l Flavors & Fragrances Inc. v. U.S.A.*, No. IPR2013-00124, Paper 12, at 11 (P.T.A.B. May 20, 2014).

³⁵ Although it was the basis for institution against several other claims in the IPR.

³⁶ *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1307-08 (Fed. Cir. 2015).

and issued a “Representative” opinion to clarify *Idle Free*:

The reference to “prior art of record” . . . should be understood as referring 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 reference to “prior art known to the patent owner” . . . should 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.³⁷

And further in *Google Inc. v. Micrografx, LLC*, No. IPR2014-00532:

While not required to prove that the claims are patentable over every item of prior art known to a person of ordinary skill, the patent owner is required to explain why the claims are patentable over the prior art of record The prior art of record includes the references adduced by Petitioner in opposition to the Motion to Amend, . . . as well as the prior art on which we instituted *inter partes* review.³⁸

According to PTAB, the Patent Owner also needs to argue separate patentability of proposed substitute claims over any other

³⁷ *MasterImage 3D Inc. v. RealD Inc.*, No. IPR2015-00040, Paper 42 (P.T.A.B. July 15, 2015); Representative Orders, Decisions and Notices, United States Patent and Trademark Office, <http://www.uspto.gov/patents-application-process/appealing-patent-decisions/decisions-and-opinions/representative-orders> [<http://perma.cc/S2H5-SSTL>].

³⁸ *Google Inc. v. Micrografx, LLC*, No. IPR2014-00532, Paper 40, at 31 and 35 (P.T.A.B. July 21, 2015).

substitute claims included in a motion to amend granted by PTAB.³⁹

PTAB's decision in *Ariosa Diagnostics v. Isis Innovation Ltd.*, No. IPR2012-00022,⁴⁰ indicates that although an IPR can only be instituted based on 35 U.S.C. §102 or §103 grounds, based on patents and printed publications, a motion to amend may be denied because the Patent Owner failed to show patentability of the proposed substitute claim under 35 U.S.C. § 101.⁴¹

Finally, "a motion to amend claims must identify how the proposed substitute claims are to be construed, especially when the proposed substitute claims introduce new claim terms."⁴²

The statute gives Patent Owners the right to file one motion to amend.⁴³ Although the Commentary to the final rules states that the first motion to amend need not be authorized by PTAB,⁴⁴ the rules as promulgated state that before filing a motion to amend, Patent Owners must confer with PTAB.⁴⁵ This is true for all motions in IPRs/PGRs.⁴⁶ Commentary in the implementing regulations indicates

³⁹ *Idle Free Systems, Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 26, at 6-7 (P.T.A.B. June 11, 2013) ("For each proposed substitute claim, we expect a patent owner: (1) in all circumstances, to make a showing of patentable distinction over the prior art; (2) in certain circumstances, to make a showing of patentable distinction over all other proposed substitute claims for the same challenged claim; and (3) in certain circumstances, to make a showing of patentable distinction over a substitute claim for another challenged claim."); see also *Riverbed Tech. Inc. v. Silver Peak Systems, Inc.*, No. IPR2013-00402, Paper 35, p. 27-31 (P.T.A.B. Dec. 30, 2014); *Riverbed Tech. Inc. v. Silver Peak Systems, Inc.*, No. IPR2013-00403, Paper 33, pp. 29-31 (P.T.A.B. Dec. 30, 2014).

⁴⁰ *Ariosa Diagnostics v. Isis Innovation Ltd.*, No. IPR2012-00022, Paper 166 (P.T.A.B. Sept. 2, 2014) (Informative).

⁴¹ *Ariosa Diagnostics v. Isis Innovation Ltd.*, No. IPR2012-00022, Paper 52 (P.T.A.B. Sept. 2, 2014) ("after the district court issued its decision that claims . . . were invalid as being drawn to patent ineligible subject matter, [Patent Owner] did not explain how the proposed substitute claims addressed the district court's subject matter eligibility concerns.").

⁴² *Tandus Flooring, Inc. v. Interface, Inc.*, No. IPR2013-00333, Paper 67, at 55 (P.T.A.B. Dec. 8, 2014) (citing *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 26, at 7 (P.T.A.B. June 11, 2013)).

⁴³ 35 U.S.C. § 316(d)(1); 35 U.S.C. § 326(d)(1) ("the patent owner may file 1 motion to amend the patent[.]").

⁴⁴ 77 Fed. Reg. 48,680, 48,690 and 48,692 (Aug. 14, 2012) ("Section 42.121(a) [42.221(a)] makes it clear that the first motion to amend need not be authorized by the Board. The motion will be entered so long as it complies with the timing and procedural requirements.").

⁴⁵ 37 C.F.R. § 42.121(a); 37 C.F.R. §42.221(a) (Motion to amend. A patent owner may file one motion to amend a patent, *but only after conferring with the Board.* (emphasis added)).

⁴⁶ 37 C.F.R. § 42.20(b) (Prior authorization. A motion will not be entered without Board authorization. Authorization may be provided in an order of general applicability or during the proceeding).

that “confer” means:

that a patent owner would simply identify its intent in a conference call to file a motion to amend, and the number and general scope of substitute claims that would be filed in the motion to amend so that the petitioner and Board are notified of the patent owner’s intent. The patent owner is not required to identify a fully developed claim set. As a result of the call, the patent owner would receive feedback from the Board on whether the proposed number of substitute claims is reasonable. This procedure, thus, will save the patent owner time and resources to prepare a motion to amend that would otherwise be denied because of an unreasonable number of substitute claims. It also will save the petitioner time and resources to prepare an opposition to a motion that contains an unreasonable number of substitute claims.⁴⁷

In *Idle Free Sys. v. Bergstrom, Inc.*, IPR2012-00027, the Patent Owner’s Motion to Amend was dismissed for failure to confer prior to filing the motion.⁴⁸ In light of the newness of the IPR proceedings, however, PTAB allowed the Patent Owner to file a renewed motion.

PTAB may provide more than just guidance on whether the number of proposed substitute claims is reasonable. In Orders on Conduct of the Proceeding issued by PTAB to memorialize discussions in conference calls in IPRs, they have given “guidance with regard to both the mechanics and substance of a motion to amend claims.”⁴⁹

The statute provides for the possibility of a Patent Owner filing additional motions to amend “upon joint request” with the petitioner “to materially advance . . . settlement,” or, in the case of IPR, “as

⁴⁷ 77 Fed. Reg. 48,680, 48,704 (Aug. 14, 2012), Response to Comment 71.

⁴⁸ *Idle Free Sys. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 26, at 10 (P.T.A.B. June 11, 2013) (“The pending Motion to Amend is being dismissed for Bergstrom’s failure to confer with the Board prior to filing the motion. However, as this is one of the first *inter partes* reviews instituted by the Board, in the absence of further guidance it was not unreasonable for Bergstrom to have considered the initial conference call as satisfying the conferring requirement, even though nothing specific was discussed about how Bergstrom intended to amend claims. Accordingly, we will provide an opportunity for Bergstrom to file a renewed motion to amend.”).

⁴⁹ *Toyota Motor Corp. v. American Vehicular Sciences LLC*, No. IPR2013-00419, Paper 32, at 2 (P.T.A.B. March 7, 2014).

permitted by regulations prescribed by the Director”⁵⁰ and in the case of PGR, “upon the request of the patent owner for good cause shown.”⁵¹ The rules include the “good cause” language for both IPRs and PGRs.⁵² The Commentary to the final rules explains that the factors in assessing “good cause” will include “how the filing of such motions would impact the timely completion of the proceeding and the additional burden placed on the petitioner” as well as “whether a petitioner has submitted supplemental information after the time period set for filing a motion to amend in § 42.121(a)(1).”⁵³ To date, no additional motions to amend have been granted.⁵⁴

35 U.S.C. § 318(c) and 35 U.S.C. § 328(c) provide that any proposed substitute claim granted gives rise to intervening rights in the same manner as amendments in reexamination or reissue applications proceedings.

D. Petitioner Opposition and Patent Owner Reply to Opposition

The rule regarding a Petitioner’s Opposition to a motion to amend and a Patent Owner’s Reply to the Opposition are in the general PTAB rules relating to motions.⁵⁵ More detail is provided in the Commentary⁵⁶ and the Office Patent Trial Practice Guide Sections

⁵⁰ 35 U.S.C. § 316(d)(2).

⁵¹ 35 U.S.C. § 326(d)(2).

⁵² 37 C.F.R. § 42.221(c) (Additional motion to amend: “. . . An additional motion to amend may be authorized when there is a good cause showing or a joint request of the petitioner and the patent owner to materially advance a settlement.”), 37 C.F.R. § 42.221(c) (“. . . An additional motion to amend may be authorized when there is a good cause showing or a joint request of the petitioner and the patent owner to materially advance a settlement. In determining whether to authorize such an additional motion to amend, the Board will consider whether a petitioner has submitted supplemental information after the time period set for filing a motion to amend in paragraph (a)(1) of this section.”).

⁵³ 77 Fed. Reg. 48,680, 48,690 (PTAB Aug. 14, 2012); *see also* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012).

⁵⁴ As of Nov. 1, 2015.

⁵⁵ 37 C.F.R. § 42.23 (2015) (“Oppositions and replies: (a) Oppositions and replies must comply with the content requirements for motions [37 C.F.R. § 42.22] and must include a statement identifying material facts in dispute. Any material fact not specifically denied may be considered admitted. (b) All arguments for the relief requested in a motion must be made in the motion. A reply may only respond to arguments raised in the corresponding opposition or patent owner response.”).

⁵⁶ Changes to Implement *Inter Partes* Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 Fed. Reg. 48,680, 48,707 (Aug. 14, 2012). (Responding to Comment 86: “a petitioner will be afforded an opportunity to respond fully to an amendment. The time for filing an opposition generally will be set in a Scheduling Order. No authorization is needed to file an opposition to an amendment. Petitioners may supplement evidence submitted with their petition to respond to new issues arising from proposed substitute claims.

H and I.⁵⁷ Usually the Petitioner will have 3 months to file an opposition to the Patent Owner's motion to amend and then Patent Owner will have one month to reply to the opposition. The Patent Owner, therefore, gets the last word. In Section II, we will discuss the success rates of motions to amend so far.

E. PTAB Guidance on Amending Claims

In May 2014, the USPTO AIA blog posted suggestions for making successful claim amendments in an IPR or PGR.⁵⁸ The blog explicitly stated that amending claims in IPRs and PGRs should not be considered the same as doing so in other PTO proceedings (prosecution, reexamination, or reissue).⁵⁹ This seems somewhat contradictory to the Commentary that accompanied the final rules published in August 2012, which distinguished district court litigation but not other USPTO proceedings:

... a party's ability to amend claims to avoid prior art—which exists in these proceedings (§ 42.121)—distinguishes Office proceedings from district court proceedings and justifies the broadest reasonable interpretation standard for claim interpretation.⁶⁰

The blog first sets out why amending claims in IPRs and PGRs is different from doing so in prosecution, reexamination, or reissue: the amendment(s) in an IPR or PGR are not entered automatically, the Patent Owner bears the burden of showing the proposed substitute claims are patentable (rather than the Examiner showing the

This includes the submission of new expert declarations that are directed to the proposed substitute claims. Additionally, § 42.23 provides that oppositions and replies must comply with the content requirements for motions, and a reply may only respond to arguments raised in the corresponding opposition. Section I of the Office Patent Trial Practice Guide also provides that a reply that raises a new issue or belatedly presents evidence will not be considered.)

⁵⁷ Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,767 (Aug. 14, 2012).

⁵⁸ *USPTO Message From PTAB: How to Make Successful Claim Amendments in an AIA Trial Proceeding*, AIA BLOG (May 5, 2014), http://www.uspto.gov/blog/aia/entry/uspto_ptab_message_how_to [<http://perma.cc/MLT7-HZW8>].

⁵⁹ *Id.* (“The patent owner should not, however, approach the amendment process in an AIA trial proceeding like the amendment process to overcome an Office rejection filed during the prosecution of a patent application or during a reexamination or reissue proceeding.”).

⁶⁰ Changes to Implement *Inter Partes* Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 Fed. Reg. 48,680, 48,688, 48,690 (Aug. 14, 2012) (to be codified at 37 C.F.R. pt. 42).

amended claims are unpatentable), and granted motions to amend substituting claims allow those claims to go straight into an issued patent without search or examination.

Then the guidelines in the blog instruct the Patent Owner to:

- discuss what it knows about what was previously known about each claim feature added by amendment and about the level of ordinary skill in the art;
- explain why the claim feature added by amendment, in combination with all the other features of the claim, would not have been obvious to a person of ordinary skill in the art at the time of the invention, in light of the knowledge and skill level of the person of ordinary skill in the art;
- show patentability over all known prior art, not just that relied upon in petition.

The May 2014 blog post appeared shortly before the first substitute claims were allowed in a PTAB proceeding.⁶¹ The first opposed motions to amend proposing substitute claims were granted in two PTAB proceedings in December 2014: Riverbed Tech., Inc. v. Silver Peak Sys., Inc., IPR2013-00402 and IPR2013-00403, discussed in detail below.

In the USPTO Director's blog on Mar. 27, 2015, the USPTO announced "quick fixes," including an increase in the page limit for motions to amend⁶² and "possibly changes to emphasize that a motion for a substitutionary amendment will always be allowed to come before the Board for consideration (i.e., be 'entered'), and for the amendment to result in the issuance ('patenting') of amended claims, a patent owner will not be required to make a prior art representation as to the patentability of the narrowed amended claims beyond the art of record before the Office."⁶³

The proposed rule package was released on Aug. 20, 2015, included only a discussion in the Commentary about motions to

⁶¹ Int'l Flavors & Fragrances Inc. v. U.S., No. IPR2013-00124, Paper 12 (P.T.A.B. May 20, 2014).

⁶² See Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board, 80 Fed. Reg. 28,561 (May 19, 2015) (to be codified at 37 C.F.R. 42).

⁶³ Michelle K. Lee, *PTAB'S Quick-Fixes for AIA Rules Are to Be Implemented Immediately Director's Forum: A Blog from USPTO's Leadership*, USPTO. (Mar. 27, 2015), http://www.uspto.gov/blog/director/entry/ptab_s_quick_fixes_for [<http://perma.cc/ZWJ2-LUC2>].

amend rather than proposing any rule amendments.⁶⁴ The USPTO Director's blog on Aug. 19, 2015, noted "PTAB's development of motions-to-amend practice through its own body of decisions, including a recent decision that clarified what prior art a patent owner must address to meet its burden of proof."⁶⁵ Acting Chief Judge Nathan Kelley publicly stated that Patent Owners should take comfort in recent PTAB case law making motions-to-amend practice more clear.⁶⁶ The USPTO has five cases listed as "representative decisions" relating to motions-to-amend practice.⁶⁷

F. Federal Circuit guidance on amending claims

In addition to the Federal Circuit decision in *Microsoft v. Proxyconn*, discussed above, the first Federal Circuit decision relating to an appeal of a PTAB final written decision included review of PTAB's denial of Patent Owner's motion to amend.⁶⁸ The Federal Circuit reviewed the statutory and regulatory bar against amendments that would broaden the scope of the claims (35 U.S.C. § 316(d)(3); 37 C.F.R. § 42.221(a)(2)(ii)), noting its application in reissues and reexaminations. The test is whether an amended claim "is broader in scope than the original claims [is] if it contains within its scope any conceivable apparatus or process which would not have infringed the original patent."⁶⁹ [citations omitted]. According to the Court, "[t]he same test applies in the context of IPRs."⁷⁰

PTAB held that the proposed substitute claim was broadening because it would encompass an embodiment which was not within the original claims. Cuozzo argued that there was no broadening because the proposed claim simply contained limitations from two dependent

⁶⁴ Amendments to the Rules for Trials before the Patent Trial and Appeal Board, 80 Fed. Reg. 50,720 (Aug. 20, 2015) (to be codified at 37 C.F.R. 42).

⁶⁵ *PTAB Update: Proposed Changes to Rules Governing PTAB Trial Proceedings*, USPTO. (Aug. 19, 2015), <http://www.uspto.gov/patents-application-process/appealing-patent-decisions/decisions-and-opinions/representative-orders#heading-4> [<http://perma.cc/FM3D-E53L>].

⁶⁶ Ryan Davis, Don't be Shy in Seeking AIA Amendments, PTAB Chief Says, Law 360 (Aug. 20, 2015, 9:07 PM), <http://www.law360.com/articles/693647/don-t-be-shy-in-seeking-aia-amendments-ptab-chief-says> [<http://perma.cc/8ANS-XMKM>].

⁶⁷ *PTAB Update: Proposed Changes to Rules Governing PTAB Trial Proceedings*, USPTO. (Aug. 19, 2015), <http://www.uspto.gov/patents-application-process/appealing-patent-decisions/decisions-and-opinions/representative-orders#heading-4> [<http://perma.cc/FM3D-E53L>].

⁶⁸ *In re Cuozzo Speed Techs. LLC*, 793 F.3d 1268 (Fed. Cir. 2015) (an appeal of PTAB's Final Written Decision in *Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, No. IPR2012-00001, Paper 59 (P.T.A.B. Nov. 13, 2013)).

⁶⁹ *In re Cuozzo Speed Techs. LLC*, 793 F.3d at 1283.

⁷⁰ *Id.*

claims. The Federal Circuit found that PTAB properly denied Patent Owner's motion because, based on PTAB's claim construction, which the Federal Circuit also affirmed, "Cuozzo's substitute claims would enlarge the scope of the patent."⁷¹

In *Helferich Patent Licensing LLC v. CBS Interactive Inc.*,⁷² Patent Owner appealed a PTAB decision holding all instituted claims unpatentable and denying Patent Owner's motion to amend.⁷³ PTAB denied the motion to amend based on finding that Patent Owner failed "to meet its burden of proof under 37 C.F.R. § 42.20(c)."⁷⁴ In particular, Patent Owner failed to provide a "reasonable construction of the claim features added in the substitute claims[.]"⁷⁵ failed "to set forth the written description support for each proposed substitute claim[.]"⁷⁶ and failed "to demonstrate the patentability of the substitute claims."⁷⁷

One of Patent Owner's appeal arguments was that PTAB's denial of Patent Owner's motion to amend was contrary to the regulations, which "require only that an amendment be responsive to a ground of unpatentability; they do not require a patent owner to prove that it has overcome that ground."⁷⁸ Furthermore, "any regulation purporting to place the burden on a patentee to demonstrate that a proposed amendment was patentable as a condition of amending its claims would conflict with § 316(e) [petitioner's burden of showing unpatentability] and would therefore be unlawful."⁷⁹ According to Patent Owner, the USPTO overstepped its rule-making authority when it established restrictions beyond those in other PTO proceedings in the rules relating to motions to amend in IPRs.

The Federal Circuit affirmed PTAB's decision in full via a Rule

⁷¹ *Id.* at 1828.

⁷² *Helferich Patent Licensing LLC v. CBS Interactive Inc.*, 599 Fed.Appx. 955 (Fed. Cir. 2015), reh'g en banc denied, Aug. 4, 2015.

⁷³ *CBS Interactive Inc. v. Helferich Patent Licensing, LLC*, No. IPR2013-00033, Paper 122 (P.T.A.B. Mar. 3, 2014) (appeal was of PTAB's Final Written Decision).

⁷⁴ *CBS Interactive Inc. v. Helferich Patent Licensing, LLC*, No. IPR2013-00033, Paper 122 (P.T.A.B. Mar. 3, 2014) (appeal was of PTAB's Final Written Decision).

⁷⁵ *CBS Interactive Inc. v. Helferich Patent Licensing, LLC*, No. IPR2013-00033, Paper 122 (P.T.A.B. Mar. 3, 2014) (appeal was of PTAB's Final Written Decision).

⁷⁶ *CBS Interactive Inc. v. Helferich Patent Licensing, LLC*, No. IPR2013-00033, Paper 122 at 54 (P.T.A.B. Mar. 3, 2014).

⁷⁷ *CBS Interactive Inc. v. Helferich Patent Licensing, LLC*, No. IPR2013-00033, Paper 122 at 58 (P.T.A.B. Mar. 3, 2014).

⁷⁸ Brief of Appellant at 21, *CBS Interactive Inc. v. Helferich Patent Licensing, LLC*, No. IPR2013-00033, Paper 122 at 58 (P.T.A.B. Mar. 3, 2014).

⁷⁹ *Id.* at 45.

36 opinion, and then denied Patent Owner's request for rehearing en banc.⁸⁰

II. SUCCESS RATE OF MOTIONS TO AMEND SO FAR

A. Motion to amend canceling claims: generally easily granted

Patent Owners have two choices if filing a motion to amend:

1. Cancel any challenged patent claim; and/or
2. Propose a reasonable number of substitute claims.⁸¹

The grant rate for Patent Owners choosing the first option, requesting a motion to amend canceling claims, is 100 ; PTAB will grant that request, even late in the proceeding.⁸² It is effectively the same as the Patent Owner conceding unpatentability, which is also always accepted. What could be more "just, speedy, and inexpensive" than granting a request to cancel claims?

B. Motion to amend requesting allowance of substitute claims: rarely granted

PTAB's grant rate in IPRs for Patent Owners filing a motion to amend substituting claims is 6 percent (26 claims/450 claims) (as of Oct. 1, 2015).⁸³

⁸⁰ *Helferich Patent Licensing LLC v. CBS Interactive Inc.*, 599 Fed.Appx. 955 (Fed. Cir. 2015), reh'g en banc denied, Aug. 4, 2015.

⁸¹ 35 U.S.C. § 316(d) (2012); § 326(d) (2012).

⁸² Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,767 (Aug. 14, 2012) ("To reduce the number of issues in dispute, however, motions to cancel claims will generally be permitted even late in the proceeding[.]").

⁸³ See Daniel F. Klodowski and David Seastrunk, *Claim and Case Disposition*, <http://www.aiablog.com/claim-and-case-disposition/> [<http://perma.cc/Z8XB-4NUV>].

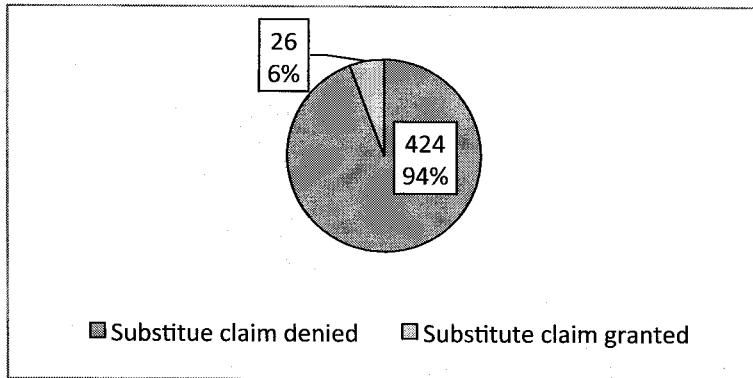


Exhibit 1: Considered Substitute Claim Disposition on a per claim basis in IPRs as of Oct. 1, 2015.⁸⁴

C. Why Have So Few Motions to Amend Requesting Substitute Claims Been Granted?

Despite the statutory approval of amending claims in IPRs, in reality, Patent Owners' ability to amend claims has been virtually nonexistent so far.

It would seem Congress expected Patent Owners to amend claims in IPRs and PGRs, or they would not have included amending provisions in the statutory framework. The USPTO also initially seems to have expected Patent Owners to amend claims: "it is expected that amendments to a patent will be sought."⁸⁵ The Commentary in the final rules discusses amendments as though they will be an expected component of IPRs and PGRs:

The provisions of the Leahy-Smith America Invents Act indicate that the typical standard applicable to USPTO proceedings should apply as well to these trial proceedings. The typical justifications for using the "broadest reasonable interpretation standard"—particularly the ability to amend claims, application of the lower "preponderance of the evidence standard" for determining patentability ..., and the absence of a presumption of validity)—are explicitly provided for by the Act, or

⁸⁴ See Daniel F. Klodowski and David Seastrunk, *Claim and Case Disposition*, <http://www.aiablog.com/claim-and-case-disposition/> [<http://perma.cc/Z8XB-4NUV>].

⁸⁵ 77 Fed. Reg. 48,680, 48,697 (Aug. 14, 2012) (to be codified as 37 C.F.R. 42).

consistent with it.”⁸⁶

And further:

There is no indication that an unlimited ability to amend is required when employing the current USPTO construction standard; the rationale is simply that the broader standard serves to identify ambiguities in the claims that can then be clarified through claim amendments. That rationale applies under the current proceedings. For *inter partes* review, post-grant review, and covered business method patent review proceedings, §§ 42.121 and 42.221 provide patent owners the opportunity to file a motion to amend after conferring with the Board. Moreover, additional motions to amend may be authorized when there is a good cause showing or a joint request of the petitioner and the patent owner to advance materially a settlement.⁸⁷

The Office Trial Practice Guide explains:

An essential purpose of the broadest reasonable claim interpretation standard in the amendment process is to encourage a patent owner to fashion clear, unambiguous claims. Only through the use of the broadest reasonable claim interpretation standard can the Office ensure that uncertainties of claim scope are removed or clarified. Since patent owners have the opportunity to amend their claims during IPR, PGR, and CBM trials, unlike in district court proceedings, they are able to resolve ambiguities and overbreadth through this interpretive approach, producing clear and defensible patents at the lowest cost point in the system.⁸⁸

In certain circumstances, claim construction under the broadest reasonable interpretation will differ from that of district court. A patent owner, however, will have opportunities to amend its claims during an administrative

⁸⁶ 7 Fed. Reg. 48,680, 48,697 (Aug. 14, 2012) (to be codified as 37 C.F.R. 42) (responding to Comment 28).

⁸⁷ 77 Fed. Reg. 48,680, 48,699 (Aug. 14, 2012) (to be codified as 37 C.F.R. 42) (responding to Comment 30).

⁸⁸ 77 Fed. Reg. 48,756, 47,764 (Aug. 14, 2012) (to be codified as 37 C.F.R. 42).

trial before the Board.⁸⁹

There is a general presumption that only one substitute claim would be needed to replace each challenged claim. §§ 42.121(a) and 42.221(a). This presumption may be rebutted by a demonstration of need. The presumption balances the one-year timeline for final decision against the patent owner's need to appropriately define the invention.⁹⁰

It appears as though amending claims was truly anticipated to be a real component of IPRs and PGRs, and the lack of actually being able to do so is an unexpected outcome.

The disconnect between expectation and reality may simply reflect an oversight in the construction of these new AIA post-grant proceedings - that there would be no examination of the proposed substitute claims, and/or that the tight statutory timeline would not permit the type of back and forth possible in prosecution, reissue, or ex parte reexamination.

It may also reflect a significant underestimate of the number of these proceedings and the pressure on the PTAB judges' workload that this volume has created. Possibly PTAB judges do not agree with Congress and the final rules that there is room for amending claims in IPRs and PGRs.

D. To Date No Additional Motions to Amend Authorized

Although additional motions to amend are contemplated in the statute and rules, no additional motions to amend have been granted to date.⁹¹

III. EXAMPLES OF PTAB'S REJECTIONS OF MOTIONS TO AMEND

A. Early PTAB Decisions Set Stage

PTAB often refers Patent Owners to *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027,⁹² *Nichia Corp. v. Emcore Corp.*,

⁸⁹ 77 Fed. Reg. 48,756, 47,766 (Aug. 14, 2012) (to be codified as 37 C.F.R. 42).

⁹⁰ See 35 U.S.C. § 316(d); § 326(d); 37 C.F.R. § 42.121 (2015); § 42.221(c); 77 Fed. Reg. 48,756, 47,767 (Aug. 14, 2012) (to be codified as 37 C.F.R. 42).

⁹¹ As of Nov. 1, 2015.

⁹² *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 26 (P.T.A.B. June 11, 2013); *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 66 (P.T.A.B. Jan. 7, 2014).

No. IPR2012-00005,⁹³ and *ZTE Corp. v. ContentGuard Holdings, Inc.*, No. IPR2013-00136,⁹⁴ as suggested guidance for Patent Owners regarding motions to amend.

These three cases,⁹⁵ in which no motions to amend proposing substitute claims were granted, discuss in detail key requirements the Patent Owner, as the moving party bearing the burden of proof, must meet:

1. “in the absence of special circumstance, a challenged claim can be replaced by only one claim, and a motion to amend should, for each proposed substitute claim, specifically identify the challenged claim which it is intended to replace.... All proposed claims should be traceable to an original challenged claim as a proposed substitute claim for that challenged claim.”⁹⁶;
2. “a substitute claim may not enlarge the scope of the challenged claim it replaces by eliminating any feature.”⁹⁷;
3. show how the amendment is responsive to a ground of unpatentability on which the trial was instituted⁹⁸;
4. “[a] motion to amend claims must identify clearly the written description support for each proposed substitute claim.”⁹⁹; and
5. “show a patentable distinction of each proposed substitute claim over the prior art[.]” “show patentable distinction over the prior art of record and also prior art known to the patent owner[.]” and “show patentable distinction of the additional substitute claim over all other substitute claims for the same

⁹³ *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 27 (P.T.A.B. June 3, 2013); *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 68 (P.T.A.B. Feb. 11, 2014).

⁹⁴ *ZTE Corp. v. ContentGuard Holdings, Inc.*, No. IPR2013-00136, Paper 32 (P.T.A.B. Nov. 5, 2013); *ZTE Corp. v. ContentGuard Holdings, Inc.*, No. IPR2013-00136, Paper 33 (P.T.A.B. Nov. 7, 2013).

⁹⁵ *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 66 (P.T.A.B. Jan. 7, 2014) (no notice of appeal was filed); *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 27 (P.T.A.B. June 3, 2013) (the Federal Circuit issued a Rule 36 opinion affirming PTAB’s decision, April 16, 2015 (non-precedential); *ZTE Corp. v. ContentGuard Holdings, Inc.*, No. IPR2013-00136, Paper 33 (P.T.A.B. Nov. 7, 2013) (the case was terminated on Nov. 19, 2013, after a request for adverse judgment was submitted; there was no final written decision).

⁹⁶ *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 26, at 5 (P.T.A.B. June 11, 2013).

⁹⁷ *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 26, at 5 (P.T.A.B. June 11, 2013).

⁹⁸ *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 68, at 53 (P.T.A.B. Feb. 11, 2014).

⁹⁹ *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 68, at 54 (P.T.A.B. Feb. 11, 2014).

challenged claim[.]”¹⁰⁰

B. Improper broadening

By statute and rule, claim amendments cannot broaden the scope of a claim or add new matter.¹⁰¹ Claims that add limitations and do not remove limitations, as when limitations from original dependent claims are incorporated into a proposed substitute independent claim, will not broaden claim scope. This was the case in all the cases where motions to amend proposing substitute claims have been granted.¹⁰² *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005,¹⁰³ provides an example of PTAB finding improper broadening when claim limitations from the original claims were removed in the proposed substitute claims. Patent Owner Emcore removed all of the limitations of 10 original challenged claims, including the limitation said to produce the asserted “unexpected result.” PTAB noted that Patent Owner failed “to appreciate that a patent owner may not seek to broaden a challenged claim in any respect, in the name of responding to a ground of unpatentability.”¹⁰⁴

C. Reasonable number of substitute claims

The statute allows the Patent Owner to file a motion to amend the patent by proposing a reasonable number of substitute claims for each challenged claim.¹⁰⁵ It is presumed that only one substitute claim is needed to replace each challenged claim.¹⁰⁶

In *ZTE Corp. v. ContentGuard Holdings, Inc.*, No. IPR2013-00136,¹⁰⁷ Patent Owner proposed multiple substitute claims for claim

¹⁰⁰ *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 26, at 6 (P.T.A.B. June 11, 2013).

¹⁰¹ 35 U.S.C. § 316(d)(3) (2012); 35 U.S.C. § 326(d)(3) (2012); 37 C.F.R. § 42.121(a)(2)(ii) (2014); 37 C.F.R. § 42.221(a)(2)(ii) (2014).

¹⁰² *Int'l Flavors & Fragrances Inc. v. U.S.*, No. IPR2013-00124, Paper 12 (P.T.A.B. May 20, 2014); *Riverbed Tech., Inc. v. Silver Peak Sys., Inc.*, No. IPR2013-00402, Paper 35 (P.T.A.B. Dec. 30, 2014); *Riverbed Tech., Inc. v. Silver Peak Sys., Inc.*, No. IPR2013-00403, Paper 33 (P.T.A.B. Dec. 30, 2014).

¹⁰³ *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 68 (P.T.A.B. Feb. 11, 2014).

¹⁰⁴ *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 68 (P.T.A.B. Feb. 11, 2014); *see also* *Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, No. IPR2012-00001, Paper 59 (P.T.A.B. Nov. 13, 2013) (for proposed substitute claims denied for improper broadening).

¹⁰⁵ 35 U.S.C. § 316(d)(1)(B) (2012); 35 U.S.C. § 326(d)(1)(B) (2012).

¹⁰⁶ 37 C.F.R. § 42.121(a)(3) (2014); 37 C.F.R. § 42.221(a)(3) (2014).

¹⁰⁷ *ZTE Corp. v. ContentGuard Holdings, Inc.*, No. IPR2013-00136, Paper 32 (P.T.A.B. Nov. 7, 2013).

1, and multiple substitute claims for claim 19, but PTAB could find no justification in Patent Owner's motion to amend.

In *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005,¹⁰⁸ PTAB found that Patent Owner's general identification of the challenged claims, as a group, failed to meet the requirement that each substitute claim must be linked to a specific challenged claim. In this case, "[n]one of the proposed new claims are traceable to any challenged claims. ... Without such indication, the Board does not have adequate information to determine the reasonableness of the number of substitute claims for each original claim."¹⁰⁹

D. Lack of support in original specification

In *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005,¹¹⁰ Patent Owner's motion to amend failed because it did not identify the written description support for each proposed substitute claim in the original specification.¹¹¹ PTAB cited the written description support test from *Ariad Pharms., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc): "whether the original disclosure of the application relied upon reasonably conveys to a person of ordinary skill in the art that the inventor had possession of the claimed subject matter as of the filing date."¹¹² Patent Owner's citation only to the patent was insufficient:

Although Emcore cites to the '215 patent, that alone is insufficient. For instance, Emcore provides a citation, without any explanation, to the patent claims that may or may not be a part of the original disclosure... Such a vague statement is inadequate to determine the written description support for Emcore's proposed substitute claims. The burden should not be placed on the Board to sort through Emcore's patent and the original disclosure of the '965 application to determine whether each proposed substitute claim is supported in the original disclosure of

¹⁰⁸ *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 68 (P.T.A.B. Feb. 11, 2014).

¹⁰⁹ *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 68 at 50 (P.T.A.B. Feb. 11, 2014).

¹¹⁰ *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 68 (P.T.A.B. Feb. 11, 2014); 37 C.F.R. § 42.121(b)(1) (2014).

¹¹¹ *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 68 (P.T.A.B. Feb. 11, 2014).

¹¹² *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 68 at 54 (P.T.A.B. Feb. 11, 2014).

the '965 application.¹¹³

In an earlier Order, PTAB also indicated to Patent Owner that “merely indicating where each claim limitation individually described in the original disclosure may be insufficient to demonstrate support for the claimed subject matter as a whole. ... a mere citation to the original disclosure without any explanation as to why a person of ordinary skill in the art would have recognized that the inventor possessed the claimed subject matter as a whole may be similarly inadequate.”¹¹⁴

PTAB echoed this position in *Greene’s Energy Group, LLC v. Oil States Energy Services, LLC*, No. IPR2014-00216, where, in denying Patent Owner’s motion to amend proposing substitute claims, the panel noted the insufficiency of merely using claim charts to show support:

Patent Owner provided virtually no discussion of the support for its proposed substitute claims in its Motion to Amend, relying instead on a chart purportedly showing where each element of the proposed substitute claims was disclosed in the Specification, claims, and Figures of the of the '053 patent and the '418 application. . . The chart of written description support provided by Patent Owner contains only string citations with no discussion of how the cited disclosures pertain to the additional claim language. Indeed, those citations are not tailored to a specific disclosure, but instead encompass, among other things, all nine figures in the '418 application. . . . During oral argument, Patent Owner sought to narrow the citations relied upon as written description support, but failed to remedy the problem of insufficient explanation linking the citations to the amended language.¹¹⁵

PTAB found no further guidance from Patent Owner’s expert declaration supporting the motion to amend.¹¹⁶ Furthermore, the

¹¹³ *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 68 at 54-55 (P.T.A.B. Feb. 11, 2014); 37 C.F.R. § 42.121(b)(1) (2014).

¹¹⁴ *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 27, at 4 (P.T.A.B. June 3, 2013).

¹¹⁵ *Greene’s Energy Group, LLC v. Oil States Energy Services, LLC*, No. IPR2014-00216, Paper 53, at 25-26 (P.T.A.B. May 1, 2015).

¹¹⁶ *Greene’s Energy Group, LLC v. Oil States Energy Services, LLC*, No. IPR2014-00216, Paper 53, at 25 (P.T.A.B. May 1, 2015).

proposed substitute claims added new terms not appearing in any disclosure,¹¹⁷ and Patent Owner failed to provide an explanation as to how the terms had written description support:

A string citation does not explain how the original disclosure of the application relied upon reasonably conveys to a person the features intended to be encompassed by the proposed substitute claims.¹¹⁸

E. Failed to provide claim construction for new terms

Failure to provide a proposed claim construction for any newly-added claim terms in a proposed substitute claim may be grounds for PTAB denying the motion to amend. “A motion to amend claims must identify how the proposed substitute claims are to be construed, especially when the proposed substitute claims introduce new claim terms.”¹¹⁹ Without a proposed claim construction, there is insufficient information on which to determine whether the proposed substitute claim is patentable over the prior art.¹²⁰

In *Tandus Flooring, Inc. v. Interface, Inc.*, No. IPR2013-00333, Patent Owner proposed substitute claim 59 with an extensive additional limitation:

59. An installation of modular carpet tiles connected together with connectors, . . . , each connector comprising:
a. a sheet having two sides, wherein the sheet comprises a material sufficiently stiff for a connector positioned partly in contact with an underside of a tile to project beyond the edge of the tile in roughly the same plane as the underside of the tile, and wherein the material resists stretching under rolling traffic such that each connector will not permanently stretch to thereby create permanent gaps between the adjacent tiles; and¹²¹

¹¹⁷ *Greene’s Energy Group, LLC v. Oil States Energy Services, LLC*, No. IPR2014-00216, Paper 53, at 26 (P.T.A.B. May 1, 2015).

¹¹⁸ *Greene’s Energy Group, LLC v. Oil States Energy Services, LLC*, No. IPR2014-00216, Paper 53, at 26 (P.T.A.B. May 1, 2015).

¹¹⁹ *Nichia Corp. v. Emcore Corp.*, No. IPR2012-00005, Paper 68, at 51 (P.T.A.B. Feb. 11, 2014).

¹²⁰ See *Greene’s Energy Group, LLC v. Oil States Energy Services, LLC*, No. IPR2014-00216, Paper 53, at 28 (P.T.A.B. May 1, 2015).

¹²¹ *Tandus Flooring, Inc. v. Interface, Inc.*, No. IPR2013-00333, Paper 41 (P.T.A.B.

However, Patent Owner did not provide a proposed claim construction for the newly-added phrase indicated in bold above. PTAB concluded that it could not adequately assess patentability over the prior art generally without first determining a reasonable construction of this alleged new claim feature.¹²²

F. Failed to Show Patentability Over Prior Art

1. Prior Art Grounds In Petition

In *Delaval Int'l AB v. Lely Patent N.V.*, No. IPR2013-00575, PTAB denied Patent Owner's motion to amend to substitute claims because the Patent Owner asserted "that the proposed claims are patentable over two references not of record, but does not address the patentability of the proposed claims over the prior art for which trial was instituted[.]"¹²³ PTAB noted Patent Owner's burden, as movant, to demonstrate patentability of the proposed substitute claims over the prior art of record, as well as prior art not of record but known to the patent owner.¹²⁴

PTAB found "Patent Owner's failure to address the art of record is fatal to its motion[.]"¹²⁵ PTAB went on to find the proposed substitute claim obvious because, "based on the current record, Patent Owner has not carried its burden of demonstrating that proposed claim 11 is patentable over the prior art of record."¹²⁶

2. Prior Art (Not Just Art Asserted In Petition)

As noted in *Idle Free*: Patent Owner "bears the burden of proof

Apr. 30, 2014).

¹²² *Tandus Flooring, Inc. v. Interface, Inc.*, No. IPR2013-00333, Paper 67, at 55 (P.T.A.B. Dec. 8, 2014); *see also* *JDS Uniphase Corp. v. Fiber, LLC*, No. IPR2013-00318, Paper 45 (P.T.A.B. December 5, 2014); *Spectra Logic Corp. v. Overland Storage Inc.*, No. IPR2013-00357, Paper 26 (P.T.A.B. November 7, 2014); *Microsoft Corp. v. Surfcast, Inc.*, Nos. IPR2013-00292, -00293, -00294, and -00295, Paper 33 (P.T.A.B. October 14, 2014); *Google Inc. and Apple Inc. v. Jongerius Panoramic Technologies, LLC*, No. IPR2013-00191, Paper 70 (P.T.A.B. August 12, 2014).

¹²³ *Delaval Int'l AB v. Lely Patent N.V.*, No. IPR2013-00575, Paper 42, at 26 (P.T.A.B. Feb. 20, 2015).

¹²⁴ *Delaval Int'l AB v. Lely Patent N.V.*, No. IPR2013-00575, Paper 42, at 25-26 (P.T.A.B. Feb. 20, 2015) (citing *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 26, at 7 (P.T.A.B. June 11, 2013)).

¹²⁵ *Delaval Int'l AB v. Lely Patent N.V.*, No. IPR2013-00575, Paper 42, at 26 (P.T.A.B. Feb. 20, 2015).

¹²⁶ *Delaval Int'l AB v. Lely Patent N.V.*, No. IPR2013-00575, Paper 42, at 26 (P.T.A.B. Feb. 20, 2015).

in demonstrating patentability of the proposed substitute claims over the prior art in general, and thus entitlement to add these proposed substitute claims to its patent[.]”¹²⁷

PTAB further explained in *SATA GMBH & CO. KG v. Anest Iwata Corp.*, No. IPR2013-00111:

because there is no examination of the proposed claims, the patent owner must show that the subject matter recited is not taught or suggested by the prior art in general for us to determine if they comply with 35 U.S.C. §§ 102 and 103 and the rest of the patent statutes. ...When considering a motion to amend, we look for evidence in support of patentability. This evidence must be significant. A panel of the Board has determined previously, and we agree, that “[a] mere conclusory statement by counsel, in the motion to amend, to the effect that one or more added features are not described in any prior art, and would not have been suggested or rendered obvious by prior art, is on its face inadequate.” *Idle Free*, Paper 26, at 8. For example, to determine that a claim is patentable under 35 U.S.C. § 103, we need evidence of what an ordinarily skilled artisan would have understood the prior art to have or have not suggested.¹²⁸

In *LaRose Indus. LLC v. Capriola Corp.*, No. IPR2013-00120 and -00121,¹²⁹ Patent Owner directed its patentability arguments only to the references on which the IPR was instituted and additionally did not respond to Petitioner’s attacks on the patentability of the proposed substitute claims. Specifically,

Neither Patent Owner’s motion to amend nor its response to Petitioner’s opposition to the motion to amend discusses (1) the level of ordinary skill in the art, explaining the basic knowledge and skill set already possessed by one of ordinary skill in the art, with respect to the new claim limitations or (2) any other prior art known to Patent

¹²⁷ *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, Paper 66, at 33 (P.T.A.B. January 7, 2014).

¹²⁸ *SATA GMBH & CO. KG v. Anest Iwata Corp.*, No. IPR2013-00111, Paper 44, at 7 (P.T.A.B. May 20, 2014). *SATA GMBH & CO. KG v. Anest Iwata Corp.*, No. IPR2013-00111, Paper 44, at 7 (P.T.A.B. May 20, 2014).

¹²⁹ *LaRose Indus. LLC v. Capriola Corp.*, Nos. IPR2013-00120 and -00121 (P.T.A.B. July 26, 2014).

Owner.

PTAB denied the motion to amend, and, citing *Idle Free*, reiterated:

If we grant or deny the patent owner's motion, we are not allowing or rejecting claims, as an examiner would when acting on a patent application or a request for reexamination during prosecution; rather, we are entering claims as relief to which the patent owner has proven itself entitled.¹³⁰

As discussed above, PTAB sat as an expanded 6-judge panel in *MasterImage 3D Inc. v. RealD Inc.*, No. IPR2015-00040, and issued a "representative" opinion to clarify *Idle Free*:

The reference to "prior art of record" . . . should be understood as referring 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.¹³¹

The reference to "prior art known to the patent owner" . . . should 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.¹³²

And further in *Google Inc. v. Micrografx, LLC*, No. IPR2014-00532:

¹³⁰ See also *Adidas AG v. Nike*, No. IPR2013-00067, Paper 60 (P.T.A.B. April 28, 2014); *Synopsys v. Mentor Graphics Corp.*, No. IPR2012-00042, Paper 60 (P.T.A.B. Feb. 19, 2014).

¹³¹ *MasterImage 3D Inc. v. RealD Inc.*, No. IPR2015-00040, Paper 42, at 2 (P.T.A.B. July 15, 2015).

¹³² *MasterImage 3D Inc. v. RealD Inc.*, No. IPR2015-00040, Paper 42, at 3 (P.T.A.B. July 15, 2015).

While not required to prove that the claims are patentable over every item of prior art known to a person of ordinary skill, the patent owner is required to explain why the claims are patentable over the prior art of record. . . . The prior art of record includes the references adduced by Petitioner in opposition to the Motion to Amend, . . . as well as the prior art on which we instituted *inter partes* review.¹³³

It appears, therefore, that Patent Owner must show patentability over the prior art raised by Petitioner, either in the petition or in the opposition to the motion to amend, and prior art known to the Patent Owner. It does not appear, as some feared, that the Patent Owner must show patentability over all of the “prior art in general,” a standard that seems impossible to meet.

G. Failed To Show Separate Patentability of Proposed Substitute Claims Over Allowed Substitute Claims (Allowed Substitute Claims Treated As Prior Art Against Remaining Proposed Substitute Claims)

PTAB first mentioned showing separate patentability of proposed substitute claims over other substitute claims in *Idle Free*:

Even in the case of proposing only one substitute claim for a particular challenged claim, if the substitute claim is presented as patentable over prior art on the same basis that another substitute claim on which it depends is patentable over prior art, then the patent owner should provide meaningful reasons for making the additional changes effected by that dependent claim. . . . Adding features for no meaningful reason is generally inconsistent with proposing a reasonable number of substitute claims, and also not responsive to an alleged ground of unpatentability.¹³⁴

PTAB applied this reasoning in *Riverbed I* and *II* (discussed in detail below), when it granted the motion to amend with respect to some proposed substitute claims but not other proposed substitute dependent claims.

¹³³ Google Inc. v. Micrografx, LLC, No. IPR2014-00532, Paper 40, at 31 and 35 (P.T.A.B. July 21, 2015).

¹³⁴ Idle Free Sys., Inc. v. Bergstrom, Inc., No. IPR2012-00027, Paper 26, 6-7, 9-10 (P.T.A.B. June 11, 2013).

In *Riverbed I* and *II*, Patent Owner proposed additional dependent substitute claims and argued they were “independently patentable over the prior art and over [other proposed substitute parent claims].” PTAB began its analysis with an assumption that the proposed substitute parent claims were prior art. It then found that Patent Owner’s patentability analysis did not account for the proposed substitute parent claims by explaining why the additional limitations would have been non-obvious over them, not just the prior art generally. Furthermore, without a patentability reason for the additional limitations, Patent Owner’s proposed substitute claims were not responsive to a ground of unpatentability and amounted to a second proposed substitute claim for which Patent Owner did not demonstrate a sufficient need for exceeding the presumption that only one substitute claim is needed to replace a challenged claim.¹³⁵

IV. SAMPLE CASES WHERE MOTIONS TO AMEND PROPOSING SUBSTITUTE CLAIMS WERE GRANTED

*A. Int’l Flavors & Fragrances Inc. v. the U.S.A., as represented by the Secretary Of Agriculture, IPR2013-00124*¹³⁶

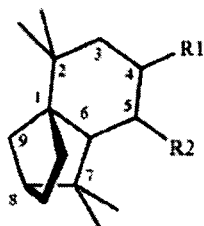
In the first case in which PTAB granted a motion to amend substituting claim, *Int’l Flavors*, the Patent Owner did not file a POPR, and an IPR was instituted. Patent Owner also did not file a POR, but rather only filed a Motion to Amend requesting cancellation of all challenged claims (1-26) and substitution of proposed claims 27-45. Petitioner did not file an opposition. There was no oral hearing. PTAB granted the request to cancel claims 1-26, and granted the motion to amend substituting claims 27-44. Proposed substitute claim 45 was denied.

Original independent claim 1 read:

A method for repelling arthropods, said method comprising treating an object or area with an arthropod repelling effective amount of at least one isolongifolenone analog and optionally a carrier or carrier material; wherein said at least one isolongifolenone analog has the following formula:

¹³⁵ *Riverbed Technology, Inc. v. Silver Peak Systems, Inc.*, No. IPR2013-00402, Paper 35, at 29-31 (P.T.A.B. Dec. 30, 2014); *Riverbed Technology, Inc. v. Silver Peak Systems, Inc.*, No. IPR2013-00403, Paper 33, at 29-32 (P.T.A.B. Dec. 30, 2014).

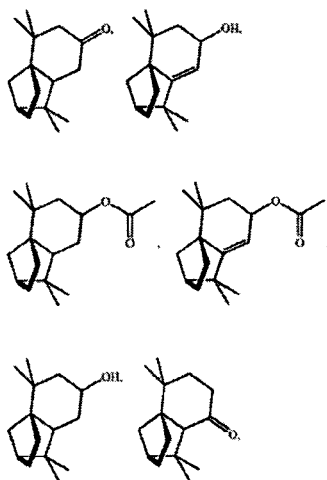
¹³⁶ *Int’l Flavors & Fragrances Inc. v. United States*, No. IPR2013-00124, Paper 12 (P.T.A.B. May 20, 2014).



wherein R1 is hydrogen, an oxygen, a C1-10 alcohol, aldehyde, alkyl, ether, or esters of said alcohol with a C1-10 saturated or unsaturated, straight or branched acid and R2 is hydrogen, an oxygen, a C1-10 alcohol, aldehyde, alkyl, ether, or esters of said alcohol with a C1-10 saturated or unsaturated, straight or branched acid; optionally there is a double bond between carbons 5 and 6 and R2 is hydrogen.

Original dependent claim 8 read:

The method according to claim 1, wherein said at least one isolongifolenone analog is selected from the group consisting of:

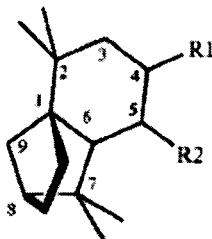


and mixtures thereof.

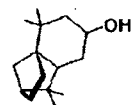
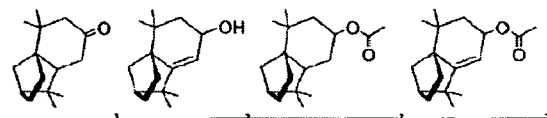
Int'l Flavors proposed substitute claim 27 for original claim 1.
Proposed claim 27 read:

A method for repelling arthropods, said method comprising treating an object or area with an arthropod

repelling effective amount of at least one isolongifolenone analog and optionally a carrier or carrier material; where said at least one isolongifolenone analog has the following formula:



wherein R_1 is hydrogen, an oxygen, a C_{1-10} alcohol, aldehyde, alkyl, ether, or esters of said alcohol with a C_{1-10} saturated or unsaturated, straight or branched acid and R_2 is hydrogen, an oxygen, a C_{1-10} alcohol, aldehyde, alkyl, ether, or esters of said alcohol with a C_{1-10} saturated or unsaturated, straight or branched acid; optionally there is a double bond between carbons 5 and 6 and R_2 is hydrogen; where said at least one isolongifolenone analog is selected from the group consisting of



, and mixtures thereof.

Note: the format of the proposed substitute claims quite closely follows the example provided in the Office Trial Practice Guide.¹³⁷

¹³⁷ Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756; 47,767 (Aug. 14, 2012)(finding that Original patent claims: Claim 1: A bucket comprising: a shell; and an attached handle. Claim 2: The bucket of claim 1 wherein the shell is made of wood. Claim 3: The bucket of claim 1 wherein the handle is made of metal. Claim 4: The bucket of claim 1 wherein the bucket has a volume of 2-5 gallons. Claim listing in a motion to amend: Claims 1-4 (cancelled). Claim 5 (substitute for original claims 1-3):

PTAB granted substitute claim 27 (and those depending from it, proposed claims 28-44). In doing so, PTAB noted that there were a reasonable number of substitute claims (18 for 20 original) and there was no broadening of scope since claim limitations of original dependent claims were incorporated into substitute claims.¹³⁸

PTAB also found that the Patent Owner showed written description support for the proposed substitute claims in the application as filed, demonstrated “the level of ordinary skill in the art, as well as the unobviousness of features being relied upon to demonstrate patentability of the proposed claims[,]”¹³⁹ and provided “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.”¹⁴⁰

Specifically, expert testimony supported Patent Owner’s argument that “the prior art does not provide a reason to modify isolongifolanone to arrive at the modified isolongifolanone compounds of proposed claim 27”¹⁴¹ and PTAB agreed that person of ordinary skill in the art would not expect that minor structural changes to a known repellent would result in a modified compound having the same repellency as the parent compound.¹⁴²

Proposed substitute claim 45 was not granted. It read:

A method for repelling arthropods, said method comprising treating an object or area with an arthropod repelling effective amount of at least one isolongifolenone analog and optionally a carrier or carrier material; wherein said at least one isolongifolenone analog has the following formula:

A bucket comprising: a shell made of wood; and an attached handle made of metal. Claim 6 (substitute for original claim 4): The bucket of claim 5 wherein the bucket has a volume of 2-5 gallons. Claim 7 (new claim) The bucket of claim 5 wherein the metal handle is at least partially made of alloy X.).

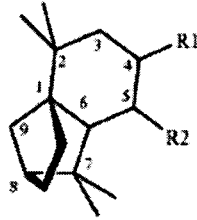
¹³⁸ Int’l Flavors & Fragrances Inc. v. United States, No. IPR2013-00124, Paper 12, at 9-10 (P.T.A.B. May 20, 2014).

¹³⁹ Int’l Flavors & Fragrances Inc. v. United States, No. IPR2013-00124, Paper 12, at 12 (P.T.A.B. May 20, 2014).

¹⁴⁰ Int’l Flavors & Fragrances Inc. v. United States, No. IPR2013-00124, Paper 12, at 12 (P.T.A.B. May 20, 2014).

¹⁴¹ Int’l Flavors & Fragrances Inc. v. United States, No. IPR2013-00124, Paper 12, at 16 (P.T.A.B. May 20, 2014).

¹⁴² Int’l Flavors & Fragrances Inc. v. United States, No. IPR2013-00124, Paper 12, at 14 (P.T.A.B. May 20, 2014).



wherein R_1 is hydrogen, an oxygen, a C_{1-10} alcohol, aldehyde, alkyl, ether, or esters of said alcohol with a C_{1-10} saturated or unsaturated, straight or branched acid and R_2 is hydrogen, an oxygen, a C_{1-10} alcohol, aldehyde, alkyl, ether, or esters of said alcohol with a C_{1-10} saturated or unsaturated, straight or branched acid; optionally there is a double bond between carbons 5 and 6 and R_2 is hydrogen; wherein said arthropods are ticks or mites.

PTAB denied proposed claim 45 because the prior art reference specifically taught the compound recited by claim 45 when R_1 is a hydrogen atom and R_2 is an oxygen atom.¹⁴³ While a person of ordinary skill in the art would not necessarily have a reasonable expectation that the compound would also repel ticks, Patent Owner did not show that “ticks and mites would not be present on the same objects or areas where mosquitoes ... are found[.]”¹⁴⁴ PTAB decided that claim 45 was merely reciting a new benefit of an old process because by applying the prior art isolongifolanone to repel mosquitoes, one would also inherently repel ticks and mites.¹⁴⁵

*B. Riverbed Tech. Inc. v. Silver Peak Systems, Inc., (Riverbed I), IPR2013-00402*¹⁴⁶

In *Riverbed I*, the Patent Owner expressly waived filing a POPR, and an IPR was instituted on all challenged claims on both asserted grounds on Jan. 2, 2014. Patent Owner filed a Motion to Amend requesting cancellation of claims 1-12 and substitution of proposed

¹⁴³ Int'l Flavors & Fragrances Inc. v. United States, No. IPR2013-00124, Paper 12, at 17 (P.T.A.B. May 20, 2014).

¹⁴⁴ Int'l Flavors & Fragrances Inc. v. United States, No. IPR2013-00124, Paper 12, at 17-18 (P.T.A.B. May 20, 2014).

¹⁴⁵ Int'l Flavors & Fragrances Inc. v. United States, No. IPR2013-00124, Paper 12, at 18 (P.T.A.B. May 20, 2014).

¹⁴⁶ Riverbed Technology, Inc. v. Silver Peak Systems, Inc. (Riverbed I), No. IPR2013-00402, Paper 35 (P.T.A.B. Dec. 30, 2014).

claims 13-18.¹⁴⁷ Patent Owner did not file a POR.

The Motion to Amend was opposed by Petitioner on the grounds that the Patent Owner did not show the proposed substitute claims were patentable against the prior art generally (including all that known by the Patent Owner).¹⁴⁸ Furthermore, there was no expert declaration as support for the Patent Owner's arguments or to show the level of ordinary skill in the art.¹⁴⁹

Patent Owner filed a Reply to the opposition, and an oral hearing was held. In PTAB's Final Written Decision, it granted Patent Owner's request to cancel claims 1-12, granted Patent Owner's request to substitute claims 13 and 15, and denied proposed substitute claims 14 and 16-18.¹⁵⁰

Original claim 1 read:

A source-site appliance of a network memory, comprising:

a communication interface configured to communicate with a source-site local area network; and

a processor configured to intercept transmitted data sent from a source-site computer directed over a wide area network to a destination-site computer, to determine whether the transmitted data corresponds to locally accessible data of a destination-site appliance of the network memory coupled to the destination-site computer via a destination-site local area network, to generate an instruction based on the determination in order that the destination-site appliance obtain the transmitted data, and to transfer the instruction over the wide area network to the destination-site appliance.

Original claim 4 read:

The source-site appliance of claim 1 wherein the processor

¹⁴⁷ Riverbed Technology, Inc. v. Silver Peak Systems, Inc. (Riverbed I), No. IPR2013-00402, Paper 25 (P.T.A.B. Mar. 28, 2014).

¹⁴⁸ Riverbed Technology, Inc. v. Silver Peak Systems, Inc. (Riverbed I), No. IPR2013-00402, Paper 26 (P.T.A.B. June 27, 2014).

¹⁴⁹ Riverbed Technology, Inc. v. Silver Peak Systems, Inc. (Riverbed I), No. IPR2013-00402, Paper 26 at 7 (P.T.A.B. June 27, 2014).

¹⁵⁰ Riverbed Technology, Inc. v. Silver Peak Systems, Inc. (Riverbed I), No. IPR2013-00402, Paper 35 (P.T.A.B. Dec. 30, 2014).

is further configured to send a portion of the transmitted data over the wide area network to the destination-site appliance.

Proposed substitute claim 13 (substitute for claim 4):

The source-site appliance of claim 1, wherein the processor is configured to determine whether the transmitted data corresponds to locally accessible data via a process comprising:

identifying sync points in the transmitted data having matches in the locally accessible data by

- (i) determining hash values corresponding to different byte locations of the transmitted data,
- (ii) finely filtering the hash values using a fine filter to determine a finely filtered set of the hash values corresponding to fine sync points, and coarsely filtering the hash values using a coarse filter to determine a coarsely filtered set of the hash values corresponding to coarse sync points, and
- (iii) determining from the finely filtered set of the hash values and the coarsely filtered set of the hash values, a plurality of hash values matching hash values of the locally accessible data; and

performing for byte locations with matching hash values, a forward and backward memory comparison between the transmitted data and data representing the locally accessible data, the forward and backward comparison to identify a size of a matching region of the transmitted data with the data representing the locally accessible data, and performing based on results of the forward and backward memory comparison, a determination of a locally accessible portion of the transmitted data corresponding to the matching region that is locally accessible at the destination-site appliance and a non-locally accessible portion of the transmitted data that is not locally accessible at the destination-site appliance; and

wherein the instruction comprises a retrieve instruction and a store instruction, the retrieve instruction indicating to the destination-site appliance to retrieve the locally

accessible portion of the transmitted data corresponding to the matching region from storage locally accessible to the destination-site appliance, and the store instruction indicating to the destination-site appliance to store the non-locally accessible portion of the transmitted data; and

wherein the processor is further configured to send [[a]] the non-locally accessible portion of the transmitted data over the wide area network to the destination-site appliance.

Proposed substitute claim 15 (proposed substitute for claim 8)

The method of claim 5, wherein determining whether the portion of the transmitted data corresponds to the locally accessible data comprises:

identifying sync points in the transmitted data having matches in the locally accessible data by

(i) determining hash values corresponding to different byte locations of the transmitted data,

(ii) finely filtering the hash values using a fine filter to determine a finely filtered set of the hash values corresponding to fine sync points, and coarsely filtering the hash values using a coarse filter to determine a coarsely filtered set of the hash values corresponding to coarse sync points, and

(iii) determining from the finely filtered set of the hash values and the coarsely filtered set of the hash values, a plurality of hash values matching hash values of the locally accessible data; and

performing for byte locations with matching hash values, a forward and backward memory comparison between the transmitted data and data representing the locally accessible data, the forward and backward memory comparison to identify a size of a matching region of the transmitted data with the data representing the locally accessible data, and performing based on results of the forward and backward memory comparison, a determination of a locally accessible portion of the transmitted data that is locally accessible at the destination-site appliance and a non-locally accessible

portion of the transmitted data that is not locally accessible at the destination-site appliance; and

wherein the instruction comprises a retrieve instruction and a store instruction, the retrieve instruction indicating to the destination-site appliance to retrieve the locally accessible portion of the transmitted data from storage locally accessible to the destination-site appliance, and the store instruction indicating to the destination-site appliance to store the non-locally accessible portion of the transmitted data; and

the method further comprising sending [[a]] the non-locally accessible portion of the transmitted data over the wide area network from the source-site appliance to the destination-site appliance.

PTAB agreed that for proposed claims 13 and 15 there was no broadening of scope because “[e]ach claim includes all of the limitations of the corresponding claim for which it is a substitute, and adds additional limitations. No limitations are removed.”¹⁵¹ In addition, there was written description support in the application as filed.¹⁵² The patentability of substitute claims 13 and 15 was shown over all of the prior art of which the Patent Owner was aware.¹⁵³ PTAB noted that it would have been “helpful” to have an expert declaration, but that it was not a requirement, and the motion served to sufficiently inform about the level of skill in the art.¹⁵⁴

PTAB noted that Petitioner’s opposition did not “propose any specific combination of references that allegedly would have rendered obvious the proposed substitute claims as a whole.”¹⁵⁵

Proposed claim 14 (proposed substitute for claim 3):

¹⁵¹ Riverbed Technology, Inc. v. Silver Peak Systems, Inc. (Riverbed I), No. IPR2013-00402, Paper 35 at 11-12 (P.T.A.B. Dec. 30, 2014).

¹⁵² Riverbed Technology, Inc. v. Silver Peak Systems, Inc. (Riverbed I), No. IPR2013-00402, Paper 35 at 13 (P.T.A.B. Dec. 30, 2014).

¹⁵³ Riverbed Technology, Inc. v. Silver Peak Systems, Inc. (Riverbed I), No. IPR2013-00402, Paper 24 (P.T.A.B. Dec. 30, 2014).

¹⁵⁴ Riverbed Technology, Inc. v. Silver Peak Systems, Inc. (Riverbed I), No. IPR2013-00402, Paper 35 at 25 (P.T.A.B. Dec. 30, 2014).

¹⁵⁵ Riverbed Technology, Inc. v. Silver Peak Systems, Inc. (Riverbed I), No. IPR2013-00402, Paper 35 at 24 (P.T.A.B. Dec. 30, 2014).

The source-site appliance of claim [[1]] 13 wherein the store instruction further indicates to the destination-site appliance to store another copy of the locally accessible portion of the transmitted data together with the non-locally accessible portion of the data at an index in a database in the storage locally accessible to the destination-site appliance.

Proposed claim 16 (proposed substitute for claim 7):

The method of claim [[5]] 15 wherein the store instruction further indicates to the destination-site appliance to store another copy of the locally accessible portion of the transmitted data together with the non-locally accessible portion of the data at an index in a database in the storage locally accessible to the destination-site appliance.

PTAB held that the Patent Owner failed to show the patentability of substitute claims 14 and 16 however:

[Patent Owner did not show] a special circumstance for making the additional changes in proposed substitute claims 14 and 16, such as a patentable distinction over the parent proposed substitute claims.

To demonstrate a patentable distinction over parent proposed substitute claims 13 and 15, however, we must assume the parent claims to be prior art. ...Patent Owner's analysis does not account for the parent claims.¹⁵⁶

Proposed claims 17 and 18 were denied because PTAB questioned whether the claims recited patent-eligible subject matter, an issue Patent Owner did not address in Motion to Amend.¹⁵⁷

¹⁵⁶ Riverbed Technology, Inc. v. Silver Peak Systems, Inc. (Riverbed I), No. IPR2013-00402, Paper 35 at 29 (P.T.A.B. Dec. 30, 2014).

¹⁵⁷ Riverbed Technology, Inc. v. Silver Peak Systems, Inc. (Riverbed I), No. IPR2013-00402, Paper 35 at 31-35 (P.T.A.B. Dec. 30, 2014). This decision raises 35 U.S.C. §101 in an IPR, a proceeding that by statute is directed to patentability under §102 and §103; see 35 U.S.C. §311(b).

C. *Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II)*,
IPR2013-00403¹⁵⁸

In *Riverbed II*, the Patent Owner expressly waived filing a POPR and an IPR was instituted on all challenged claims on two of three asserted grounds. Patent Owner filed a Motion to Amend requesting cancellation of claims 1-27 and substitution of proposed claims 28-33.¹⁵⁹ Patent Owner did not file a POR.

The Motion to Amend was opposed by Petitioner on the grounds that the Patent Owner did not show the proposed substitute claims were patentable against the prior art generally (including all that was known by the Patent Owner).¹⁶⁰ Also, there was no expert declaration as support for the Patent Owner's arguments or to show the level of ordinary skill in the art.¹⁶¹

Patent Owner filed a Reply to the opposition, and an oral hearing was held. In PTAB's Final Written Decision, it granted Patent Owner's request to cancel claims 1-27, granted Patent Owner's request to substitute claims 28 and 30, and denied proposed substitute claims 29 and 31-33.¹⁶²

Original claim 1 read:

Claim 1. A network memory system comprising:

a source-site appliance comprising a first processor and a first memory device, and configured to be coupled to a source-site computer via a source-site local area network;
and

a destination-site appliance comprising a second processor and a second memory device, and configured to be coupled to a destination-site computer via a destination-site local

¹⁵⁸ *Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II)*, No. IPR2013-00403, Paper 33 (P.T.A.B. Dec. 30, 2014).

¹⁵⁹ *Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II)*, No. IPR2013-00403, Paper 23 (P.T.A.B. Mar. 28, 2014).

¹⁶⁰ *Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II)*, No. IPR2013-00403, Paper 24 (P.T.A.B. June 27, 2014).

¹⁶¹ *Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II)*, No. IPR2013-00403, Paper 24 at 7 (P.T.A.B. June 27, 2014).

¹⁶² *Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II)*, No. IPR2013-00403, Paper 33 (P.T.A.B. Dec. 30, 2014).

area network, the source-site computer in communication with the destination-site computer via a wide area network;

wherein the source-site appliance is configured to identify locally accessible data of the destination-site appliance, to intercept transmitted data sent from the source-site computer, to perform a determination of whether a portion of the transmitted data corresponds to the locally accessible data of the destination-site appliance, to generate an instruction based on the determination, and to send the instruction to the destination-site appliance over the wide area network;

and wherein the destination-site appliance is configured to receive the instruction from the source-site appliance over the wide area network, to process the instruction to obtain the transmitted data locally if the transmitted data corresponds to the locally accessible data of the destination-site appliance, and to transfer the transmitted data to the destination-site computer.

Proposed claim 28: (proposed substitute for claim 2):

The network memory system of claim 1 wherein the source-site appliance is configured determine whether the portion of the transmitted data corresponds to the locally accessible data via a process comprising:

identifying sync points in the transmitted data having matches in the locally accessible data by

- (i) determining hash values corresponding to different byte locations of the transmitted data,
- (ii) finely filtering the hash values using a fine filter to determine a finely filtered set of the hash values corresponding to fine sync points, and coarsely filtering the hash values using a coarse filter to determine a coarsely filtered set of the hash values corresponding to coarse sync points, and
- (iii) determining from the finely filtered set of the hash values and the coarsely filtered set of the hash values, a plurality of hash values matching hash values of the locally accessible data; and

performing for byte locations with matching hash values, a forward and backward memory comparison between the transmitted data and data representing the locally accessible data, the forward and backward comparison to identify a size of a matching region of the transmitted data with the data representing the locally accessible data, and performing based on results of the forward and backward memory comparison, a determination of a locally accessible portion of the transmitted data corresponding to the matching region that is locally accessible at the destination-site appliance and a non-locally accessible portion of the transmitted data that is not locally accessible at the destination-site appliance; and

wherein the source-site appliance is further configured to generate a plurality of instructions based on the determination, wherein the plurality of instructions comprise a retrieve instruction and a store instruction, the retrieve instruction indicating to the destination-site appliance to retrieve the locally accessible portion of the transmitted data from a database locally accessible to the destination-site appliance, and the store instruction indicating to the destination-site appliance to store the non-locally accessible portion of the transmitted data.

PTAB agreed that for proposed claims 28 and 30 there was no broadening of scope because “[e]ach claim includes all of the limitations of the corresponding claim for which it is a substitute, and adds additional limitations. No limitations are removed.”¹⁶³ In addition, there was written description support in the application as filed.¹⁶⁴ The patentability of substitute claims 28 and 30 was shown over all of the prior art of which the Patent Owner was aware.¹⁶⁵ PTAB noted that it would have been “helpful” to have an expert declaration, but that it was not a requirement, and the motion served to sufficiently inform about level of skill in the art.¹⁶⁶

¹⁶³ Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II), No. IPR2013-00403, Paper 33 at 12 (P.T.A.B. Dec. 30, 2014).

¹⁶⁴ Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II), No. IPR2013-00403, Paper 33 at 13 (P.T.A.B. Dec. 30, 2014).

¹⁶⁵ Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II), No. IPR2013-00403, Paper 33 at 24 (P.T.A.B. Dec. 30, 2014).

¹⁶⁶ Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II), No. IPR2013-00403, Paper 33 at 25-26 (P.T.A.B. Dec. 30, 2014).

PTAB noted that Petitioner’s opposition did not “propose any specific combination of references that allegedly would have rendered obvious the proposed substitute claims as a whole.”¹⁶⁷

Proposed claim 29 (proposed substitute for claim 11):

The network memory system of claim [[1]] 28 wherein the store instruction further indicates to the destination-site appliance an index within [[a]] the database for storing another copy of the locally accessible portion of the transmitted data together with the non-locally accessible portion of the data.

Proposed claim 31 (proposed substitute for claim 22):

The method for network memory of claim [[12]] 30 wherein the store instruction further indicates to the destination-site appliance an index within [[a]] the database for storing another copy of the locally accessible portion of the transmitted data together with the non-locally accessible portion of the data.

PTAB held that the Patent Owner failed to show the patentability of substitute claims 29 and 31 however:

Patent Owner has not shown a patentable distinction between proposed substitute claims 29 and 31 and their parent proposed substitute claims 28 and 30, and has not shown any other special circumstance for adding the “another copy” limitation to proposed substitute claims 29 and 31. The “another copy” limitation, therefore, is not responsive to a ground of unpatentability involved in the trial. For the same reasons, proposed substitute claims 29 and 31 amount to a second proposed substitute claim (in addition to the parent proposed substitute claims 28 and 30) for claims 2 and 13, and Patent Owner has not demonstrated a sufficient need for exceeding the presumption that only one substitute claim is needed to replace a challenged claim.¹⁶⁸

¹⁶⁷ Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II), No. IPR2013-00403, Paper 33 at 24-25 (P.T.A.B. Dec. 30, 2014).

¹⁶⁸ Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II), No. IPR2013-

PTAB also held that the Patent Owner did not meet its burden to show patentability of proposed substitute claims 32 and 33 because Patent Owner did not provide a proposed claim construction for the means-plus-function limitations.¹⁶⁹

Proposed substitute claim 32 depends from independent claim 23:

A network memory system comprising:
a source-site appliance comprising: means for identifying locally accessible data of at least a destination-site appliance,
means for intercepting transmitted data sent from a source-site computer and directed to a destination-site computer,
means for performing a determination of whether a portion of the transmitted data corresponds to the locally accessible data of the destination-site appliance, means for generating an instruction based on the determination, and means for sending the instruction to the destination-site appliance over a wide area network; and
the destination-site appliance comprising:
means for receiving the instruction from the source-site appliance over the wide area network, means for processing the instruction to obtain the transmitted data, and means for transferring the transmitted data to the destination-site computer.

Proposed claim 33. (proposed substitute for claim 24):

The network memory system of claim 23, wherein the means for performing the determination of whether the portion of the transmitted data corresponds to the locally accessible data comprises:

means for identifying sync points in the transmitted data having matches in the locally accessible data by

- (i) determining hash values corresponding to different byte locations of the transmitted data,
- (ii) finely filtering the hash values using a fine filter to determine a finely filtered set of the hash values

00403, Paper 33 at 31 (P.T.A.B. Dec. 30, 2014).

¹⁶⁹ Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II), No. IPR2013-00403, Paper 33 at 32 (P.T.A.B. Dec. 30, 2014).

corresponding to fine sync points, and coarsely filtering the hash values using a coarse filter to determine a coarsely filtered set of the hash values corresponding to coarse sync points, and

(iii) determining from the finely filtered set of the hash values and the coarsely filtered set of the hash values, a plurality of hash values matching hash values of the locally accessible data; and

means for performing for byte locations with matching hash values, a forward and backward memory comparison between the transmitted data and data representing the locally accessible data, the forward and backward memory comparison to identify a size of a matching region of the transmitted data with the data representing the locally accessible data, and performing based on results of the forward and backward memory comparison, a determination of a locally accessible portion of the transmitted data that is locally accessible at the destination-site appliance and a non-locally accessible portion of the transmitted data that is not locally accessible at the destination-site appliance;

wherein the instruction comprises a retrieve instruction and a store instruction, the retrieve indicating to the destination-site appliance to retrieve the locally accessible portion of the transmitted data from a database locally accessible to the destination-site appliance, and wherein the store instruction indicates to the destination-site appliance to store the non-locally accessible portion of the transmitted data in [[a]] the database.

Remember that no POPR or POR was filed. In the decision instituting IPR, PTAB explicitly warned the Patent Owner that if its “proposed substitute claims contain *any* means-plus-function limitations, Patent Owner must identify in the respective motion (1) the written description support for each claim, as a whole, including such a limitation, and (2) the specific portions of the specification that describe the structure, material, or acts corresponding to the claimed function(s).”¹⁷⁰

¹⁷⁰ Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II), No. IPR2013-00403, Paper 33 at 33-34 (P.T.A.B. Dec. 30, 2014) (citing Toyota Motor Corp. v.

The Patent Owner did not heed this warning and PTAB denied the motion to amend with respect to claims 32 and 33: “By not specifying the function and corresponding structure for each means-plus-function limitation in proposed substitute claims 32 and 33, Patent Owner has not met its burden to demonstrate patentability.”¹⁷¹

Finally, PTAB found that Patent Owner’s patentability analysis was insufficient for proposed substitute claims 32 and 33 because its analysis was not directed to the means-plus-function limitations in those specific claims. Patent Owner analyzed proposed substitute claims 23, 30, and 32 as one group and then proposed substitute claims 29, 31, and 33 as another group.¹⁷²

V. CONCLUSION

The outlines of AIA IPRs and motions to amend therein are starting to take shape. The opportunity to amend claims has, so far, been almost nonexistent, perhaps unexpectedly from the tone of the legislative history leading up to the AIA. With the statutorily imposed timeline, however, as well as the procedural framework of substitute claims entering an issued patent without any examination, it is hard to see how this will change in practice unless there is change to the statute and/or rules. So far, the only rule changes relating to motions-to-amend practice was a welcome increase in page limits and approval of claim listing in an appendix.¹⁷³

This article analyzed several examples of PTAB’s rejections of motions to amend, along with the examples of PTAB’s granting of motions to amend proposing substitute claims in an effort to understand PTAB’s treatment of motions to amend.

The law on amending claims in IPRs is still very much under development. The first Federal Circuit precedential decision of an appeal of a PTAB decision upheld PTAB’s rejection of the motion to amend.¹⁷⁴ The second precedential decision upheld PTAB’s interpretation of its rules on motions to amend.¹⁷⁵ It is still early days,

American Vehicular Sciences LLC, IPR2013-00419, Paper 32 (P.T.A.B. March 7, 2014): “If a proposed substitute claim adds a means-plus-function element, the corresponding structure, material, or acts described in the specification should be identified.”)

¹⁷¹ Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II), No. IPR2013-00403, Paper 33 at 34 (P.T.A.B. Dec. 30, 2014).

¹⁷² Riverbed Tech. Inc. v. Silver Peak Systems, Inc. (Riverbed II), No. IPR2013-00403, Paper 33 at 36 (P.T.A.B. Dec. 30, 2014).

¹⁷³ 80 Fed. Reg. 28,561 (May 19, 2015).

¹⁷⁴ *In re Cuozzo Speed Techs. LLC*, 793 F.3d 1268 (Fed. Cir. 2015).

¹⁷⁵ *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292 (Fed. Cir. 2015); *see also*

but so far the Federal Circuit has not been jumping on the opportunity to indicate to the USPTO that PTAB's strict position on motions to amend proposing substitute claims is too harsh on Patent Owners.

If anything is clear so far, it is that the potential for an IPR is the new reality for patent applicants. In an effort to try and avoid the need of amending claims during an IPR, patent applicants may choose to present numerous claims of varying scope in their patent applications. In addition, if applicants have narrow claims directed to commercial embodiments, they might consider presenting those claims in independent form. Applicants may also consider continuation and reissue practice as a prosecution strategy to help avoid having to request proposing substitute claims in an IPR.