

Patent Amendments Face Better Odds Under New AIA Plan

By **Matthew Bultman**

Law360 (March 19, 2019, 6:30 PM EDT) -- The U.S. Patent and Trademark Office's revamped system for amending patents in America Invents Act reviews will make the process more viable and responds to concerns about the compressed timeline outlined in an earlier proposal, attorneys say.

The USPTO last week finalized a pilot program that gives patent owners new options in the amendment process. This includes the ability to revise proposed substitute claims in response to feedback from the Patent Trial and Appeal Board.

USPTO officials in the past have spoken about the need for a more feasible process for amending patents in AIA reviews. With two cracks at amendments and an opportunity for early guidance from the PTAB, patent owners should have a better chance of success, attorneys say.

"I think that this accomplishes or at least takes a step in the right direction with respect to enabling and providing a robust ability to amend claims during an AIA trial," said Trenton Ward, a partner at Finnegan Henderson Farabow Garrett & Dunner LLP and former PTAB judge.

The pilot program, which is available in PTAB cases for which review was instituted on or after March 15, builds upon — and makes some significant changes to — a proposal for a new amendment process that the USPTO unveiled in late October.

The initial plan received some pushback, with many of the concerns surrounding its tight deadlines. Groups including the Intellectual Property Owners Association and American Intellectual Property Law Association flagged the proposed timeline.

The USPTO appears to have taken the feedback to heart and responded accordingly.

"The patent office was faced with a really tough task here and they did a great job of incorporating the comments and concerns from both sides of the football," said Jonathan Strang, counsel at Latham & Watkins LLP.

"The end result," he said, "should be more fair, effective and predictable."

The long-standing practice at the PTAB has been for patent owners to propose amendments after review is instituted. The challenger would then file a response and the board would rule on whether to

allow the amendments at the end of the case, in its final decision.

This procedure has been rarely used. USPTO statistics published last week show patent owners have asked to amend their patents in less than 10 percent of the nearly 3,600 trials that were settled or completed through September 2018.

And patent owners who did use it didn't have much success. Of the 205 motions to amend that were decided by the PTAB, the board granted or granted-in-part just 21.

Speaking at a Washington, D.C., conference last fall, the director of the USPTO, Andrei Iancu, said the amendment process wasn't working as intended and suggested some patent owners have stopped even trying to amend claims because they see the effort as "largely futile."

"In order to fully implement the intent of the AIA, we must find a way to make this amendment process feasible and meaningful," Iancu said.

Under the new procedure, patent owners who file a motion to amend can ask the PTAB for preliminary feedback about the validity of the proposed amended claims. Patent owners then have the opportunity to revise their motion to amend.

The USPTO's pilot program is completely optional, which is a change from the October proposal. Patent owners who decide not to participate in the program can amend claims under a process that looks very similar to the old procedure.

"Essentially from a patent owner's perspective, the status quo remains an option for them," said Michael Specht, co-chair of the patent office litigation practice at Sterne Kessler Goldstein & Fox PLLC.

The USPTO has also spread out various deadlines, as compared to its earlier plan.

Under the October proposal, for example, the patent owner had to file its motion to amend within six weeks of the institution decision. That deadline has been pushed back to 12 weeks, aligning it with the time the patent owner must file its response to the challenge.

Scott McKeown, chair of the PTAB group at Ropes & Gray LLP, said that is a big adjustment.

"It is significant in that it streamlines the front end a bit more from the patent owner perspective so that you're not necessarily doing things earlier than you ordinarily would have," he said.

While not required, attorneys anticipate many patent owners will ask the PTAB for preliminary guidance, which can be delivered orally or in a short paper. It is also expected that patent owners will take advantage of the opportunity to revise their substitute claims in response to this guidance.

The filing of a revised motion to amend sets off a new round of briefing, with a schedule attorneys said is still demanding. The challenger will have about a month and a half to file its opposition, which will be followed in short order by the patent owner's reply and then an additional brief from the petitioner.

This briefing and any expert depositions will come as the two sides prepare for the live hearing that is typical in PTAB cases. While the argument will be pushed back a month to make time for the extra work, Strang said both sides will be extremely busy.

“It’s a compressed timeline and it will be very challenging to both parties,” he said.

Graham Phero, counsel at Sterne Kessler, said the pressures could be felt, in particular, by petitioners, who may not be able to fully anticipate what the revised amendment motion will include and also could need to search for new prior art.

“The petitioner is really on their heels and has to be completely reactive,” he said.

The USPTO has said it expects to reevaluate the pilot program in about a year, at which point the patent office could terminate the program or make changes “depending on the feedback received” and the “effectiveness of the program.”

While attorneys believe the program is likely to help patent owners’ chance of success in amending patent claims, many remain doubtful that motions to amend will ever become widespread in AIA reviews.

This skepticism is largely because changes made to a patent’s claims can limit the damages that would be available in an infringement case in district court.

“Amendment is never going to be widely popular at the PTAB,” McKeown said. “I wouldn’t see this program juicing the numbers in any significant manner.”

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