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LEGAL STATUS

Request for Comments on Motion To Amend Practice and Procedures in Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board

A Notice by the [Patent and Trademark Office](#) on 10/29/2018

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Request for Comments on Motion to Amend Practice and Procedures in Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board

PTO-P-2018-0062 (<https://www.regulations.gov/docket/PTO-P-2018-0062>)

ENHANCED CONTENT

PUBLISHED DOCUMENT

AGENCY:

United States Patent and Trademark Office, U.S. Department of Commerce.

ACTION:

Request for comments.

SUMMARY:

■ This Request for Comments seeks public input on certain practices and procedures that the Patent Trial and Appeal Board (“PTAB” or “Board”) of the United States Patent and Trademark Office (“Office” or “USPTO”) proposes regarding motions to amend filed in *inter partes* reviews (“IPR”), post-grant reviews (“PGR”), and covered business method patent reviews (“CBM”) pursuant to the provisions of the Leahy-Smith America Invents Act (“AIA”) providing for trial proceedings before the Office. Specifically, the Office seeks input on a proposed amendment process that would involve a preliminary non-binding decision by the Board that provides information to the parties regarding the merits of a motion to amend, and an opportunity for a patent owner to revise its motion to amend thereafter. In addition, the Office seeks input on a proposed pilot program implementing the new amendment process. The Office also seeks input regarding whether the Office should continue to allocate the burden of persuasion regarding patentability of substitute claims as set forth in a recent informative Board decision, as well as any suggestions the public may have as to motion to amend practice before the Board generally.

DATES:

Comment Deadline Date: Written comments must be received on or before December 14, 2018, to ensure consideration.

ADDRESSES:

Comments should be sent by electronic mail message over the internet addressed to:

TrialRFC2018Amendments@uspto.gov (*mailto:TrialRFC2018Amendments@uspto.gov*). Comments may also be submitted by postal mail addressed to: Mail Stop Patent Board, Director of the United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450, marked to the attention of "Acting Deputy Chief Administrative Patent Judge Jacqueline Wright Bonilla or Vice Chief Administrative Patent Judge Michael Tierney, PTAB Request for Comments 2018."

Although comments may be submitted by postal mail, the Office prefers to receive comments by electronic mail message to more easily share all comments with the public. The Office prefers the comments to be submitted in plain text, but also accepts comments submitted in portable document format or DOC format. Comments not submitted electronically should be submitted on paper in a format that facilitates convenient digital scanning into portable document format.

The comments will be available for public inspection at the Patent Trial and Appeal Board, located in Madison East, Ninth Floor, 600 Dulany Street, ☐ Alexandria, Virginia. Comments also will be available for viewing via the Office's internet website, <https://go.usa.gov/xXXFW> (<https://go.usa.gov/xXXFW>). Because comments will be made available for public inspection, information that the submitter does not desire to be made public, such as address or phone number, should not be included in the comments.

☐ Start Printed
Page 54320

FOR FURTHER INFORMATION CONTACT:

Jacqueline Wright Bonilla, Acting Deputy Chief Administrative Patent Judge, or Michael Tierney, Vice Chief Administrative Patent Judge, by telephone at (571) 272-9797.

SUPPLEMENTARY INFORMATION:

Summary

In this Request for Comments, the Office seeks feedback and information regarding a new amendment process involving a preliminary non-binding decision by the Board that provides information to the parties regarding the merits of a motion to amend, and an opportunity for a patent owner to revise its motion to amend thereafter. The Office also seeks feedback and information regarding a proposed pilot program implementing the new amendment process before the Board. The goal of the proposed amendment process and pilot program is to provide an improved amendment practice in AIA trials in a manner that is fair and balanced for all parties and stakeholders. In essence, this is proposed to be done by: Providing the parties with the Board's initial assessment of the proposed amendment early in the process; providing meaningful opportunity to revise, and oppose, proposed amendments; and ensuring that the amendment process concludes within the 12-month statutory timeline.

The Office has received feedback from the public regarding the Board's current motion to amend practice, including some concerns regarding the grant rate of claim amendments in AIA trial proceedings. As detailed further below, the Office has conducted a study of the outcomes of motions to amend decided by the Board and compiled data on reasons why motions to amend have been granted or denied. The Office now seeks to explore what effect certain proposed changes to the Board's procedures described below may have on amendment practice in AIA trial proceedings, and to obtain the public's perspectives on the potential impacts of such changes.

In particular, the Office wishes to explore whether, and under what circumstances, a preliminary decision by the Board that evaluates a motion to amend might prove helpful in an AIA trial amendment process. In the Office's current proposal, the Board will provide a patent owner an opportunity to file a motion to amend during the course of an AIA trial, and an opportunity to revise that motion. By statute, the Board may permit additional motions to amend "as permitted by regulations prescribed by the Director." 35 U.S.C. 316(d)(2) (<https://www.govinfo.gov/link/uscode/35/316>). Under currently prescribed regulations, the Board may authorize an additional motion to amend when, for example, "there is a good cause showing." 37 CFR 42.121(c) ([https://www.ecfr.gov/current/title-37/section-42.121#p-42.121\(c\)](https://www.ecfr.gov/current/title-37/section-42.121#p-42.121(c))) & 42.221(c).

In the current proposal, after the patent owner files an initial motion to amend and the petitioner has an opportunity to respond, a Board panel will provide a preliminary decision addressing the initial motion to amend. The preliminary decision may provide information relevant to whether the motion to amend meets statutory and regulatory requirements, as well as whether the proposed substitute claims meet the patentability requirements under the Patent Act in light of prior art of record. To the extent it is necessary, the issuance of the Board's preliminary decision addressing the initial motion to amend will be deemed "good cause" for further amendment under 37 CFR 42.121(c) ([https://www.ecfr.gov/current/title-37/section-42.121#p-42.121\(c\)](https://www.ecfr.gov/current/title-37/section-42.121#p-42.121(c))) & 42.221(c).

Similar to a decision to institute, a preliminary decision on a motion to amend will not be binding on the Board's final written decision. Both parties will have an opportunity to respond to the preliminary decision, and the patent owner will have an opportunity to revise its motion to amend after receiving the preliminary decision. Thereafter, if the Board determines the petitioner has shown that corresponding original challenged claims are unpatentable or that the original claims are otherwise cancelled, the Board will consider the entirety of the record, including parties' arguments and cited evidence relevant to the motion to amend, before reaching a final written decision on the substitute claims proposed in the latest version of the motion to amend filed by the patent owner.

In this Request for Comments, the Office also seeks input regarding whether the Office should continue to allocate the burden of persuasion regarding patentability of substitute claims as set forth in *Western Digital Corp. v. SPEX Techs., Inc.*, Case IPR2018-00082 (Paper 13) (PTAB April 25, 2018), as well as any suggestions the public may have as to motion to amend practice before the Board generally.

Background

To elicit specific input on the Board's motion to amend practice, in June 2014, the Office published a Request for Comments in the **Federal Register** that requested comments on the Board's practice regarding motions to amend. See Request for Comments on Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board, 79 FR 36474 (/citation/79-FR-36474) (June 27, 2014).

Comments from the public (including bar associations, corporations, law firms, and individuals) regarding motions to amend ranged from seeking no change to the Board's current practice, to proposals for the grant of all motions to amend that meet 35 U.S.C. 316(d) (<https://www.govinfo.gov/link/uscode/35/316>) statutory requirements without a review of patentability. Most comments focused on which party should bear the burden of proving the patentability or unpatentability of substitute claims proposed in a motion to amend, or on the scope of the prior art that must be discussed by a patent owner in making a motion to amend. The feedback generally did not relate to the timing of motions to amend or other aspects of Board procedure in considering such motions. The comments are available on the USPTO website: <https://go.usa.gov/xXXF8> (<https://go.usa.gov/xXXF8>).

In August 2015, the Office solicited further input from the public on “[w]hat modifications, if any, should be made to the Board’s practice regarding motions to amend.” See Proposed Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board (“Proposed Amendments to the Rules”), 80 FR 50720 (/citation/80-FR-50720), 50724-25 (/citation/80-FR-50724) (Aug. 20, 2015). Once again, in relation to motions to amend, most comments focused on which party should bear the burden of proof on the patentability of substitute claims proposed in a motion to amend. The comments are available on the USPTO website: <https://go.usa.gov/x5SbK> (<https://go.usa.gov/x5SbK>). In addition, a few comments suggested using examiners to review the patentability of proposed substitute claims. On balance, the Office decided at that time not to implement changes to the Board’s motion to amend procedures through rulemaking, but reaffirmed its commitment to continue to evaluate the best way to improve the Board’s practice. See Proposed Amendments to the Rules, 80 FR at 50724-25; Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board, 81 FR 18750 (/citation/81-FR-18750), 18755 (/citation/81-FR-18755) (Apr. 1, 2016).

In an effort to better understand the Board’s motion to amend practice, the Board undertook in early 2016 a study to determine: (1) The number of motions □ to amend that had been filed in AIA trials, both as a cumulative total and by fiscal year; (2) subsequent developments in each motion to amend (*i.e.*, whether the motion was decided, rendered moot, withdrawn, or otherwise dismissed); (3) the number of motions to amend requesting to substitute claims that were granted, granted-in-part and denied-in-part, and denied; and (4) the reasons the Board provided for denying entry of substitute claims. See Motion to Amend Study (April 30, 2016), <https://go.usa.gov/xXXyT> (<https://go.usa.gov/xXXyT>); Data for 192 Completed Trials with a Motion to Amend, <https://go.usa.gov/xXXyZ> (<https://go.usa.gov/xXXyZ>) (last visited Oct. 11, 2018). The Board continues to collect data on motions to amend, and has published on its website an update to the study through March 31, 2018. See <https://go.usa.gov/xUJgB> (<https://go.usa.gov/xUJgB>) (last visited Oct. 11, 2018).

□ Start Printed
Page 54321

Data obtained from the study show that patent owners filed motions to amend in about 10% (305) of the 3203 completed AIA trials and in about 8% (56) of the 725 pending AIA trials—a total of 361 motions to amend through March 31, 2018. Although motions to amend are filed in less than 10% of AIA trials (completed and pending), current data show an increase in the number of motions to amend filed in fiscal year 2018, when compared to other fiscal years. The number of motions to amend filed through the first half of fiscal year 2018 (54) exceeded the number of motions to amend filed for the entire fiscal year 2017 (50), and is approximately equal to the number of motions to amend filed for the entire fiscal year 2016 (56).

The data further show that the Board ruled on a motion to amend requesting to substitute claims in 62% (189) of the 305 completed AIA trials with amendment motions as of March 31, 2018. In the remaining 38% (116) of the 305 completed AIA trials, the motion to amend: (a) Requested solely to cancel claims (20 or 7%); (b) was rendered moot because the panel of judges found the original claims not unpatentable or because the panel of judges already decided a motion to amend proposing the same substitute claims (35 or 11%); or (c) was not decided because the motion was withdrawn or the case terminated prior to a final written decision (61 or 20%), respectively. Of the 189 motions to amend requesting to substitute claims that the Board decided, the Board granted the motion to amend in 4% (7) of the trials, granted-in-part and denied-in-part the motion to amend in 6% (11) of the trials, and denied the motion to amend in 90% (171) of the trials. The specific reasons the Board provided for denying or denying-in-part the motions to amend are set forth in the table below.

Reasons for Denying or Denying-in-Part the Motions To Amend

Reason(s) for denying	Number of motions	Percent of total ***
Anticipated/obvious over art of record (102/103)	74	41
Multiple statutory reasons *	43	24
Non-statutory subject matter (101)	12	7
Lack of written description (112)	14	8
Lack of enablement (112)	3	2
Indefiniteness (112)	1	1
Claims enlarge scope of patent (316)	10	5
Unreasonable number of substitute claims (316) **	3	2
Procedural reasons	22	12
Total Motions to Amend Denied or Denied-in-Part	182	

* All motions to amend but one that the Board denied for multiple statutory reasons included 35 U.S.C. 102 (<https://www.govinfo.gov/link/uscode/35/102>), 103 (<https://www.govinfo.gov/link/uscode/35/103>), and/or 112 as a reason for denial.

** See also 37 CFR 42.121(a)(3) ([https://www.ecfr.gov/current/title-37/section-42.121#p-42.121\(a\)\(3\)](https://www.ecfr.gov/current/title-37/section-42.121#p-42.121(a)(3))) (stating that the “presumption is that only one substitute claim would be needed to replace each challenged claim, and it may be rebutted by a demonstration of need”).

*** The “Percent of Total” adds up to slightly more than 100% (i.e., 102%) due to rounding of percent numbers for each individual row in “Reason(s) for Denying.”

As noted above, in 182 AIA trials, the Board has denied or denied-in-part a motion to amend. In 81% (147) of those trials, the Board's final written decision identified at least one statutory ground of patentability that the proposed substitute claims did not satisfy. See Data for 305 Completed Trials with a Motion to Amend, <https://go.usa.gov/xUJgk> (<https://go.usa.gov/xUJgk>) (last visited Oct. 11, 2018). Using conventional patent prosecution as a comparison, the Board's decisions in those cases are akin to an examiner rejecting a proposed amended claim because it is anticipated, obvious, not adequately described in the written description, indefinite, or directed to non-statutory subject matter. In 7% (13) of the 182 AIA trials, the Board based a denial on a failure by the patent owner to satisfy the statutory requirements of a motion to amend under 35 U.S.C. 316(d)(1)(B) (<https://www.govinfo.gov/link/uscode/35/316>) and (3) (<https://www.govinfo.gov/link/uscode/35/316>) (requiring “a reasonable number of substitute claims” and stating that an amendment “may not enlarge the scope of the claims of the patent or introduce new matter”). In the remaining 12% (22) of those trials, the Board based a denial solely on procedural reasons, such as a failure to provide a claim construction for limitations added in substitute claims.

On October 4, 2017, the *en banc* United States Court of Appeals for the Federal Circuit issued its decision in *Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) (*en banc*) (“*Aqua Products*”), addressing the burden of persuasion regarding patentability of substitute claims presented in a motion to amend. The lead opinion of the decision concludes with the following:

The only legal conclusions that support and define the judgment of the court are: (1) The PTO has not adopted a rule placing the burden of persuasion with respect to the patentability of amended claims on the patent owner that is entitled to deference; and (2) in the absence of anything that might be entitled

deference, the PTO may not place that burden on the patentee.

Id. at 1327.

In view of the Federal Circuit's holding in *Aqua Products*, on November 21, 2017, the Office issued formal guidance through a memorandum from the Chief Administrative Patent Judge (“Guidance Memo”). See *Guidance on Motion to Amend in View of Aqua Products*, <https://go.usa.gov/xQGAA> (<https://go.usa.gov/xQGAA>) (last visited Oct. 11, 2018). The Guidance Memo explains that, in light of the *Aqua Products* decision, the Board will no longer place the burden of persuasion on a patent owner with respect to patentability of the proposed substitute claims presented in a motion to amend. The Guidance Memo also notes that a motion to amend must continue to satisfy the requirements of 37 CFR 42.121 (<https://www.ecfr.gov/current/title-37/section-42.121>) or 42.221 (<https://www.ecfr.gov/current/title-37/section-42.221>), as applicable, that all parties still have a duty of candor under 37 CFR 42.11 (<https://www.ecfr.gov/current/title-37/section-42.11>), and that the page-limits, type, and timing of briefs remain unchanged. *Id.*

On December 22, 2017, the Federal Circuit issued a decision in *Bosch Automotive Service Solutions, LLC v. Matal*, 878 F.3d 1027 (Fed. Cir. 2017), as amended in part on reh'g (Mar. 15, 2018) (“*Bosch*”). In that decision, the Federal Circuit explained, “the petitioner bears the burden of proving that the proposed amended claims are unpatentable by a preponderance of the evidence.” *Id.* at 1040. Because the petitioner in *Bosch* had settled with the patent owner, the Federal Circuit remanded the case to the Board to evaluate the patentability of the amended claims, indicating that the Board must justify any finding of unpatentability by reference to the evidence of record in the IPR. *Id.* (“[W]here the challenger ceases to participate in the IPR and the Board proceeds to final judgment, *it is the Board* that must justify any finding of unpatentability by reference to the evidence of record in the IPR.”) (quoting *Aqua Products*, 872 F.2d at 1311 (opinion of O'Malley, J.)).

In view of decisions by the Federal Circuit regarding motion to amend practice and procedure in AIA trials, as explained above, the Board recently de-□ designated as precedential *MasterImage 3D, Inc. v. RealD Inc.*, Case IPR2015-00040 (PTAB July 15, 2015) (Paper 42) and de-designated as informative *Idle Free Sys., Inc. v. Bergstrom, Inc.*, IPR 2012-00027 (PTAB June 11, 2013). Concurrently, the Board designated *Western Digital Corp. v. SPEX Techs., Inc.*, Case IPR2018-00082 (Paper 13) (PTAB April 25, 2018) (“*Western Digital* order”) as informative to provide current guidance on several aspects of the motion to amend practice. With respect to the burden of persuasion, the *Western Digital* order explains that under the current state of the law “the burden of persuasion will ordinarily lie with the petitioner to show that any proposed substitute claims are unpatentable” and that the “Board itself may justify any finding of unpatentability by reference to evidence of record in the proceeding.” *Id.* at 4.

In light of more than five years' worth of data obtained through the above-mentioned Board study, recent Federal Circuit decisions, the Guidance Memo, and the *Western Digital* order (informative), and in an effort to continue to enhance the effectiveness and fairness of AIA trial proceedings, the Office seeks further specific feedback regarding changes to the Board's motion to amend practice and a motion to amend pilot program.

□ Start Printed
Page 54322

Request for Public Comments

The Office seeks written public comments on an amendment procedure in AIA trials that involves the Board issuing a preliminary non-binding decision that provides information relevant to the merits of a motion to amend, and provides a patent owner with an opportunity to revise its motion to amend thereafter. A proposed timeline showing the parties' filings and the preliminary decision envisioned under the current proposal is set forth in Appendix A1 of this request. An overlay of that timeline onto a timeline of an AIA trial considering only the patentability of originally challenged claims is set forth in Appendix A2. The Office plans to implement such a process as a pilot program, as set forth below in greater detail. The Office also seeks comments as to whether, in view of recent Federal Circuit case law, it should engage in rulemaking to allocate the burden of persuasion when determining patentability of substitute claims as set forth in the *Western Digital* order. The Office welcomes any comments from the public on the topics covered in this notice. The Office also poses specific questions below, and invites public feedback on those questions.

Proposal: Preliminary Decision by the Board on a Motion To Amend and an Opportunity To Revise That Motion

The Office seeks written public comments as to whether, and under what circumstances, a preliminary non-binding decision by the Board evaluating a motion to amend would be helpful in AIA trials. The preliminary decision would initially assess whether a motion to amend meets statutory and regulatory requirements, and/or the patentability of proposed substitute claims, for example, in light of prior art of record in the proceeding.

In the current proposal, after institution of an AIA trial, a patent owner would have an opportunity to file a motion to amend, and then revise that motion after receiving the petitioner's opposition and the preliminary decision from the Board. Specifically, after a patent owner files a motion to amend that proposes substitute claims, and a petitioner files an opposition (if it so chooses), the Board would present an initial evaluation of the parties' submissions in a preliminary decision. The current proposed timing for a motion to amend, the preliminary decision, a revision to the motion, and related briefing is set forth in Appendix A1.

After receiving the preliminary decision, a patent owner may file a revision to its motion to amend. The revision may include, for example, changes to the initially proposed substitute claims to address issues identified in the preliminary decision. The petitioner would have an opportunity to file an opposition responding to the revised motion to amend and the preliminary decision. Before the oral hearing, the patent owner also may file a reply to an opposition to the revised motion to amend, and the petitioner may file a corresponding sur-reply. During the oral hearing itself, both parties may address points raised and evidence discussed in the preliminary decision and as briefed by the parties.

Although a preliminary decision would not be binding on the Board's subsequent decisions or provide dispositive conclusions regarding motion to amend requirements or the patentability of substitute claims, it may provide information helpful to the parties, such as to a patent owner as it determines whether and/or how to revise its motion to amend, or to petitioner as it determines how to respond to a revised motion to amend, or to both parties as they determine how to respond to information discussed in the preliminary decision itself.

Preliminary Decision on a Motion to Amend: The Board would provide a preliminary decision after the petitioner has an opportunity to file an opposition to a patent owner's motion to amend. The preliminary decision would provide information relating to whether the motion to amend meets the statutory requirements of 35 U.S.C. 316(d) (<https://www.govinfo.gov/link/uscode/35/316>) or 326(d)

(<https://www.govinfo.gov/link/uscode/35/326>) and the regulatory requirements of 35 CFR 42.121 (<https://www.ecfr.gov/current/title-35/section-42.121>) or 42.221 (<https://www.ecfr.gov/current/title-35/section-42.221>), and information relating to the patentability of the proposed substitute claims. To meet statutory and regulatory requirements, a motion to amend must, among other things: propose a reasonable number of substitute claims; propose substitute claims that do not enlarge claim scope or introduce new matter; respond to a ground of unpatentability involved in the trial; and set forth written description support for each substitute claim. *See* 35 U.S.C. 316(d) (<https://www.govinfo.gov/link/uscode/35/316>) & 326(d); 37 CFR 42.121 (<https://www.ecfr.gov/current/title-37/section-42.121>) & 42.221; *see also* *Western Digital* order, Case IPR2018-00082 (Paper 13) (PTAB April 25, 2018).

Similar to an institution decision, a preliminary decision on a motion to amend during an AIA trial would not be binding on the Board, for example, when it renders a final written decision. In the current proposal, the preliminary decision would indicate whether there is a reasonable likelihood that: (1) The patent owner would prevail in establishing that the motion to amend meets statutory and regulatory requirements, and/or (2) the petitioner would prevail in establishing the unpatentability of any proposed substitute claims.

Depending on the patent owner's response to the initial evaluation in the preliminary decision, the case will proceed according to Alternative 1 or Alternative 2 discussed below.

Alternative 1: Patent Owner Reply or Revised Motion to Amend and Subsequent Briefing (patent owner has the first opportunity to respond to the preliminary decision, as shown in Appendix A1): If the preliminary decision indicates that the motion to amend fails to meet any statutory or regulatory requirements, or that the petitioner demonstrates a reasonable likelihood that it would prevail in establishing the unpatentability of any proposed substitute claims in view of the current record, the patent owner and petitioner may file papers as discussed below.

Within a certain time frame after receiving the preliminary decision, for example, within 1 month, a patent owner may file: (1) A reply to the petitioner's opposition to the motion to amend and the preliminary decision; or (2) a revised motion to amend that revises the proposed new substitute claims and provides new arguments and/or evidence as to why the revised substitute claims meet statutory and regulatory requirements for a motion to amend, as well as arguments and evidence (as patent owner chooses to include) relevant to the patentability of the revised substitute claims. A revised motion to amend must provide amendments, arguments, and/or evidence in a manner that is responsive to issues raised in the preliminary decision. A revised motion to amend may not include amendments, arguments, and/or evidence that are unrelated to issues raised in the preliminary decision or the petitioner's opposition to the motion to amend. Generally, the Board will render a final written decision only as to the latest-filed version of the patent owner's motion to amend and substitute claims proposed therein.

Start Printed
Page 54323

As shown in Appendix A1, if the patent owner files a reply to the petitioner's opposition to the motion to amend and the preliminary decision, the petitioner may file a corresponding sur-reply. As also shown in Appendix A1, if the patent owner chooses instead to revise its motion to amend (file a "revised MTA"), the petitioner may file an opposition to that motion, the patent owner may file a reply to that opposition, and the petitioner may file a sur-reply. Thus, if patent owner files a reply, rather than a revised motion to amend, there will be only two papers filed by the parties after the preliminary decision (*i.e.*, the patent owner reply and the petitioner sur-reply), rather than all four shown in Appendices A1 and A2. An opposition or reply may be accompanied by new evidence that responds to new evidence or issues raised in the preliminary decision, or in the corresponding revised motion to amend or opposition. A petitioner sur-reply may not be

accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness. The sur-reply may only respond to arguments made in reply briefs, comment on reply declaration testimony, and/or point to cross-examination testimony.

Alternative 2: Petitioner Reply and Patent Owner Sur-Reply (petitioner has the first opportunity to respond to the preliminary decision): If the preliminary decision indicates that the motion to amend meets the statutory and regulatory requirements, and that the petitioner does not demonstrate a reasonable likelihood that it would prevail in establishing the unpatentability of any proposed substitute claims in view of the current record, the petitioner may file a reply to the preliminary decision (*e.g.*, within one month after the Board provides its preliminary decision), and the patent owner may file a sur-reply in response (*e.g.*, within one month after the reply is filed). In addition, if patent owner chooses not to file any paper, *i.e.*, a reply or a revised motion to amend, within a designated time frame for such a paper (*e.g.*, within one month) after the Board provides a preliminary decision, the petitioner may file a reply to the preliminary decision (*e.g.*, within two weeks thereafter), and the patent owner may file a sur-reply in response (*e.g.*, within two weeks after the reply is filed).

Specifically, if the preliminary decision indicates that the Board is reasonably likely to deny the motion to amend in relation to at least one substitute claim, Alternative 1 applies, as discussed above. If the preliminary decision indicates that the Board is reasonably likely to grant the motion to amend in relation to all substitute claims proposed by the patent owner, however, Alternative 2 applies, and petitioner may file the first paper (a reply) in response to the preliminary decision. Similarly, if patent owner chooses not to file a paper after the Board provides a preliminary decision, Alternative 2 applies, albeit potentially on an accelerated schedule.

If Alternative 2 applies, the petitioner reply may be accompanied by new evidence that responds to new issues raised in the preliminary decision, but the petitioner may not raise a new argument of unpatentability that it did not raise in its opposition to the motion to amend. The patent owner sur-reply may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness. The sur-reply may only respond to arguments made in reply briefs, comment on reply declaration testimony, and/or point to cross-examination testimony.

Cross-Examination Through Depositions: In the current proposal, all cross-examinations, *i.e.*, depositions, of witnesses in relation to direct testimony (provided in declarations) pertaining to a motion to amend would occur after the Board issues the preliminary decision on a motion to amend.

Petitioner Ceases to Participate in an AIA Trial and the Board Proceeds to a Final Written Decision on a Motion to Amend: If the petitioner ceases to participate altogether in an AIA trial in which the patent owner files a motion to amend, and the Board nevertheless proceeds with the trial thereafter, the Board may, in its discretion, solicit patent examiner assistance in the absence of a petitioner opposition to a motion to amend. That assistance, *e.g.*, by an examiner in the Central Reexamination Unit, could include the preparation of an advisory report that initially assesses whether a motion to amend meets certain statutory and regulatory requirements (*i.e.*, whether the amendment enlarges the scope of the claims of the patent or introduces new matter), as well as the patentability of proposed substitute claims, for example, in light of prior art that was provided by the patent owner and/or obtained in prior art searches by the examiner.

An examiner advisory report would not include a final determination on any ultimate legal conclusion. When preparing an advisory report, the examiner would consider relevant papers of record, as well as evidence cited therein, with certain exceptions. The examiner would take into account affidavits or declarations by witnesses cited by parties, but generally would not consider cross-examination testimony of such witnesses, engage in witness credibility determinations, or address admissibility of evidence. The examiner would conduct prior art searches as appropriate, and take into account search results that are relevant to the substitute claims when preparing an advisory report. The examiner will not, however, search on or address the original claims.

An examiner advisory report would not be binding, but may assist the patent owner and the Board during an AIA trial proceeding. Similar to *inter partes* reexamination, an examiner would not conduct interviews or otherwise interact directly with the parties. Rather, as needed, the patent owner may contact the Board with questions or request a conference call with the panel. Depositions or other requests for discovery or testimony regarding an examiner's decision-making process would be denied pursuant to the Manual of Patent Examining Procedure 1701.

If the Board seeks examiner assistance prior to issuing a preliminary decision, the patent owner may respond to the examiner advisory report and the preliminary decision in a reply or a revised motion to amend filed after the preliminary decision. If the Board seeks examiner assistance after issuing a preliminary decision and after the patent owner files a revised motion to amend, the patent owner may respond to the preliminary decision and the examiner advisory report in a reply. A patent owner reply or revised motion to amend may be accompanied by new evidence that responds to new prior art or issues raised in an examiner advisory report or discussed in the preliminary decision.

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Page 54324

Proposed Pilot Program

The Office is also seeking input on the use of a pilot program to implement the proposed amendment process discussed above. As part of the pilot program, the Board will issue a preliminary decision after receiving a patent owner's motion to amend and any opposition by a petitioner, and a patent owner would have an opportunity to file a revised motion to amend, as described above. The currently proposed briefing schedule for the pilot program is set forth in Appendix A1.

Conduct of Proposed Pilot Program: The Office anticipates that it will implement the pilot program shortly after the comment deadline for this Request for Comments ends on December 14, 2018. The Office plans to issue a notice to the public providing any necessary additional details of the pilot program shortly before implementation. Once the pilot program begins, the Office likely will conduct it for at least one year, and the program may be extended beyond that time. The Office would provide notice of any extension prior to expiration of the pilot.

The Office may implement the pilot program so that the new procedure is used in every AIA trial proceeding involving a motion to amend where the Board issues a decision to institute a trial after the implementation date of the pilot program. In AIA trial proceedings where the Board has instituted a trial before the implementation date of the program, the motion to amend process would proceed under currently existing procedures. Once implemented as a pilot program, the new amendment procedure would be the only option available for amending claims in AIA proceedings. That is to say, the current amendment process would no longer be available as an option. The program is a "pilot" in the sense that the Office may modify the

amendment procedures in response to feedback and experience with the program, during the course of the pilot. The Office requests feedback and comment in this regard, and also as to whether it should consider not proceeding with the program in AIA trials where both parties agree to opt-out of the program.

The Office would then consider the results of this pilot program in determining how to refine this approach going forward.

Potential Rulemaking To Allocate the Burden of Persuasion as Set Forth in the Western Digital Order

The Office also requests comments from the public regarding whether it should engage in rulemaking to allocate the burden of persuasion as suggested by the *Aqua Products en banc* court, and if so, whether the Office should allocate that burden as set forth in the *Western Digital* order. Specifically, the *Western Digital* order provides that “the burden of persuasion will ordinarily lie with the petitioner to show that any proposed substitute claims are unpatentable” and that the “Board itself also may justify any finding of unpatentability by reference to evidence of record in the proceeding.” *Western Digital* order 4. “Thus, the Board determines whether substitute claims are unpatentable by a preponderance of the evidence based on the entirety of the record, including any opposition made by the petitioner.” *Id.*

The Office seeks public comment on the circumstances in which the Board itself may justify findings of unpatentability, for example: When the petitioner has ceased to participate in the proceeding; when the petitioner remains in the proceeding but chooses not to oppose the motion to amend or a subset of proposed substitute claims in the motion to amend; or when the petitioner opposes the motion to amend but fails to take into account all aspects of the record before the Board. The Office does not envision, however, that allowing the Board to justify any findings of unpatentability would limit a petitioner's ability to submit its own arguments or evidence regarding unpatentability, or prevent the Board from adopting a petitioner's arguments in deciding the motion to amend. Moreover, the Board is not required to make any determinations of unpatentability in situations where the petitioner, for any reason, has not established that proposed substitute claims are unpatentable by a preponderance of the evidence. In other words, the Board is permitted, but not required, to find claims unpatentable for reasons other than those advanced by the petitioner as long as the patent owner has notice and an opportunity to be heard.

In addition, the Office seeks public comment on how, if at all, adoption of the proposed motion to amend process would affect the allocation of the burden of persuasion as set forth in the *Western Digital* order.

Questions Regarding the Proposed Amendment Process and Pilot Program

The Office welcomes any comments from the public on the proposed amendment process and pilot program, and would be particularly interested in the public's input on the questions and requested information noted below.

1. Should the Office modify its current practice to implement the proposal summarized above and presented in part in Appendix A1? Why or why not?
2. Please provide comments on any aspect of the proposed amendment process, including, but not limited to, the content of the papers provided by the parties and the Office and the timing of those papers during an AIA trial.

3. How does the timeline in Appendix A1 impact the parties' abilities to present their respective cases? If changes to the timeline are warranted, what specific changes are needed and why?
4. If the Office implements this proposal, should the Board prepare a preliminary decision in every proceeding where a patent owner files a motion to amend that proposes substitute claims?
5. What information should a preliminary decision include to provide the most assistance to the parties in presenting their case? For example, is there certain information that may be particularly useful as the parties consider arguments and evidence to present in their papers, how issues may be narrowed for presentation to the Board, and/or whether to discuss a settlement?
6. If the Office implements this proposal, should there be any limits on the substance of the claims that may be proposed in the revised motion to amend? For example, should patent owners be permitted only to add limitations to, or otherwise narrow the scope of, the claims proposed in the originally-filed motion to amend?
7. What is the most effective way for parties and the Office to use declaration testimony during the procedure discussed above? For example, how and when should parties rely on declaration testimony? When should cross-examination of declaration witnesses take place, if at all, in the process? At what stage of briefing should a party be able to rely on cross-examination (deposition transcripts) testimony of a witness?
8. If a petitioner ceases to participate in an AIA trial and the Board solicits patent examiner assistance regarding a motion to amend, how should the Board weigh an examiner advisory report relative to arguments and evidence provided by a patent owner? What type of assistance or information should a patent examiner provide? Should prior art searches by examiners be limited to those relevant to new limitations added to proposed substitute claims and reasons to combine related to such limitations?
9. Should the Board solicit patent examiner assistance in other circumstances, and if so, what circumstances? For example, should the Board solicit patent examiner assistance when the petitioner remains in the AIA trial but chooses not to oppose the motion to amend?
10. Should a motion to amend filed under the proposed new process be contingent or non-contingent? For purposes of this question, "contingent" means that the Board will provide a final decision on the patentability of a proposed substitute claim only if it determines that a corresponding original claim is unpatentable (as in the current proposal); and "non-contingent" means that the Board will provide a final decision on the patentability of substitute claims in place of determining the patentability of corresponding original claims.
11. If the Office implements the proposal in which the Board issues a preliminary decision on a motion to amend, as discussed above, should any additional changes be made to the current default trial schedule to accommodate the new practice?
12. What impact would implementing the proposals above have on small or micro entities who participate as parties in AIA trial proceedings?
13. Should the Office consider additional options for changing the timing and/or the Board's procedures for handling motions to amend that are not covered by the proposals above? If so, please provide additional options or proposals for the Office to consider, and discuss the advantages or disadvantages of implementation.

14. Should the Office consider not proceeding with the pilot program in AIA trials where both parties agree to opt-out of the program?

Questions Regarding Potential Rulemaking To Allocate Burden of Persuasion as Set Forth in the Western Digital Order

15. Should the Office engage in rulemaking to allocate the burden of persuasion regarding the patentability of proposed substitute claims in a motion to amend as set forth in the *Western Digital* order? What are the advantages or disadvantages of doing so?

16. If the Office continues to allocate the burden as set forth in the *Western Digital* order, under what circumstances should the Board itself be able to justify findings of unpatentability? Only if the petitioner withdraws from the proceeding? Or are there situations where the Board itself should be able to justify findings of unpatentability when the petitioner remains in the proceeding? What are the advantages or disadvantages?

17. If the Office adopts the current proposal including a preliminary decision by the Board on a motion to amend, do the answers to questions 15 and 16 change?

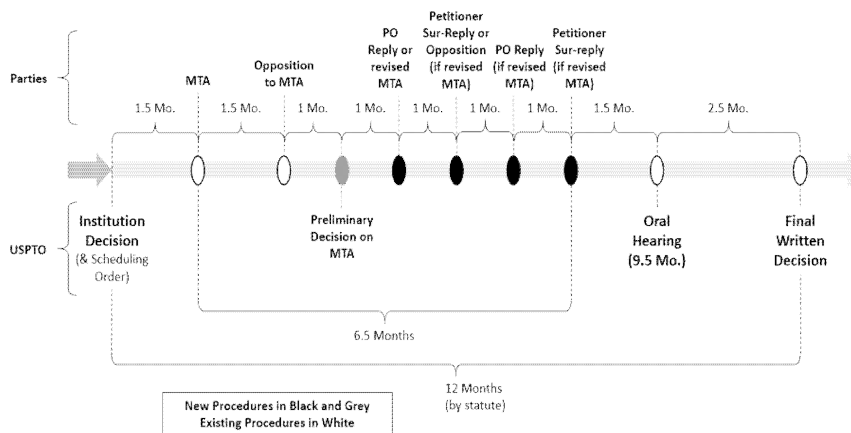
Dated: October 19, 2018.

Andrei Iancu,

Under Secretary of Commerce for Intellectual Property, Director of the United States Patent and Trademark Office.

Appendix A1

Proposed Timeline for New Motion to Amend Process



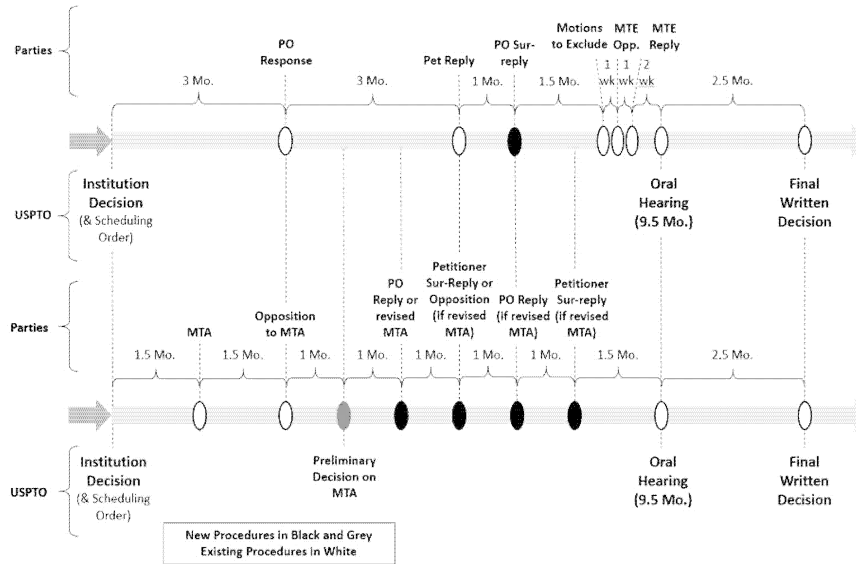
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Appendix A2



Start Printed Page 54326

Overlay of Proposed New Motion to Amend Process Timeline and AIA Trial Timeline



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