

New PTAB Pilot Program Aimed at Facilitating Claim Amendments in Post-Grant Proceedings

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On October 29, 2018, the USPTO published a [Request for Comments](#) on a proposed pilot program intended to make easier amending patent claims before the Patent Trial and Appeal Board (“PTAB” or “Board”) during *inter partes* review (“IPR”), post-grant review (“PGR”), and covered business method (“CBM”) post-grant proceedings.

USPTO Director Andrei Iancu foreshadowed the publication during his October 25, 2018, remarks at the AIPLA Annual Meeting, **at which he claimed** “the current amendment process in AIA proceedings is not working as intended” because “patent owners largely have been prevented from amending claims in the context of IPRs.”

The Current Motion to Amend Process

Under the current process, the Patent Owner (“PO”) has three months to submit its Patent Owner Response following the Board’s institution decision. At that time, the PO may submit a motion to amend claims in response to grounds of unpatentability under review. However, under the current process, the Board does not rule on the motion until its final written decision at the end of the case.

What Problem is the USPTO Trying to Solve?

A recurring criticism has been the perceived difficulty of amending challenged claims in post-grant proceedings. In response to that criticism, the PTAB launched a study to investigate the motion to amend process.

The PTAB [released the fourth installment](#) of the study last August. As of March 31, 2018—the latest date for which data is available—POs have filed a motion to amend in 305 of the 3,203 completed trials (11 percent), and in 56 of the 725 pending trials (eight percent)—a total of 361 motions to amend. To date, the Board has ruled in 189 of the 305 completed trials (62 percent). Of these, seven were granted (four percent), 11 were granted-in-part and denied-in-part (six percent), and a sizable 171 were denied in full (90 percent).

Pilot Program

The new pilot system seeks to address the perceived inadequacies in the motion to amend practice. To do so, the pilot program would provide input from both the Board and the Petitioner at an earlier stage of the proceeding by requiring the Board to issue a non-binding, preliminary ruling that both sides can respond to before the Board issues a final decision.

Here is how the pilot program will work as currently proposed:

- Within six weeks of a decision to institute review, the PO may file a motion to amend, after which the Petitioner has six weeks file an opposition.
- One month later, the Board will issue a preliminary, non-binding decision reporting on whether the amended claims meet the statutory and regulatory requirements or are patentable over the prior art of record in the proceeding.

At this point, depending on the PO's response to the initial evaluation in the preliminary decision, the case will proceed in one of two ways.

The First Scenario—First Motion to Amend (Likely) to Fail

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 PO and Petitioner may file papers as follows:

- Within a specified time period (*e.g.*, one month) after receiving the preliminary decision, the a PO may file:
 - (a) A reply to the Petitioner's opposition to the motion to amend and the preliminary decision; or
 - (b) A revised motion to amend that revises the proposed new substitute claims and provides new arguments 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 the PO chooses to include) relevant to the patentability of the revised substitute claims.
- If the PO 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.
- If, however, the PO chooses instead to revise its motion to amend, the Petitioner may file an opposition to that motion, the PO may file a reply to that opposition, and the Petitioner may file a sur-reply. A revised motion to amend must provide amendments, arguments, or evidence in a manner that is responsive to issues raised in the preliminary decision. However, a revised motion to amend may not include amendments, arguments, or evidence that are unrelated to issues raised in the preliminary decision or the Petitioner's opposition to the motion to amend.

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. The Petitioner's 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, or point to cross-examination testimony.

The Second Scenario—First Motion to Amend (Likely) to Succeed

If, instead, 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 PO and Petitioner may file papers as follows:

- The Petitioner may file a reply to the preliminary decision (*e.g.*, within one month after the Board provides its preliminary decision), and the PO may file a sur-reply in response (*e.g.*, within one month after the reply is filed).

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- In addition, if the PO 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 PO may file a sur-reply in response (*e.g.*, within two weeks after the reply is filed).

Next Steps

The USPTO published 17 questions as part of its request for comment—14 questions regarding the proposed pilot program and three questions regarding potential rulemaking to allocate burdens of persuasion.

The USPTO has stated that it expects to implement the pilot program shortly after the comment deadline ends on December 14, 2018. The pilot will run for at least a year, beginning sometime after the December 14, 2018, deadline. [According to the USPTO](#), “[o]nce 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.”

Remaining Open Questions

The USPTO’s release leaves open a few remaining questions:

- The pilot program is set to run concurrently with the USPTO’s review of commentary—what effect will that have on the pilot program or the current program?
- The pilot program and the current program may operate in parallel—how will parties elect the track in which to participate? May they participate in just one, or both?

The White & Case team will continue to monitor any developments that spring from the Request for Comments. Patent owners and Petitioners alike should carefully study the Request for Comments and become familiar with the proposed timelines.

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