

NOVEMBER 4, 2019



## USPTO proposes new rules about burdens when a patentee moves to amend its challenged claims before the PTAB

By Seth Levy and Vincent Capati

The United States Patent and Trademark Office (USPTO) recently proposed rules allocating the following burdens when a patentee moves to amend its challenged claims in an *inter partes* review (IPR), a post-grant review (PGR), or the transitional program for covered business method (CBM) patents:

- On the patent challenger, the burden of showing that the proposed substitute claims are unpatentable by a preponderance of the evidence
- On the patentee, the burden of showing that a motion to amend complies with certain statutory and regulatory requirements by a preponderance of the evidence.

In rare circumstances, the Patent Trial and Appeal Board (PTAB), nevertheless, has the discretion to rule on that motion for any reason supported by the evidence of record so long as the patentee has had the opportunity to respond to the evidence and grounds of unpatentability. See Rules of Practice to Allocate the Burden of Persuasion on Motions to Amend in Trial Proceedings Before the Patent Trial and Appeal Board, 84 FR 56401.

In motions to amend claims before the PTAB, the USPTO previously placed the burden on the patent owner—as the moving party—of showing that the proposed substitute claims were patentable. But, writing for the Federal Circuit en banc, Judge O’Malley observed that “(1) [t]he 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 to deference, the PTO may not place that burden on the patentee.” *Id.* at 56403 (citing *Aqua Prods., Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) (en banc)).

After a series of de-designations of various precedential PTAB orders, and in line with Under Secretary and Director Iancu’s statement to the Senate Committee on the Judiciary outlining the USPTO’s key programs and initiatives (<https://www.uspto.gov/about-us/news-updates/statement-director-andrei-iancu-committee-judiciary>), the USPTO requested

comments from the public regarding these proposed burdens. In the USPTO's view, this specific allocation of burdens addresses the sticky situation where the patent challenger drops out of the proceeding or declines to oppose the patentee's motion, and the patentee nevertheless carries the burden of proving patentability. *Id.* at 56402.

If adopted, the *proposed* 37 CFR § 42.221 would read as follows:

- (d) Burden of Persuasion. On a motion to amend:
- (1) A patent owner bears the burden of persuasion to show, by a preponderance of the evidence, that the motion to amend complies with the requirements of paragraphs (1) and (3) of 35 U.S.C. 316(d), as well as paragraphs (a)(2), (3), (b)(1), and (2) of this section;
- (2) A petitioner bears the burden of persuasion to show, by a preponderance of the evidence, that any proposed substitute claims are unpatentable; and
- (3) Irrespective of paragraphs (d)(1) and (2) of this section, the Board may, in the interests of justice, exercise its discretion to grant or deny a motion to amend for any reason supported by the evidence of record.

*Id.* at 56406.

Comments are due by December 23, 2019. Thought should be given both by patent owners and challengers as to whether and how this may impact their overall patent strategy.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

- Seth Levy at [slevy@nixonpeabody.com](mailto:slevy@nixonpeabody.com) or 213-629-6161
- Vincent Capati at [vcapati@nixonpeabody.com](mailto:vcapati@nixonpeabody.com) or 213-629-6091