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# PTAB's Pilot Program on Motions to Amend

Moderator:

*Bob Steinberg (Latham & Watkins)*

Panelist:

*Ben Haber (Senior Policy Advisor to the Director of the USPTO)*

*Jacqueline Wright Bonilla (Acting Deputy Chief Administrative Patent Judge at the PTAB)*

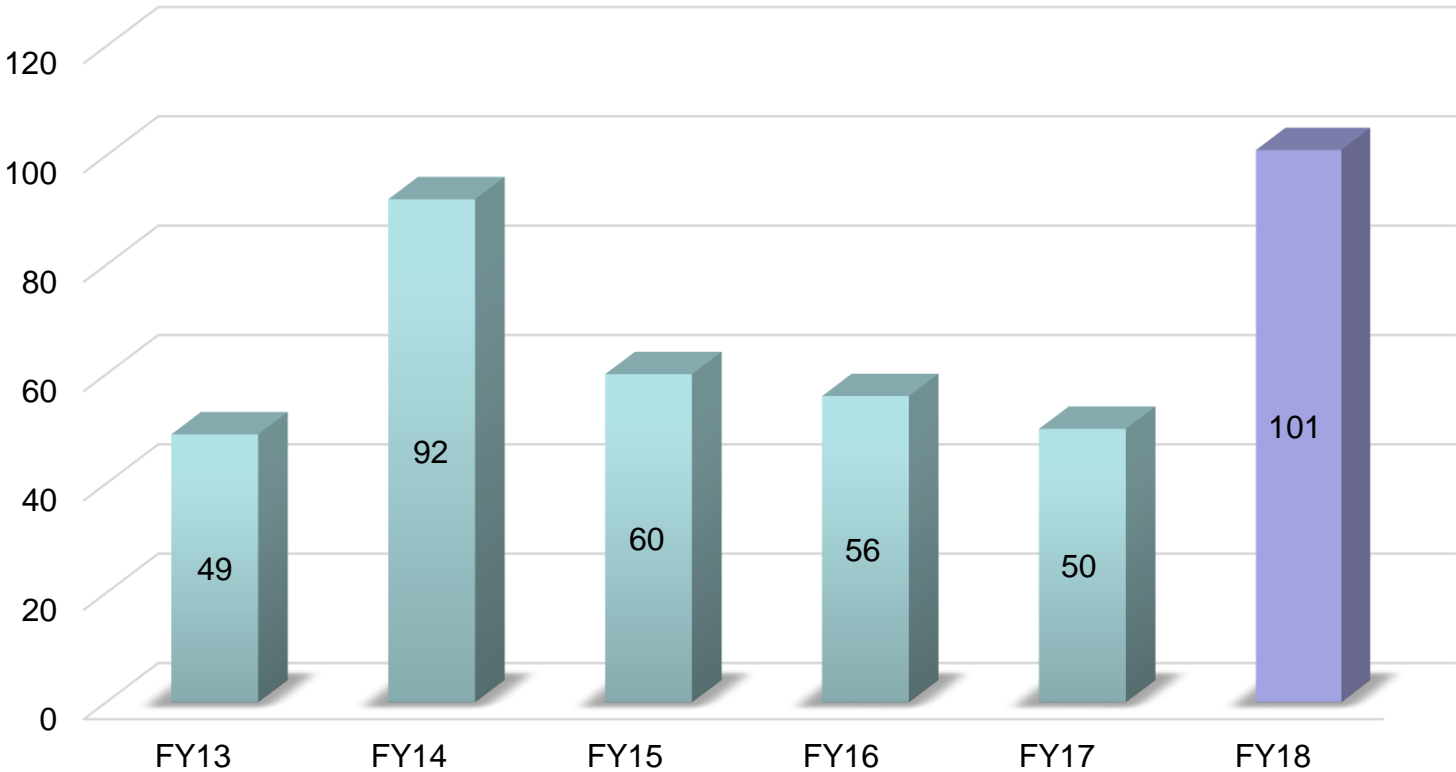
*Sara Horton (Jenner & Block)*

*Tonya Drake (iRobot)*

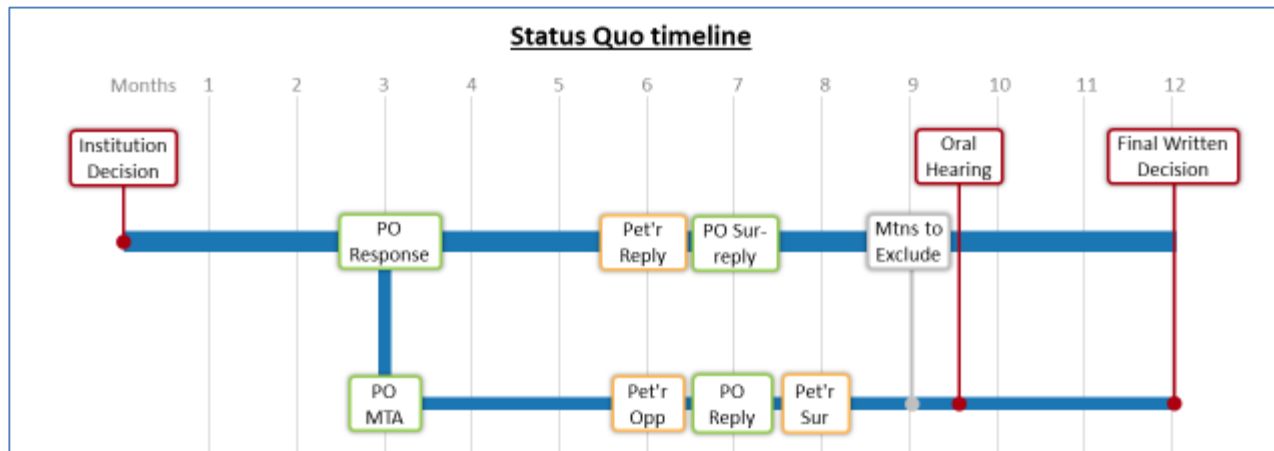
*Mike Penn (Amgen)*

# Motions to Amend Filed by Fiscal Year

(FY '13 to FY '18: 10/1/12 to 8/31/18)



# Status Quo Approach to Motions to Amend



# Hallmarks of Proposed Pilot Program (October 2018)

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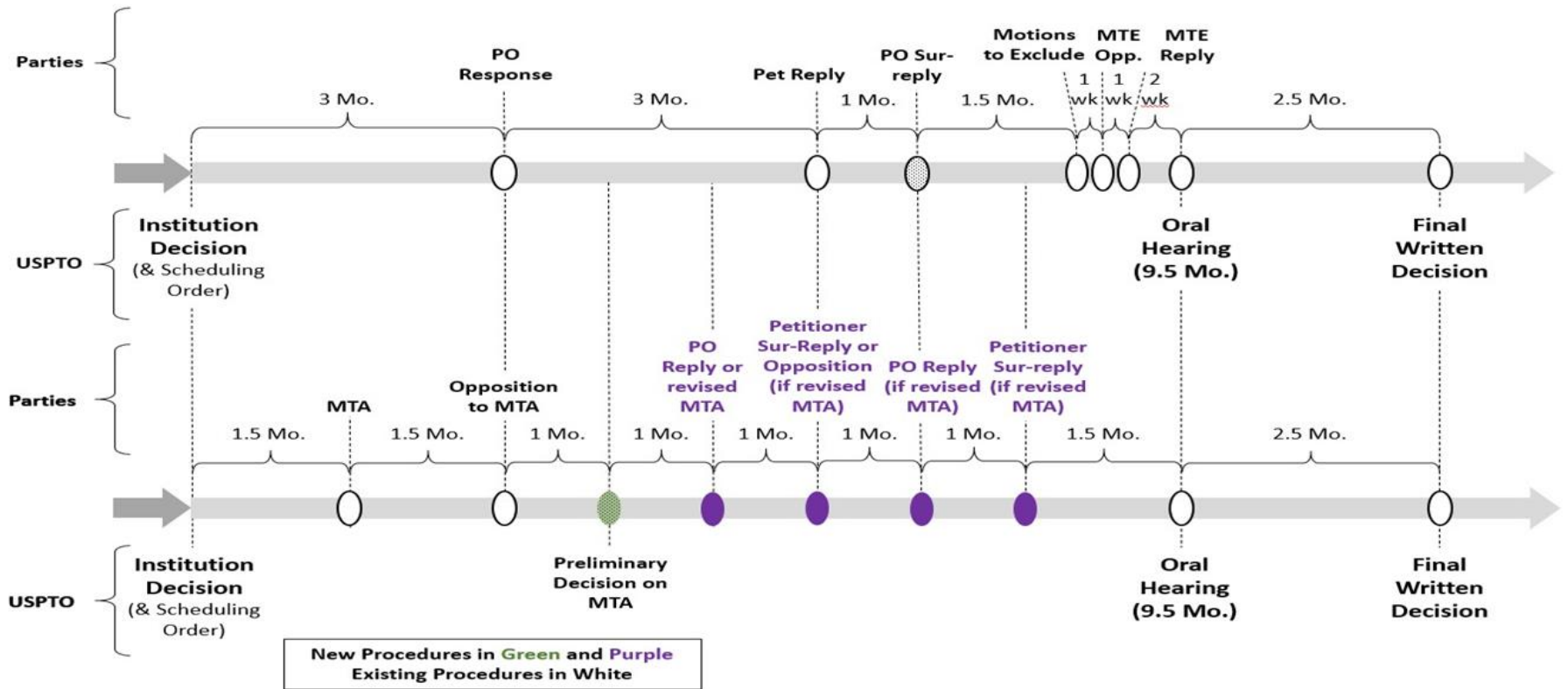
- Occurs during (and as part of) AIA review
  - Both parties participate
  - Motion to amend (MTA) process completed within 12 – month statutory deadline
- Board provides an initial assessment early in the process
  - Issues a non-binding Preliminary Decision addressing MTA and opposition
- Provides meaningful opportunity for PO to revise MTA

# Hallmarks of Proposed Pilot Program (Oct. 2018)

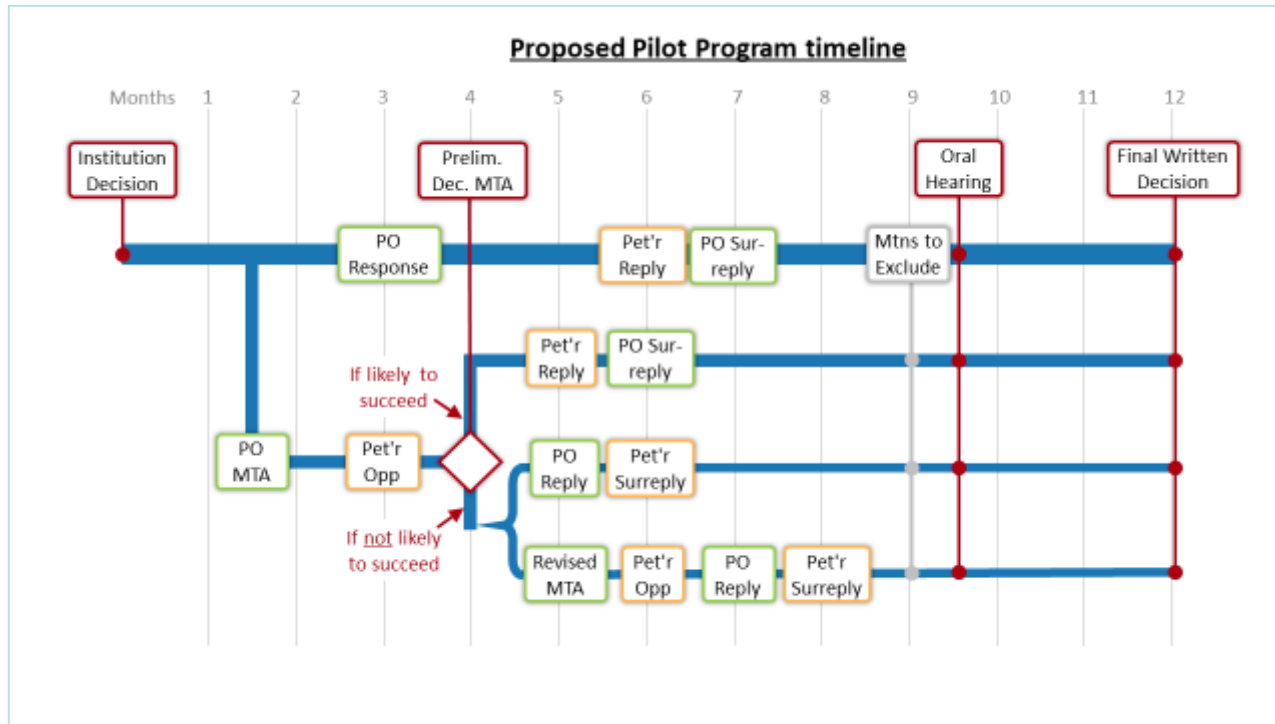
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- MTA and opposition are filed earlier than in current process
  - MTA is due 1.5 months after decision to institute
  - Petitioner opposition is due 1.5 months after MTA
- Board issues a Preliminary Decision
  - Issues 1 month after opposition is due
  - Provides an initial evaluation of both papers

# Overlay of Proposed Pilot Program and AIA Trial Timelines



# Proposed Pilot Program for Motions to Amend



# Preliminary Decision

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- Non-binding initial assessment based on record so far
  - Does not provide dispositive conclusions
  - Not binding on subsequent Board decisions, e.g., final written decision



# Assesses Whether there is a Reasonable Likelihood That

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- PO would prevail in establishing that MTA meets statutory and regulatory requirements – see 35 U.S.C. 316(d) or 326(d); 37 C.F.R. 42.121 or 42.221; and/or
- Petitioner would prevail in establishing the unpatentability of any proposed substitute claims

# If Preliminary Decision Is Unfavorable to Patent Owner

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- If Preliminary Decision determines there is a reasonable likelihood that:
  - PO would not prevail in establishing that MTA meets one or more statutory or regulatory requirements; and/or
  - Petitioner would prevail in establishing the unpatentability of any proposed substitute claims
- PO may file (e.g., one month after Preliminary Decision)
  - Reply responding to opposition and Preliminary Decision; or
  - Revised MTA

- May fix statutory or regulatory issues
- Non-binding initial assessment based on record so far
- May propose substitute claims
- BUT... must provide amendments, arguments, and/or evidence in a manner that are responsive to issues raised in Preliminary Decision
- May not include amendments, arguments, and/or evidence that are unrelated to issues raised in Preliminary Decision or opposition
- **Final written decision will address revised MTA and substitute claims therein**

- Petitioner may file:
  - Opposition to revised MTA (due one month later)
- If PO files reply, petitioner may file:
  - Sur-reply to reply (due one month later)
- If PO files a reply, rather than revised MTA there will be only two papers filed by parties after Preliminary Decision (i.e., reply and sur-reply)

- Opposition or Reply
  - May be accompanied by new evidence that responds to new evidence or issues raised in Preliminary Decision, revised MTA, and/or opposition to MTA, as applicable
- Sur-Reply
  - No new evidence other than deposition transcripts or cross-examination of a reply witness
  - May only respond arguments made in reply, comment on reply declaration testimony, and/or point to cross-examination testimony

# Two Alternative Paths

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## Alternative 1

- Applies if Preliminary Decision indicates a reasonable likelihood that MTA will be denied (entirely or in-part)

# Two Alternative Paths

## Alternative 2

- Applies if:
  - Preliminary Decision indicates a reasonable likelihood that MTA will be granted in relation to all proposed substitute claims; **or**
  - PO chooses not to file a paper (revised MTA or reply) by due date after Preliminary Decision issues
- Petitioner may file first paper (reply) in response to Preliminary Decision
  - May be accompanied by new evidence that responds to new issues raised in Preliminary Decision, but may not raise new arguments of unpatentability not raised in opposition to MTA
- PO may file sur-reply thereafter
- If PO files no paper after Preliminary Decision, briefing schedule for reply and sur-reply thereafter may be accelerated

# If Petitioner Ceases to Participate and Board Proceeds

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- Board may solicit patent examiner assistance
  - E.g., from CRU examiner
- Examiner advisory report, if solicited
  - Issues after MTA (in place of petitioner opposition)
  - Not binding and not a final determination on any legal conclusion
  - May assist PO and Board during AIA trial
- PO may file a revised MTA or reply in response to examiner advisory report and Preliminary Decision



# Proposed Pilot Program Status

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- Dozens of comments received by USPTO before and after December 14, 2018
- After Final Pilot Program implemented
  - Conduct pilot program for at least 1 year, and may extend
  - Apply pilot program in all AIA trials involving MTA where Board issues decision to institute after pilot implementation date
  - Potentially modify pilot program over time in response to feedback and experience

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# STRATEGY CONSIDERATIONS

# Will Proposed Pilot Program Make Patent Owners More Likely to File MTAs

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- How will the preliminary decision impact PO's decision?
- What will be the impact of cost/expenses?
- Impact of prosecution history estoppel and/or disclaimer?
- How will the condensed briefing schedule impact their decision?
- How will intervening rights and damages issues impact the decision?

# Will the New Process Make Petitioners More/Less Likely to File IPRs?

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- Will giving the PO's multiple chances to amend claims make IPRs less attractive?
- Will the additional costs/burden make IPRs less attractive?
- How does providing the PO a preliminary decision regarding proposed amendments affect the Petitioner's decisions to challenge particular claims and or assert particular grounds?
- Does the Compressed timing and Increased Filings Favor Petitioner or Patent Owner?

# Impact of Rule Change on Parallel District Court Litigation

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- Will district courts be more likely to issue stays?
- Will the procedures give either party more leverage for settlement?
- What if any weight will district courts give to the PO's decision to file a MTA or the PTAB's preliminary decision?
- What impact of any will the procedures have on the parties decisions concerning which forum they prefer to litigate particular validity issues?

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Thank You