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INSIGHT: Uncertainty on Estoppel of Claims Amended at the PTAB

BY DONALD STEINBERG AND JENNIFER GRABER

Since the Leahy-Smith America Invents Act (AIA) was enacted in 2011, thousands of petitions have been filed to request institution of inter partes review (IPR) to challenge patents. Upon the issuance of a final written decision by the Patent Trial and Appeal Board (PTAB), the petitioner is precluded from challenging the validity of the claims in a later proceeding on any ground that petitioner raised or reasonably could have raised during the IPR. 35 U.S.C. § 315(e).

Additionally, a patent owner has the opportunity to file a motion to amend the claims of the challenged patent during an IPR to preserve the patentability of its claims. 35 U.S.C. § 316(d). Amendments can be made to cancel any challenged claim and/or provide a reasonable number of substitute claims. *Id.* With regard to substitute claims, the patent owner must demonstrate that the amendment is responsive to a ground of unpatentability raised in the IPR and does not broaden the scope of the claims or introduce new subject matter. 37 C.F.R. § 42.121. The law is not yet clear on whether the estoppel provisions would apply to a successfully amended claim.

Patent owners' motions to amend have initially been met with little success. The PTAB granted its first motion to amend in an IPR three years after the AIA, in May, 2014 in *International Flavors & Fragrances, Inc. v. U.S. Department of Agriculture*, IPR2013-00124 (PTAB, May 20, 2014 (Paper 12)). As of September 30, 2017, 92% of motions to amend were denied by the PTAB. Patent Trial and Appeal Board Motion to Amend Study at 6 (Sept. 30, 2017). In the year from April 1, 2017 through March 1, 2018, only three motions to amend were granted. *Valeo N. Am. v. Schaeffler Techs. AG*, IPR2016-00502 (PTAB June 20, 2017 (Paper 37)); *Veaam Software Corp. v. Veritas Tech. LLC*, IPR2014-00090 (PTAB July 17, 2017 (Paper 48)); *Polygroup Ltd. v. Willis Electric Co.*, IPR2016-01613 (PTAB Feb. 26, 2018 (Paper 118)).

However, the rate of success in amending the claims of a challenged patent may increase since the recent en banc decision by the U.S. Court of Appeals for the Federal Circuit's in *Aqua Prods. Inc. v. Matal*, which clarified that the burden is on the petitioner, not the patent owner, to prove that the amended claims are unpatentable. *Aqua Prods. Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017).

With the increased likelihood that the PTAB will grant more motions to amend the claims of challenged patents, the effect of final decisions that find amended claims patentable is increasingly important. To date, no decision has addressed whether estoppel would apply to claims that were amended during an IPR proceeding.

The estoppel provisions of the AIA provide that: ''The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision . . . may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review . . . [or] assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.'' 35 U.S.C. § 315(e)(1)-(2). But whether estoppel does in fact apply to amended claims is not so clear.

Though the statute does not expressly include or exclude claims that are amended under § 316(d), estoppel may indeed apply to claims amended in an IPR because the claims were found patentable by the Board in a final written decision. The amended claim could be considered ''a claim in a patent under this chapter that re-

sults in a final written decision.'' And, the petitioner has an opportunity to oppose the amended claims and knows, when filing the petition, that the patent owner may seek to amend the claims.

Yet, the petitioner did not file a petition as to the new (amended) claim, and therefore might not be considered the ''petitioner in an inter partes review of'' the amended claim. Moreover, the petitioner is limited by a few months' time and by a 15 page limit to assert new art against the new claims. Further, the Federal Circuit has taken an arguably narrow interpretation of the estoppel provisions, focusing only on the specific grounds that petitioner raised or reasonably could have raised. *Shaw Indus. Group, Inc. v. Automated Creel Sys., Inc.*, 817 F.3d 1293 (Fed. Cir. 2016). The art or arguments raised against the amended claims arguably was not art that the petitioner raised or could have raised in its petition, since the amended claims did not exist at the time of the petition.

Additionally, the amended claims are not a part of the patent until the final IPR certificate issues, after the proceeding finishes. Therefore, because the estoppel provisions only apply to ''inter partes review of a claim *in a patent*,'' the language of the estoppel provision might not apply to the amended claims.

In the legislative history of the AIA, Congress considered numerous federal bills that included a section titled ''Effect of final decision on future proceedings,'' which stated: ''if a final decision under [this] section is favorable to the patentability of any original *or new claim* of the patent challenged by the cancellation petitioner, the cancellation petitioner may not thereafter, based on any ground that the cancellation petitioner raised'' during a post-grant review proceeding ''assert the invalidity of any such claim, in any civil action.'' Patent Reform Act of 2007, S. 1145, 110th Cong. § 334 (2007); *see also* S. Rep. No. 110-259 (2008). (Note that post-grant review has the same estoppel provisions in the AIA as inter partes review.)

In other words, earlier drafts of estoppel provisions in the AIA provided that if a petitioner seeking to challenge the validity of a patent, or ''cancellation petitioner,'' is unsuccessful, that petitioner cannot again challenge the validity of the patent as to the original claims or the new claims in a civil proceeding. The final statute as enacted, however, does not specify that the effect of a final decision applies to both ''original'' and ''new claims.''

The Federal Circuit will likely need to clarify the scope of estoppel under § 315(e) to address whether it reaches amended claims.

Don Steinberg is a partner in the Boston office of WilmerHale and the chair of the firm's intellectual property development. His practice focuses on advising clients on intellectual property matters, obtaining patent and trademark protection, litigation and post-grant proceedings before the Patent Trial and Appeal Board.

Jennifer Graber is an associate in the New York office of WilmerHale. Her practice focuses on intellectual property matters.