

CANTOR COLBURN CLIENT ALERT

Amending Claims in IPRs: The Burden on Patent Owners Has Been Significantly Reduced, but the Practical Effect Remains to Be Seen

In a recent decision, the U.S. Court of Appeals for the Federal Circuit made it easier for patent owners to amend claims in *inter partes* review proceedings (IPR). (*Aqua Products Inc. v. Matal*, 15-1177 (Fed. Cir. Oct. 4, 2017)). The court materially changed the burden of proof associated with the patentability of amended claims in an IPR, shifting the burden from the patent owner seeking the amendment to the petitioner opposing it. Prior to the *Aqua* decision, the Patent Trial and Appeals Board (PTAB) placed the burden on the patent owner to prove that any proposed amended claims were patentable. The burden was derived from 37 C.F.R. § 42.20, a Patent Office regulation which governs all motion practice before the PTAB and requires that “[t]he moving party has the burden of proof to establish that it is entitled to the requested relief.” The Federal Circuit took direct aim at this interpretation of § 42.20 and determined that “Congress explicitly placed the burden of persuasion to prove propositions of unpatentability on the petitioner for all claims, including amended claims.”

Since IPR proceedings began in 2013, it has been notoriously difficult for patent owners to amend claims. In 2016 the PTAB reported that it had denied 112 out of 118 motions to amend. The Federal Circuit’s shift of the burden away from the patent owner to the petitioner will almost certainly lead to an increase in the number of motions to amend filed going forward. However, even with the shift in burden, there is no guarantee that the number of allowed motions to amend will dramatically increase. Proposed amended claims are most often denied because they cannot be sufficiently distinguished from the prior art, and this will continue to be true regardless of which party bears the burden. Also, other factors will continue to discourage patent owners from seeking to amend their claims, just as they did pre-*Aqua*. For example, most patents challenged via IPR are also asserted in corresponding infringement litigation. The doctrine of intervening rights may protect infringers from liability if the claims of the patent are amended, which can potentially prevent the patent owner from recovering past damages. The risk of losing past damages due to intervening rights will continue to deter many patent owners from moving to amend the claims.

It also remains to be seen how the Patent Office and the PTAB will respond to the *Aqua* decision. If the PTAB embraces a liberal amendment process as a result of the decision, then patent owners may find more motivation to amend their claims. On the other hand, the decision also leaves open the possibility that the Patent Office could institute formal rules to put the burden back on patent owners, thereby effectively negating the ruling. In sum, the *Aqua* decision is likely to result in an increase in motions to amend claims by patent owners, but its long-term, substantive impact remains to be seen.

For Further Information and Assistance

Please do not hesitate to contact your Cantor Colburn attorney with any questions you may have regarding amendments in IPRs or IPR practice in general.

[Andrew C. Ryan](#), Partner and [Post Grant Review Practice](#) Chair
aryan@cantorcolburn.com - 1-860-286-2929

Please note that each situation has its own unique circumstances and ramifications. This Client Alert is for informational purposes only and is not legal advice.