

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

**Proposed Rule Regarding Motion to Amend Practice and Procedures in Trial Proceedings
Under the America Invents Act Before the Patent Trial and Appeal Board**

Docket No. [PTO-P-2020-0060](#)

**COMMENTS OF
THE HIGH TECH INVENTORS ALLIANCE AND
THE COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION**

STATEMENT OF INTEREST

The High Tech Inventors Alliance (HTIA) represents leading technology providers and includes some of the most innovative companies in the world. HTIA member companies are global leaders in software, ecommerce, cloud computing, artificial intelligence, quantum computing, digital advertising and marketing, streaming, networking and telecommunications hardware, computers, smartphones, and semiconductors. HTIA includes four of the top six software companies in the world, two of the top ten providers of 5G network infrastructure, three of the ten largest tech hardware companies, and three of the ten largest semiconductor companies in the world.

HTIA exists to promote innovation and American jobs through equitable patent policies and a more efficient, effective, and inclusive patent system. HTIA's member companies are some of the world's largest funders of research and development, collectively investing more than \$165 billion in these activities annually. They are also some of the world's largest patent owners and have collectively been granted nearly 350,000 patents.

CCIA is an international, not-for-profit trade association representing a broad cross section of communications and technology firms. For more than fifty years, CCIA has promoted open markets, open systems, and open networks. CCIA members employ more than 1.6 million workers, invest more than \$100 billion in research and development, and contribute trillions of dollars in productivity to the global economy. CCIA members are at the forefront of research and development in technological fields such as artificial intelligence and machine learning,¹ quantum computing², and other computer-related inventions. CCIA members are also active participants in the patent system, holding approximately 5% of all active U.S. patents and significant patent holdings in other jurisdictions such as the EU and China.

HTIA and CCIA members have a strong interest in a patent system that fairly balances the rights of patent owners with the interests of those who face infringement accusations. As large patent owners who are also frequent defendants in infringement litigation, our member companies support PTAB rules that fairly balance the interests of petitioners and patent owners, as well as the interest of the public in the cancellation of invalid patents.

¹ USPTO, *Inventing AI*, Fig. 6 (Oct. 2020), <https://www.uspto.gov/sites/default/files/documents/OCE-DH-AI.pdf>.

² See Elliott Mason, *Trends in quantum computing patents* (May 24, 2021), <https://quantumconsortium.org/blog/trends-in-quantum-computing-patents/>.

COMMENTS

HTIA and CCIA support the proposed rule. HTIA and CCIA also recommend strengthening the rule by affirming that the Patent Trial and Appeal Board has broad discretion to request examination assistance whenever new claim limitations are proposed in a substitute claim—not just when the petitioner ceases to oppose the amended claim or files an “illusory” opposition.

As the U.S. Court of Appeals for the Federal Circuit has noted, “the basic purpose of IPR proceedings” is to keep issued patents “within their legitimate scope.”³ To that end, the IPR amendment process should be structured to ensure that only valid substitute claims issue.

The USPTO’s precedential decision in *Hunting Titan, Inc. v. DynaEnergetics Europe GmbH*⁴ undermines these objectives by arbitrarily restricting the Patent Trial and Appeal Board’s consideration of record evidence of unpatentability. As the USPTO’s draft rule proposes, *Hunting Titan* should be rescinded and the regulations corrected, and the USPTO should assign an examiner to search for prior art related to new limitations that are proposed in a motion to amend.

In the PTAB’s initial *Hunting Titan*⁵ decision, a panel of administrative patent judges found that the patent’s original claims were anticipated by a prior art reference and that proposed substitute claims were unpatentable for the same reason.

The panel’s decision, however, was reconsidered by a subsequent panel that was presided over by the USPTO Director. This second decision did not question that prior art anticipated both the original claims and the substitute claims. Rather, it adopted a new policy for evaluating claim amendments in PTAB proceedings.

The Director’s panel held that the Board should ignore record evidence that renders substitute claims unpatentable—including evidence that had been applied to find the original claims unpatentable—if that evidence was not reiterated in the same form in the opposition to the motion to amend. Applying this rule, the Director’s panel granted the motion to amend and ordered the issuance of the substitute claims—claims that undisputedly were known to be anticipated by prior art.

³ [Hunting Titan, Inc. v. DynaEnergetics Europe GmbH](#), 28 F.4th 1371, 1381 (Fed. Cir. 2022).

⁴ [IPR2018-00600](#), Paper 67 (July 6, 2020).

⁵ See *id.*, [Paper 42](#) (August 20, 2019).

On appeal, the U.S. Court of Appeals for the Federal Circuit described the USPTO’s new policy as “problematic,” commenting that it “overlooks the basic purpose of IPR proceedings” to keep patents “within their legitimate scope.”⁶

The court also pronounced the Director’s decision “odd.” It emphasized that when a PTAB panel finds an original claim anticipated, “it would seem to follow that the Board should begin by first asking if the corresponding proposed substitute claim overcomes the ground on which it found the original claim unpatentable.”⁷ The court ultimately declined to consider whether the application of the policy constituted an abuse of discretion, finding that the appellant had not raised the argument.

In a separate concurrence, Judge Prost made clear that had an abuse of discretion challenge been preserved in the case, “it likely would have succeeded.”⁸ Judge Prost also stated that she was “troubled by how the PTO is handling this issue;” noted that *Hunting Titan* is inconsistent with the Federal Circuit’s precedents; stated that the new policy leaves the PTAB with “its head forced into the sand;” and questioned the reasonableness of “a policy that seriously hinders the Board’s basic efforts to avoid making the same error twice.”⁹

The Court of Appeals’ decision leaves little doubt that future applications of *Hunting Titan* likely would be reversed for an abuse of discretion. It also highlights that the policy is a dereliction of the USPTO’s duty to ensure that newly issued claims are patentable.¹⁰

The USPTO is wise to act now rather than wait for an adverse decision at the Federal Circuit. As the proposed rule properly provides, the PTAB should consider all record evidence when evaluating claim amendments.

HTIA and CCIA also support the proposed rule’s provision that the USPTO will assign patent examiners to identify prior art when the PTAB is considering claim amendments. A PTAB petitioner will not always be motivated to search for and present relevant evidence in response to a motion to amend. Assigning an examiner to assist the Board would help the USPTO meet its mission of ensuring that issued claims satisfy the conditions of patentability.

⁶ *Hunting Titan*, 28 F.4th at 1381.

⁷ *Id.* at 1382 n.2; *see also* Britain Eakin, [Fed. Circ. Reluctantly Upholds PTAB Panel’s Decision](#), Law360, March 24, 2022.

⁸ *Id.* at 1383.

⁹ *Id.* at 1383-86.

¹⁰ *See Hunting Titan*, 28 F.4th at 1384-85 (Prost, J., concurring). *See also* Ryan Davis, [PTAB’s Amendment Leeway Unclear After Fed. Circ. Criticism](#), Law360, April 7, 2020.

HTIA and CCIA, while supporting the proposed regulation's provision that the PTAB can request examination assistance, are concerned that the proposal is too limited. Under proposed § 42.121(d)(3)(ii), "[w]hen no petitioner opposes or all petitioners cease to oppose a motion to amend, [the Board may consider] prior art identified through a prior art search conducted by the Office at the Board's request." The USPTO's commentary clarifies that this will include situations "such as the filing of an illusory opposition to the MTA or a petitioner filing that raises no prior art challenge."

HTIA and CCIA are concerned that this proposal unduly constrains the Board's discretion to seek assistance from examiners. It is examiners who are expert in identifying prior art—and whom our system has relied on to review new claims before they issue ever since the Patent Act of 1836. Even when a petitioner continues to oppose an amendment, it may not find prior art that an examiner would readily identify. In addition, Board panels may be hesitant to invoke the proviso that they may seek examination assistance when a petitioner has filed an "illusory opposition." This standard appears to imply that the petitioner is not acting in good faith—a Board panel may feel hesitant to invoke this standard and implicitly disparage the petitioner. It is also a standard that may be difficult to assess.

HTIA and CCIA propose that the first sentence of clause (ii) be modified to simply provide: "Prior art identified through a prior art search conducted by the Office at the Board's request." It is unlikely that Board panels will request such a prior-art search unless they lack confidence that the private search conducted by the parties has identified all relevant prior art.

Nor is there any question that the USPTO has the authority to allow PTAB panels to routinely request examination assistance. The Congress that enacted the AIA was uncertain how claim amendments would best be addressed in PTAB proceedings, given their departure from the examinational model. Congress instead gave the agency the power to structure the amendment process as it deemed appropriate: the law simply provides that the Director shall "set[] forth standards and procedures" for proposing substitute claims. 35 U.S.C. § 316(a)(9). And the Federal Circuit has made clear that the PTAB may consider evidence beyond that presented by the petitioner (indeed, the court's *Hunting Titan* opinion strongly suggests that the PTAB is *obligated* to do so). There is no reason for the USPTO to restrain PTAB panels from seeking examination assistance in the limited circumstances in which they believe that such assistance could be beneficial.

Finally, having an examiner search for relevant prior art would not impose a substantial burden on the USPTO. HTIA and CCIA anticipate that it would not take long for an examiner to conduct a search and prepare observations. To the extent that patent owners are concerned that addressing the examiner's findings would delay the proceedings and risk breaching the statutory deadline, *see* 35 U.S.C. § 316(a)(11), analysis of the substitute claims could be diverted to reissue. *See* Notice Regarding Options for Amendments by Patent Owner Through Reissue or Reexamination During a Pending AIA Trial Proceeding, 84 Fed. Reg. 16654 (Apr. 22, 2019). Moreover, motions to amend in AIA post-grant proceedings are relatively rare. During the period from fiscal year 2013 to 2019, only 527 motions to amend were filed in these proceedings (about 75 a year).¹¹ During this same period, 5,550 AIA proceedings were instituted.¹² Patent owners thus filed motions to amend only in about 10.5% of AIA proceedings.¹³ Conducting fewer than 100 additional prior art searches a year is well worth the benefit of ensuring that substitute claims issued in an IPR are patentable—that, in the words of the Federal Circuit, the USPTO is not making the same error twice.

HTIA and CCIA appreciate the USPTO's attention to IPR motion to amend practice and its commitment to ensuring that only valid substitute claims are issued in IPR proceedings.

¹¹ *See* [PTAB Motion to Amend Study](#), p.10 (Mar. 31, 2020).

¹² *See* [PTAB Trial Statistics FY 21 End of Year Outcome Roundup](#), p.6; [PTAB Trial Statistics](#), p.7 (Sep. 2018).

¹³ The principal reason IPR claim amendments are rare is because amending requires giving up past damages. *See* 35 U.S.C. § 318(c). Yet IPR proceedings overwhelmingly are the subject of parallel enforcement proceedings. Most of these patent owners prefer an all-or-nothing approach: they want to preserve their original claims and collect damages, and thus are uninterested in amending claims.