



3510-16-P

DEPARTMENT OF COMMERCE

Patent and Trademark Office

[Docket No. PTO-P-2019-0005]

Notice Regarding a New Pilot Program Concerning Motion to Amend Practice and Procedures in Trial Proceedings under the America Invents Act before the Patent Trial and Appeal Board

AGENCY: United States Patent and Trademark Office, Department of Commerce

ACTION: Notice of Pilot Program

SUMMARY: The United States Patent and Trademark Office (“USPTO” or “Office”) provides notice of a pilot program for motion to amend (“MTA”) practice and procedures in trial proceedings under the America Invents Act (“AIA”) before the Patent Trial and Appeal Board (“PTAB” or “Board”). In particular, a patent owner who files an MTA will have the ability to choose how that motion will proceed before the Board, including whether to request preliminary guidance from the Board on the MTA and whether to file a revised MTA. The Office previously published a notice requesting comments on proposed modifications to the current MTA practice and procedures. The Office has considered those comments and greatly appreciates the feedback. In view of the comments received, the Office has modified its prior proposal in certain respects as reflected in this notice, and will implement the MTA pilot program presented in this notice.

DATES: This pilot will begin on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Applicability Date: This pilot program applies to all AIA trial proceedings instituted on or after the effective date.

Duration: The USPTO anticipates it will reassess the MTA pilot program approximately one year from its effective date based on information obtained during the pilot program. The USPTO may terminate the pilot program at any time or continue the program (with or without modifications) depending on the feedback received during the course of the pilot program, and the effectiveness of the program.

FOR FURTHER INFORMATION CONTACT: Melissa Haapala, Acting Vice Chief Administrative Patent Judge, or Jessica Kaiser, Lead Administrative Patent Judge, by telephone at (571) 272-9797.

SUPPLEMENTARY INFORMATION:

I. Preamble

On October 29, 2018, the Office published a request for comments (“RFC”) on a proposed procedure for motions to amend filed in inter partes reviews, post-grant reviews, and covered business method patent reviews (collectively AIA trials) before the PTAB. The Office received 49 comments in response to this RFC as of December 21, 2018 (the closing date for comments). The majority of comments supported the Office taking action in relation to MTA practice and procedures in AIA trials. Several comments suggested that the Office should

reconsider the timelines of due dates presented in the initial RFC. Other comments suggested further revisions, discussed in greater detail below.

This notice provides information relating to the pilot program for a new MTA practice in response to the stakeholder comments received. As discussed below, the pilot program provides a patent owner with two options not previously available. The first option is that a patent owner may choose to receive preliminary guidance from the Board on its MTA. The second option is that a patent owner may choose to file a revised MTA after receiving petitioner's opposition to the original MTA and/or after receiving the Board's preliminary guidance (if requested).

In addition to these new options, the patent owner also will be able to pursue an MTA in effectively the same way as current practice. Specifically, if a patent owner does not elect either the option to receive preliminary guidance or the option to file a revised MTA, AIA trial practice, including MTA practice, is essentially unchanged from current practice, especially regarding the timing of due dates for already existing papers in an AIA trial. One exception is that times between due dates for certain later-filed papers will be extended slightly, as compared to the existing process. For example, rather than 1 month, a patent owner will have 6 weeks to file a reply after receiving an opposition to its original MTA, and a petitioner will have 6 weeks to file a sur-reply in response to that reply. *See infra* Appendix 1A (PO Reply Timeline). In addition, to align relevant due dates as done in current practice, a patent owner will have 6 weeks to file a sur-reply after receiving a reply in relation to the petition, regardless of whether patent owner files an MTA. *Id.*

The first notable new feature of the program is that a patent owner may request, in its MTA, that the Board issue preliminary guidance on the MTA after a petitioner files an opposition to an MTA (or after the due date for the opposition, if

none is filed). The preliminary guidance typically will be in the form of a short paper (although it may be oral guidance provided in a conference call, at the Board's discretion) that provides preliminary, non-binding guidance from the Board to the parties about the MTA. The Board's preliminary guidance will focus on the limitations added in the patent owner's MTA, and will not address the patentability of the originally challenged claims.

With that in mind, the preliminary guidance will provide an initial discussion about whether there is a reasonable likelihood that the MTA meets statutory and regulatory requirements for an MTA. The preliminary guidance also will provide an initial discussion about whether petitioner (or the record then before the Office, including any opposition to the MTA and accompanying evidence) establishes a reasonable likelihood that the substitute claims are unpatentable. Many stakeholders who provided comments to the October 2018 Request for Comment on MTA Practice and Procedure on this topic indicated that they were in favor of the Board providing some kind of preliminary guidance of this nature. *See* Request for Comments on MTA Practice and Procedures in Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board, 83 FR 54319 (Oct. 29, 2018) (hereinafter RFC or MTA RFC); *see also* Comments on Motion to Amend Practice and Procedures in AIA Trials, U.S. Patent & Trademark Office, <https://go.usa.gov/xEXS2> (comments received by December 21, 2018, in response to the RFC) (last visited Mar. 11, 2019) (hereinafter PTAB RFC Comments Website).

The pilot program also allows a patent owner, after receiving petitioner's opposition to the original MTA and/or after receiving the Board's preliminary guidance (if requested), to choose to submit a revised MTA. Many stakeholders who provided comments to the RFC on this topic also indicated that they were in favor of a patent owner having an opportunity to file a revised MTA after receiving

petitioner's opposition and preliminary guidance from the Board regarding its original MTA. *See* PTAB RFC Comments Website.

As discussed in the RFC, a revised MTA includes one or more new proposed substitute claims in place of previously presented substitute claims. A revised MTA also may include substitute claims, arguments, or evidence previously presented in the original MTA, but may not incorporate any material by reference from the original MTA. A revised MTA may provide new arguments and/or evidence as to why the revised MTA meets statutory and regulatory requirements for an MTA, as well as arguments and evidence relevant to the patentability of pending substitute claims. A revised MTA must provide amendments, arguments, and/or evidence in a manner that is responsive to issues raised in the preliminary guidance and/or petitioner's opposition to the MTA. A revised MTA may not include amendments, arguments, and/or evidence that are unrelated to issues raised in the preliminary guidance and/or petitioner's opposition to the MTA.

If patent owner chooses to file a revised MTA, petitioner may file an opposition to the revised MTA and preliminary guidance (if requested). Patent owner may file a reply to the opposition to the revised MTA, and petitioner may file a corresponding sur-reply. Soon after patent owner files a revised MTA, the Board will issue a new scheduling order to accommodate the necessary additional briefing. *See* Appendix 1B (Revised MTA Timeline). Generally, the petitioner sur-reply relating to the revised MTA will be due 1 week before the oral hearing, and the oral hearing will take place about 9 weeks before the 12-month statutory deadline for a final written decision. *Id.* If a revised MTA is filed and substitute claims need to be addressed in the final written decision, then the final written decision will address only the substitute claims at issue in the revised MTA. In

other words, newly added proposed substitute claims in the revised MTA must replace claims in the initial MTA.

As noted above, if the patent owner does not elect to receive preliminary guidance or to file a revised MTA, the MTA practice and the overall trial schedule are essentially unchanged from the current practice (with the exceptions noted above). In addition, as a general matter, there will be no changes to a scheduling order during a trial to accommodate additional MTA briefing unless, and only after, patent owner chooses to file a revised MTA, which will occur, if at all, approximately 30 weeks (about 7 months) after institution.

In view of those considerations, the effective date for the pilot program will be the publication date of this notice. A patent owner may use the pilot program, and therefore may choose to receive preliminary guidance from the Board on its MTA and/or to file a revised MTA, in any AIA case where the Board institutes a trial on or after the effective date. All cases that have been instituted prior to the effective date will proceed pursuant to the MTA practices and procedures in effect prior to the effective date. As noted in the RFC, the program is a “pilot” in the sense that the Office may modify MTA procedures in response to feedback and experience with the program during and/or after the course of the pilot program. The Office always welcomes continued feedback from the public.

II. Background

A. Current MTA Practices and Procedures

Under current MTA practices and procedures, patent owner’s MTA is typically due about 3 months after a decision on institution (and on the same date as patent owner’s response to the petition). Under 37 CFR 42.121(a) and 42.221(a), a patent owner is authorized to file such a motion, but “only after

conferring with the Board.” Thus, the Board encourages the parties to request a conference call prior to the due date for an MTA if such a motion is contemplated.

Petitioner’s opposition to the MTA is typically due about 3 months after the due date for the MTA (and on the same date as petitioner’s reply to patent owner’s response to the petition). Patent owner’s reply to the opposition to the MTA is typically due about 1 month thereafter, and petitioner’s sur-reply to the reply to the opposition to MTA is typically due about 1 month after the reply. Although additional MTAs cannot be filed without authorization, such motions may be authorized “when there is a good cause showing or a joint request of the petitioner and the patent owner to materially advance a settlement.” 37 CFR 42.121(c), 42.221(c); 35 U.S.C. 316(d)(3).

Patent owner’s MTA may be contingent on the unpatentability of the original claims or may be non-contingent. Parties may, and typically do, present arguments relating to an MTA and related subsequent papers at the oral hearing (e.g., 9 months after the decision to institute). The Board addresses an MTA in a final written decision. If the MTA is contingent, the final written decision addresses substitute claims only if corresponding original claims are found unpatentable.

B. Previous Feedback and Analysis of MTA Practices and Procedures

In June 2014, the Office published a Request for Comments in the *Federal Register* that requested comments on the Board’s practice regarding MTAs. *See Request for Comments on Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board*, 79 FR 36474 (June 27, 2014). Comments from the public (including bar associations, corporations, law firms, and individuals) regarding MTAs ranged from seeking no change to the Board’s current practice, to proposals for the grant of all motions to amend that meet 35

U.S.C. 316(d) statutory requirements without a review of patentability. Most comments focused on which party should bear the burden of proving the patentability or unpatentability of substitute claims proposed in an MTA, or on the scope of the prior art that must be discussed by a patent owner in its MTA. The feedback generally did not relate to the timing of MTAs or other aspects of Board procedure in considering such motions. The comments are available on the USPTO Web site: <https://go.usa.gov/xXXF8>.

In August 2015, the Office solicited further input from the public on “[w]hat modifications, if any, should be made to the Board’s practice regarding motions to amend.” *See Proposed Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board*, 80 FR 50720, 50722–25 (Aug. 20, 2015) (hereinafter *Proposed Amendments to the Rules*). Once again, in relation to MTAs, most comments focused on which party should bear the burden of proof on the patentability of substitute claims proposed in an MTA. The comments are available on the USPTO Web site: <https://go.usa.gov/x5SbK>. In addition, a few comments suggested using examiners to review the patentability of proposed substitute claims. On balance, the Office decided at that time not to implement changes to the Board’s MTA procedures through rulemaking, but reaffirmed its commitment to continue to evaluate the best way to improve the Board’s practice. *See Proposed Amendments to the Rules*, 80 FR at 50724–25; *Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board*, 81 FR 18750, 18755 (Apr. 1, 2016).

In an effort to better understand the Board’s MTA practice, the Board undertook in early 2016 a study to determine: (1) the number of MTAs that had been filed in AIA trials, both as a cumulative total and by fiscal year; (2) subsequent developments in each MTA (i.e., whether the motion was decided, rendered moot, withdrawn, or otherwise dismissed); (3) the number of MTAs

requesting to substitute claims that were granted, granted-in-part, denied-in-part, and denied; and (4) the reasons the Board provided for denying entry of substitute claims. *See* MTA Study (Apr. 30, 2016), <https://go.usa.gov/xXXyT>; Data for 192 Completed Trials with an MTA, <https://go.usa.gov/xXXyZ> (last visited Mar. 11, 2019). The Board continues to collect data on motions to amend, and has published on its website an update to the study through March 31, 2018. *See* <https://go.usa.gov/xUJgB> (last visited Mar. 11, 2019).

The Office continued to receive feedback from the public regarding the Board's current MTA practice, including some concerns regarding the grant rate of claim amendments in AIA trial proceedings. Thus, in October 2018, the Office published a Request for Comments in the *Federal Register* that requested written public comments on a proposed amendment procedure in AIA trials that would have involved the Board issuing a preliminary non-binding decision that provides information relevant to the merits of an MTA, and provides a patent owner with an opportunity to revise its MTA thereafter. RFC, 83 FR at 54322-23. The RFC stated that the "goal of the proposed amendment process and pilot program is to provide an improved amendment practice in AIA trials in a manner that is fair and balanced for all parties and stakeholders." *Id.* at 54320.

C. October 2018 RFC

As noted above, in the October 2018 RFC, the Office provided a proposed amendment procedure in AIA trials that included a preliminary non-binding decision by the Board on the merits of an MTA, and an opportunity for a patent owner to revise its MTA thereafter.¹ *See id.* at 54319. Specifically, in that

¹ The RFC also sought comments as to whether the USPTO should engage in rulemaking to allocate the burden of persuasion when determining patentability of substitute claims as set forth in *Western Digital Corp. v. SPEX Techs., Inc.*, Case

proposal, after a patent owner filed an MTA that proposed substitute claims, and a petitioner filed an opposition (if it so chose), the Board would present an initial evaluation of the parties' submissions in a preliminary decision. *See id.* at 54322. In particular, the Board's preliminary decision would provide information relating to whether the MTA meets the statutory requirements of 35 U.S.C. 316(d) or 326(d) and the regulatory requirements of 37 CFR 42.121 or 42.221, and information relating to the patentability of the proposed substitute claims. *Id.*

The RFC presented a timeline for the MTA proposal. *See RFC*, 83 FR at 54325, App. A1. According to that timeline, the patent owner would have had 1.5 months to file an MTA, and petitioner would have had 1.5 months to file an opposition to the MTA (about half the time available under current procedures). The Board then would issue a preliminary decision, in every case involving an MTA, 1 month after the petitioner filed its opposition to the MTA. If the Board's preliminary decision indicated that the MTA was unlikely to be successful in whole or in part, the patent owner would have 1 month to file either a reply or a revised MTA. *RFC*, 83 FR at 54322–23. If the patent owner chose to file a reply, petitioner would have 1 month to file a sur-reply. *Id.* at 54323. If patent owner chose instead to file a revised MTA, the parties could file three additional briefs, each 1 month apart (petitioner's opposition to the revised MTA, patent owner's reply, and petitioner's sur-reply). *Id.* If the patent owner chose not to file any paper, the petitioner could file a reply to the preliminary decision 2 weeks after the due date for patent owner to file a reply or revised MTA, and the patent owner could file a sur-reply 2 weeks thereafter. *Id.*

In the RFC proposal, if the Board's preliminary decision indicated that the MTA was likely to succeed in its entirety, then petitioner would have 1 month after

IPR2018-00082 (PTAB Apr. 25, 2018) (Paper 13). *RFC*, 83 FR at 54320. The USPTO plans to address that portion of the RFC separately.

the preliminary decision to file a reply, and patent owner could file a sur-reply 1 month thereafter. *Id.*

In all of the alternatives proposed in the RFC, the oral hearing would have been scheduled at 9.5 months after the decision on institution (about 2 weeks later in the trial than under current procedures). *See* RFC, 83 FR at 54325, App. A1.

The RFC included a number of questions regarding the proposed amendment process and pilot program. RFC, 83 FR at 54324–35. Initially, the deadline to submit written comments was December 14, 2018, but the Office extended the deadline to December 21, 2018, in response to requests for such an extension from the public.

As discussed below, the Office has carefully considered the comments received in response to the RFC. Based on those comments, the Office has revised the proposal in the RFC. The revised pilot program announced in this notice is discussed in detail below.

III. Pilot Program: Option to Receive Preliminary Guidance by the Board on an MTA and an Opportunity to Revise the MTA

In the pilot program presented in this notice, the patent owner will have the opportunity to pursue an MTA in effectively the same way as current practice by not electing to either receive preliminary guidance or to file a revised MTA.

Under the pilot program, if the patent owner requests preliminary guidance on its MTA, the Board will provide preliminary guidance on the MTA typically in the form of a short paper after petitioner files its opposition to the MTA (or after the due date for the opposition, if none is filed). The patent owner will then have an opportunity to revise its MTA after receiving the petitioner's opposition and/or the preliminary guidance from the Board (if requested). If the patent owner chooses to file a revised MTA, the board will revise its scheduling order. The

timing for briefing related to the revised MTA typically will be the timing shown in Appendix 1B (Revised MTA Timeline).

A revised MTA includes one or more new proposed substitute claims in place of previously presented substitute claims to address issues identified in the preliminary guidance and/or the petitioner's opposition. The presumption remains that only one substitute claim would be needed to replace each of the original substitute claims, absent a showing of need. 37 CFR 42.121(a)(3). A revised MTA may provide new arguments and/or evidence as to why the revised MTA meets statutory and regulatory requirements for an MTA, as well as arguments and evidence relevant to the patentability of substitute claims pending in the revised MTA. A revised MTA must provide amendments, arguments, and/or evidence in a manner that is responsive to issues raised in the preliminary guidance and/or petitioner's opposition. A revised MTA may not include amendments, arguments, and/or evidence that are unrelated to issues raised in the preliminary guidance and/or petitioner's opposition to the MTA.

If patent owner chooses to file a revised MTA, petitioner may file an opposition to the revised MTA and preliminary guidance (if requested). Before the oral hearing, the patent owner also may file a reply to an opposition to the revised MTA, and the petitioner may file a corresponding sur-reply. During the oral hearing itself, both parties may address points raised and evidence discussed in the preliminary guidance and as briefed by the parties.

In response to petitioner's opposition to the MTA and/or the preliminary guidance (if requested), patent owner may take one of the following actions: (1) reply to petitioner's opposition to the MTA and/or the preliminary guidance (if requested); (2) file a revised MTA; or (3) take no action and file no paper regarding the MTA on the due date for patent owner's reply or a revised MTA after the Board issues preliminary guidance (if requested). Depending on the

action taken by patent owner, the case will proceed as further described in detail below.

A. General Procedures in the Pilot Program

In the pilot program, the filings of an MTA by patent owner and an opposition by petitioner to the MTA will proceed in substantially the same way as under current procedures. An MTA will be contingent on the unpatentability of the original claims unless the patent owner indicates otherwise or cancels the original claims.

The scheduling order will set dates for an MTA and briefing related thereto. The Scheduling Order will set forth the schedule for the “PO Reply Timeline” depicted in Appendix 1A. In particular, an MTA (if one is filed) will be due 12 weeks after the date of an institution decision (and on the same due date as the patent owner response). Petitioner’s opposition to the MTA will be due 12 weeks after the due date for the MTA (and on the same due date as the petitioner reply). Consistent with current practice, the scheduling order will specify generally that the parties may stipulate to move certain due dates, but may not stipulate to move the last due date before the oral hearing or the date of the oral hearing. *See* Trial Practice Guide Update, App. A at 26–27 (Aug. 2018), available at https://www.uspto.gov/sites/default/files/documents/2018_Revised_Trial_Practice_Guide.pdf (last visited Mar. 11, 2019). In stipulating to move any due dates in the scheduling order, the parties must be cognizant that the Board requires approximately 4 weeks after the filing of an opposition to the MTA (or the due date for the opposition, if none is filed) for the Board to issue its preliminary guidance, if requested by patent owner.

If the patent owner indicates in its MTA that it requests preliminary guidance from the Board on the MTA, the Board will issue preliminary, non-

binding guidance about the MTA no later than 4 weeks after the due date for petitioner's opposition to the MTA. The Board's preliminary guidance will focus on the limitations added in the Patent Owner's motion to amend, and will not address the patentability of the originally challenged claims. With that in mind, the preliminary guidance typically will take the form of a short paper that provides an initial discussion about whether there is a reasonable likelihood that the MTA meets statutory and regulatory requirements for an MTA, and also provides an initial discussion about whether petitioner (or the record before the Office) establishes a reasonable likelihood that the substitute claims are unpatentable, based on the existing record, including any opposition to the MTA and accompanying evidence.

To meet statutory and regulatory requirements, an MTA must, among other things: propose a reasonable number of substitute claims; propose substitute claims that do not enlarge the scope of the claims of the challenged patent or introduce new subject matter; respond to a ground of unpatentability involved in the trial; and set forth written description support for each substitute claim. *See* 35 U.S.C. 316(d), 326(d); 37 CFR 42.121, 42.221; *see also Lectrosonics, Inc. v. Zaxcom, Inc.*, Case IPR2018-01129 (PTAB Feb. 25, 2019) (Paper 15) (precedential). Similar to an institution decision, preliminary guidance on an MTA during an AIA trial will not be binding on the Board, for example, when it renders a final written decision. The Board's preliminary guidance will not be a "decision" under 37 CFR 42.71(d), and thus parties may not file a request for rehearing of the preliminary guidance. Because the preliminary guidance does not reflect final agency action, it is not judicially reviewable (either independently or in any appeal from a final written decision). *See Chicago & Southern Air Lines v. Waterman S.S. Corp.*, 333 U.S. 103, 112-113 (1948); 35 U.S.C. 319(a). Instead, the parties

may choose to respond to the preliminary guidance using the options discussed below.

Although preliminary guidance will not be binding on the Board's subsequent decisions or provide dispositive conclusions regarding MTA requirements or the patentability of substitute claims, it may provide information helpful to the parties. For example, the guidance may be helpful to patent owner as it determines whether and/or how to revise its MTA or to petitioner as it determines how to respond to a revised MTA, or to both parties as they determine how to respond to information discussed in the preliminary guidance.

As noted above, following the petitioner's opposition to the MTA and/or based on the Board's preliminary guidance (if requested), the patent owner may choose to file a reply to the opposition to the MTA and/or preliminary guidance, file a revised MTA, or do nothing.

Generally speaking, new evidence (including declarations) may be submitted with every paper in the MTA process, except a sur-reply. A sur-reply may only include cross-examination deposition transcripts as further discussed below. Once likely declarants are known, the parties should confer promptly as to dates for scheduling all depositions after the relevant papers are to be filed. Parties are expected to make their declarants available for such depositions promptly, and to make their attorneys available to take and defend such depositions; any unavailability will not be a reason to adjust the schedule for briefing on an MTA or revised MTA absent extraordinary circumstances. Again, it is incumbent upon the parties to work cooperatively to schedule depositions of their declarants. Thus, the Board strongly encourages the parties to meet and confer as soon as practicable (including before anticipated declarations are submitted, if possible) to coordinate schedules.

B. Patent Owner Files Reply to Petitioner Opposition to MTA

In the pilot program, the patent owner may choose to file a reply to the petitioner's opposition to the MTA and preliminary guidance (if requested), instead of filing a revised MTA. *See* Appendix 1A. The due date for filing the reply is 6 weeks after the due date for petitioner's opposition to the MTA. Patent owner's reply may respond to the Board's preliminary guidance (if requested) and to the petitioner's opposition to the MTA (if filed). A patent owner may file new evidence, including declarations, with its reply. If patent owner files a reply, typically no change to the scheduling order will be made during the trial on the basis that patent owner has filed an MTA (i.e., dates will remain as set forth in the scheduling order entered at the time of institution, shown in Appendix 1A).

The due date for petitioner's sur-reply relating to the MTA will be 6 weeks after the due date for patent owner's reply. As with all sur-replies generally, petitioner's sur-reply in this context may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness. The sur-reply may respond only to the preliminary guidance (if requested) and arguments made in the patent owner's reply brief, comment on reply declaration testimony, and/or point to cross-examination testimony. Petitioner's sur-reply shall be due on the same due date as motions to exclude (i.e., typically 6 weeks after the reply on the MTA is due).

If patent owner chooses to file a reply, rather than a revised MTA, the oral hearing will typically be conducted approximately 9 months after the institution decision, as in the Board's current practice.

C. Patent Owner Files Revised MTA

As an alternative to filing a reply as discussed above, a patent owner instead may decide to file a revised MTA after receiving petitioner's opposition and the

Board's preliminary guidance (if requested). *See* Appendix 1B. The patent owner may file a revised MTA on the due date for such a filing (i.e., 6 weeks after the due date for petitioner's opposition to the MTA).

A revised MTA includes one or more new proposed substitute claims in place of previously presented substitute claims, and may provide new arguments and/or evidence as to why the revised MTA meets statutory and regulatory requirements for an MTA, as well as arguments and evidence relevant to the patentability of pending substitute claims. A revised MTA also may include substitute claims, arguments, or evidence previously presented in the original MTA, but may not incorporate any material by reference from the original MTA. A revised MTA must provide amendments, arguments, and/or evidence in a manner that is responsive to issues raised in the preliminary guidance (if requested) or the petitioner's opposition to the MTA. A revised MTA may not include amendments, arguments, and/or evidence that are unrelated to issues raised in the preliminary guidance or the petitioner's opposition to the MTA.

In addition to proposing further amendments to the proposed substitute claims, a revised MTA may maintain some proposed substitute claims from the original MTA and reply to the preliminary guidance or opposition to the MTA as to those proposed substitute claims. A revised MTA will be contingent on the unpatentability of original claims unless the patent owner indicates otherwise or cancels the original claims. As noted above, newly added proposed substitute claims in the revised MTA must replace claims in the initial MTA. In addition, a patent owner may not make the claims proposed in the revised MTA contingent on the unpatentability of the claims proposed in the original MTA. If a revised MTA is filed and substitute claims need to be addressed in the final written decision, then the final written decision will address only the substitute claims at issue in the revised MTA. The Board will consider the entirety of the record, including

parties' arguments and cited evidence relevant to the motion to amend, before reaching a final written decision on the substitute claims proposed in the latest version of the motion to amend filed by the patent owner.

By statute, the Board may allow additional motions to amend "as permitted by regulations prescribed by the Director." 35 U.S.C. 316(d)(2). Under currently prescribed regulations, the Board may authorize an additional MTA when, for example, "there is a good cause showing." 37 CFR 42.121(c), 42.221(c). For purposes of the pilot program discussed in this notice, the issuance of the Board's preliminary guidance addressing the initial MTA and/or the filing of a petitioner's opposition to the initial MTA provides "good cause" to file a revised MTA under 37 CFR 42.121(c) and 42.221(c). Each of those papers provides "good cause" because they present information relevant to whether an MTA meets statutory and regulatory requirements and/or whether proposed substitute claims meet the patentability requirements under the Patent Act in light of prior art of record.

Shortly after the patent owner files a revised MTA, the Board will issue a revised scheduling order to adjust the schedule, typically along the timeline shown in Appendix 1B (Revised MTA Timeline). The revised scheduling order will set the dates for petitioner's opposition to the revised MTA, patent owner's reply to the opposition to the revised MTA and motions to exclude, petitioner's sur-reply as to the revised MTA, and the oral hearing.

Both the opposition and the reply may be accompanied by new evidence that responds to issues raised in the preliminary guidance, or in the corresponding revised MTA or opposition. Petitioner's opposition to the revised MTA typically will be due 6 weeks after the revised MTA. Patent owner's reply to the opposition to the revised MTA typically will be due 3 weeks after the opposition (i.e., 4 weeks before the oral hearing and 1 week before the due date for motions to exclude).

Petitioner's sur-reply regarding the revised MTA typically will be due 3 weeks after the reply (i.e., 1 week before the oral hearing). *See* Appendix 1B.

As discussed above, once the likely declarants are known, the parties should confer as to dates for scheduling depositions after the relevant papers are filed. Parties are expected to make their declarants, and their attorneys, available for such depositions promptly, and any unavailability will not be a reason to adjust the schedule for briefing on a revised MTA absent extraordinary circumstances. For example, because subsequent responsive papers are due 3 weeks later, if the petitioner submits a declaration with its opposition to the revised MTA, or patent owner submits a declaration with its reply to the opposition to the revised MTA, the party should typically make such declarant available for deposition within 1 week after filing that declaration.

Because patent owner's reply and petitioner's sur-reply as to a revised MTA are due near or after motions to exclude are due (*see* Appendix 1B), the parties might not have an opportunity to object to evidence submitted with the reply or sur-reply and file a motion to exclude such evidence before the oral hearing. *See* 37 CFR 42.64. Thus, if needed, a party may seek authorization to file a motion to exclude reply or sur-reply evidence after the oral hearing or may make an oral motion to exclude and argue such a motion at the oral hearing.

In the pilot program, if patent owner files a revised MTA, the oral hearing typically will be conducted 10 months after the institution decision (9 weeks before the statutory deadline), and the Board will typically issue its final written decision in accordance with the statutory deadline. That said, the Board may, in its sole discretion, extend the 12-month deadline for good cause, on a case-by-case basis and for the minimum amount of time necessary to adequately address the issues presented. *See* 37 CFR 42.100(c), 42.200(c).

D. Patent Owner Files No Paper After Petitioner Opposition to MTA and/or Board Issues Preliminary Guidance (if requested)

A patent owner may choose not to file either a reply or a revised MTA on the deadline for doing so. In this situation, if the Board has not issued preliminary guidance, no further briefing is authorized. If the Board has issued preliminary guidance, the petitioner may file a reply to that guidance in accordance with the scheduling order (typically within 3 weeks after the deadline for patent owner to have filed a paper), and the patent owner may file a sur-reply in response (typically within 3 weeks after the petitioner's reply is filed). In this situation, neither the reply nor sur-reply may be accompanied by new evidence. The petitioner's reply may only respond to the preliminary guidance, and the patent owner's sur-reply may only respond to arguments made in the petitioner's reply.

E. Patent Owner Withdraws MTA

A patent owner also may choose to withdraw its initial MTA. In this circumstance, no further briefing is authorized, and the Board will not address the MTA in a final written decision.

F. Examiner Assistance

If the petitioner ceases to participate altogether in an AIA trial in which the patent owner files an MTA, and the Board nevertheless exercises its discretion to proceed with the trial thereafter, the Board may, in its discretion, solicit patent examiner assistance regarding the MTA. Although the Board will consider the specific facts of each AIA trial, the Board generally does not anticipate proceeding in an AIA trial without petitioner involvement, absent a request from the patent owner to address its MTA. If solicited by the Board, the assistance, e.g., by an examiner in the Central Reexamination Unit ("CRU"), could include the preparation of an advisory report that provides an initial discussion about whether

an MTA meets certain statutory and regulatory requirements (i.e., whether the amendment enlarges the scope of the claims of the patent or introduces new matter), as well as the patentability of proposed substitute claims, for example, in light of prior art that was provided by the patent owner and/or obtained in prior art searches by the examiner.

IV. Responses to the Request for Comments

As of December 21, 2018 (the closing date for comments), the Office received a total of 49 comments in response to the October 2018 RFC from intellectual property organizations, trade organizations, other organizations, and individuals. A substantial number of comments were submitted on behalf of healthcare industries and organizations and on behalf of electronic and computer industries and organizations. Commenters addressed a variety of different topics, but a significant number of both supporting and opposing commenters indicated concerns with the short time periods between due dates for different papers in the MTA procedure timeline proposed in the October 2018 RFC.

The Office appreciates the thoughtful comments, and has considered and analyzed the comments thoroughly. All of the comments are posted on the PTAB RFC Comments Website. *See* <https://go.usa.gov/xEXS2>. The Office provides below a summary of some of the more common comments, and the Office's response thereto. The Office carefully considered all of the comments to the RFC when developing the pilot program presented in this notice.

Timeline

Comment 1: As noted above, a large number of comments, whether supportive of the proposal in the MTA RFC or not, indicated concerns with the time periods between due dates for different papers in that proposal. *See* RFC, 83

FR at 54325, App. A1 (presenting a proposed timeline). In particular, commenters were concerned that the times between due dates for filing papers were too short, and would be overly burdensome and increase costs to all parties. Commenters noted that the proposed short time periods between due dates would make it difficult to adequately draft and respond to papers. For example, commenters had concerns that patent owners would not have enough time to draft meaningful claim amendments at the start of the process, and petitioners would not have enough time after an MTA to develop reasons for unpatentability of proposed substitute claims, including by conducting prior art searches. Commenters were also concerned that the short time periods between due dates would hinder the parties' ability to discover and gather evidence. A number of commenters suggested modifications to the timeline in the proposal.

Response: The Office understands these concerns and has modified the proposal in the MTA RFC to provide parties more time to prepare filings and evidence. For example, the timeframes between the due dates for papers in the pilot program presented in this notice have been expanded from the proposed times in the prior RFC, with one minor exception. *See* Appendices 1A and 1B. In addition, the timeframes for many early papers filed in the pilot program are now essentially the same as current MTA practice. In making these revisions, the Office considered alternative proposals suggested by commenters, as well as current MTA practice. As a specific example of how the timeline has been modified in the pilot in this notice, the due date for patent owner's MTA (12 weeks from the Board's decision to institute) and the due date for petitioner's corresponding opposition to the MTA (12 weeks from patent owner's MTA) have been extended from 1.5 months proposed in the MTA RFC. Additionally, due dates for those papers now are essentially the same as those as in current MTA practice.

Further, in a case in which the patent owner does not file a revised MTA, the time for patent owner's reply to the opposition to the MTA and the time for petitioner's corresponding sur-reply both have been extended to 6 weeks (as compared to 1 month in the RFC). Where patent owner files a revised MTA, the due date to file patent owner's revised MTA and the due date for petitioner's corresponding opposition both have been extended to 6 weeks (as compared to 1 month). Although the time for filing a reply and sur-reply regarding a revised MTA has been decreased to 3 weeks (from 1 month in the RFC), the Office anticipates that this small decrease still allows sufficient time because of the limited scope of this briefing.

Comment 2 (cross-examination of declarants): The MTA RFC proposed that all cross-examinations, i.e., depositions, of witnesses in relation to direct testimony (provided in declarations) pertaining to an MTA occur after the Board issued preliminary guidance on an MTA. Some commenters indicated concerns with not allowing depositions of witnesses prior to the Board issuing a preliminary decision, and also concerns with the timing of depositions generally in the RFC proposal. A number of commenters had specific concerns about whether the proposed timeline provided sufficient time to conduct depositions. These commenters suggested that scheduling of depositions often requires a long lead-time, and that testimonial evidence may be important in drafting an MTA and the opposition to the MTA.

Response: As discussed above, the pilot program's adjusted timeline increases time between filings, and gives more time for depositions and related fact-development. Furthermore, the adjusted timelines coincide with substantive briefing on the petition, and so facilitate obtaining witness testimony for both MTA related papers and the underlying proceeding. The pilot program allows parties to

present testimony in almost all MTA related filings, other than sur-replies. Thus, parties may, and will have sufficient time to, conduct depositions of witnesses prior to the Board issuing preliminary guidance, similarly to how parties conduct depositions under the current practice.

The pilot program emphasizes, however, that the parties should schedule the depositions of likely declarants as soon as possible to facilitate timely acquiring of cross-examination testimony prior to the next filing. For example, as noted above, because subsequent responsive papers are due 3 weeks later, if the petitioner submits a declaration with its opposition to a revised MTA, or patent owner submits a declaration with its reply to an opposition to a revised MTA, the party should typically make such declarant available for deposition within 1 week after filing that declaration.

As explained previously, the parties should meet and confer as soon as practicable to confirm deposition scheduling. Parties are expected to make their declarants promptly available for such depositions, and to make their attorneys available to take and defend such depositions; any unavailability will not be a reason to adjust the schedule for briefing on an MTA or revised MTA absent extraordinary circumstances. Again, it is incumbent upon the parties to work cooperatively to schedule depositions of their declarants. Thus, the Board strongly encourages the parties to meet and confer as soon as practicable (including before anticipated declarations are submitted, if possible) to coordinate schedules.

Comment 3: Some commenters expressed concerns regarding the discrepancy in time between MTA filings and filings in the underlying proceeding relating to the petition in the proposed timeline in the RFC. Those commenters suggested that the discrepancy could adversely affect parties' cases and create inefficiency because MTA filings and underlying proceeding filings may address

the same or similar issues. A commenter noted that petitioner's opposition to the MTA may make arguments or advocate for claim constructions that create inconsistencies with petitioner's reply in the underlying proceeding. For example, patent owner's MTA may address a subset of issues that eventually also would be addressed in patent owner's response to the petition (e.g., overlapping arguments responding to unpatentability arguments in the petition), but the petitioner's opposition to the MTA must address these arguments without the benefit of seeing all of patent owner's arguments in the patent owner's response. Similarly, under the timeline proposed in the RFC, the patent owner must file its revised MTA or reply to petitioner's opposition to the MTA without first seeing petitioner's arguments on unpatentability in the petitioner's reply to the petition.

Response: The Office appreciates this feedback and modifies the timing of filed papers in the pilot program in response to this comment, among others. In order for parties to efficiently address all issues with fully-developed arguments, most due dates in the pilot program relating to an MTA coincide with filing due dates for substantive briefing related to the underlying petition. *See* Appendices 1A and 1B. Thus, as in current MTA practice, the pilot program coordinates the due dates for many relevant papers in the trial. In particular, patent owner's MTA is due at the same time as patent owner's response to the petition, petitioner's opposition to the MTA is due at the same time as petitioner's reply in support of the petition, and patent owner's revised MTA or reply to the opposition to the MTA is due at the same time as patent owner's sur-reply to the petition.

Comment 4: Many commenters addressed the use of "good cause" extensions for a final written decision in cases involving MTAs as presented in the RFC, both supporting and opposing the use of such extension. *See* 37 CFR 42.100(c), 42.200(c). Some commenters favored routine extensions of the

statutory deadline of 12 months in order to increase the times between due dates for filing papers, suggesting that the MTA itself provides a good cause basis for the extension. Other commenters disfavored such routine extensions and were concerned that routine extensions would be contrary to the expedited nature of AIA proceedings, would make it less likely for co-pending district court litigation to be stayed during AIA trials, and could be used for gamesmanship unrelated to the merits of the amendments.

Response: As discussed above, the adjusted timeline in the pilot program presented herein provides more time for the parties to prepare their MTA filings within the 12-month statutory deadline, and generally alleviates a need to extend this deadline. Thus, the Office does not anticipate extending the 12-month statutory deadline merely because a case involves an MTA (revised or otherwise) and related subsequent briefing and discovery (e.g., depositions of declarants). That said, the Board may, in its sole discretion, extend the 12-month deadline for good cause, on a case-by-case basis and for the minimum amount of time necessary to adequately address the issues presented. *See* 37 CFR 42.100(c), 42.200(c).

Retroactivity

Comment 5: Multiple commenters indicated concerns if the Office decided to implement the MTA RFC pilot program retroactively to apply to already-filed petitions. Some commenters were concerned that petitioners would be unfairly prejudiced because petitions were filed assuming the current MTA practice would apply, but proceedings would commence under a different MTA procedure. Some commenters suggested that retroactively applying the pilot program to all proceedings would be a violation of the Administrative Procedure Act (“APA”).

Response: As noted above, the effective date of the pilot will be the publication date of this notice, and the new pilot program will be available only for AIA trial proceedings that are instituted on or after the effective date. This effective date does not prejudice either party unfairly because, among other things: (1) patent owners may still proceed, if they choose, with a process that is essentially the same as the existing MTA process; (2) the timeline for filed papers for both parties is extended, as compared to the timeline presented in the RFC, e.g., for an opposition to MTA; (3) as a general matter, there will be no changes to a scheduling order during a trial to accommodate additional MTA briefing unless, and only after, patent owner files a revised MTA, which will occur, if at all, approximately 30 weeks (about 7 months) after institution; (4) patent owners will need to designate whether they request preliminary guidance from the Board approximately 12 weeks (about 3 months) after institution, and only if they choose to file an MTA, i.e., therefore, at the earliest, about 3 months after the effective date of the pilot program; and (5) existing rules already provided for circumstances in which patent owners could file an additional MTA (37 CFR 42.121(c) and 42.221(c)).

Preliminary Guidance

Comment 6: Commenters largely favored the Board issuing a preliminary decision of some kind in cases in which an MTA is filed. Commenters noted that an understanding of the Board's preliminary assessment of an MTA gives both parties helpful information. For example, such information could aid patent owners in deciding whether to file a revised MTA. Further, such information could help inform both parties' evaluation as to settlement. There was concern, however, that automatically issuing a preliminary decision in every case with an MTA could dissuade settlement in some circumstances.

Response: Under the pilot program presented herein, the patent owner may request, in its initial MTA, that the Board provide preliminary guidance on the MTA. Thus, the Board will provide preliminary guidance only if a patent owner requests it.

Comment 7: Commenters expressed varying preferences on the content of the preliminary decision on an MTA. In particular, some commenters suggested the preliminary decision should be limited to whether the MTA meets statutory and regulatory requirements, while other commenters suggested that the preliminary decision should be more extensive and address patentability. Commenters advocating for more extensive preliminary decisions suggested including analysis of claim construction, compliance with 35 U.S.C. 101 and 112, fact-finding, legal conclusions, analysis of parties' arguments, prior art discussion, or suggestions to overcome patentability concerns. Some commenters were concerned with the increased burden preliminary decisions would place on the Board. Some commenters also expressed concern that a preliminary decision might address issues relevant to the original claims without the benefit of the parties' full briefing

on those claims. Overall, however, a majority of commenters addressing the issue indicated support for preliminary guidance by the Board in some form.

Response: As discussed above, the Board will issue preliminary guidance if the patent owner requests it. The Board will present that guidance in the form of a short paper (although it may be oral guidance provided in a conference call, at the Board's discretion) that provides preliminary, non-binding information to the parties about the MTA. The Board's preliminary guidance will focus on the limitations added in the patent owner's MTA, and will not address the patentability of the originally challenged claims.

With that in mind, the preliminary guidance will likely be relatively brief and provide an initial discussion about whether there is a reasonable likelihood that the MTA meets statutory and regulatory requirements for an MTA. The preliminary guidance also will provide an initial discussion about whether petitioner (or the record before the Office) establishes a reasonable likelihood that the substitute claims are unpatentable, based on the existing record, including any opposition to the MTA and accompanying evidence. The Board's guidance on an MTA during an AIA trial necessarily would be preliminary in nature and would not be binding on the Board, for example, when it renders a final written decision.

Opportunity to file revised MTA

Comment 8: Commenters were almost evenly mixed in their support of or opposition to providing patent owners an opportunity to file a revised MTA. Commenters supporting revised MTAs believed that they offered a fair chance for a patent owner to capture patentable subject matter, especially after the patent owner understood the Board's preliminary views of the patentability of proposed substitute claims in the MTA or on compliance with statutory or regulatory requirements for the MTA. Commenters opposing revised MTAs were concerned

that: the process could be used solely for tactical advantage, e.g., to increase the cost or delay proceedings; patent owners would not file their most substantive claim amendments until filing a revised MTA; and revised MTAs would not increase the quality of MTAs or the number of granted MTAs because patent owners would not choose to propose substantial claim amendments in AIA trials for reasons independent of Board procedures (e.g., based on concerns relating to intervening rights and infringement damages). Some commenters expressed concern that allowing a revised MTA in every case reads out the requirement for a showing of “good cause” in 37 CFR 42.121(c) and 42.221(c). Furthermore, some commenters suggested alternative claim amendment procedures, such as multiple rounds of claim amendments and multiple sets of alternative claim amendments filed concurrently, similar to European Patent Office procedure.

Response: The Office appreciates these comments. As noted above, the pilot program discussed herein provides patent owners with an opportunity to file a revised MTA. The Office is persuaded by comments indicating that this option provides a fair opportunity for patent owners to amend claims in AIA trials in situations where they wish to do so. The Office additionally notes that the process in the pilot program is essentially the same as existing practice unless the patent owner files a revised MTA, in which case each side generally will have to file one additional round of papers. Based on information available at this time, the Office determines that costs associated with providing this option, if any, are balanced by furthering an important mission of the Office to provide fair procedures in AIA trials, including a meaningful opportunity for patent owners to amend their claims during AIA trials in order to receive appropriately-scoped claims. The Office finds at this time that the pilot program balances the various interests and concerns identified by the comments.

In addition, the revised motion to amend is not a second motion to amend per se, but rather a revised version of the initially-filed motion to amend. For purposes of the pilot program, to the extent that a revised motion to amend is deemed to be a second motion to amend, however, the filing of an opposition to an initial MTA by a petitioner, or the issuance of preliminary guidance by the Board, provides “a good cause showing” for purposes of the filing of a revised MTA under 37 CFR 42.121(c) and 42.221(c). The Office determines that each of those papers provides “good cause” because they present information relevant to whether an MTA meets statutory and regulatory requirements and/or whether proposed substitute claims meet the patentability requirements under the Patent Act in light of prior art of record.

As noted previously, the program is a “pilot” in the sense that the Office may modify MTA procedures in response to feedback and experience with the program during and/or after the course of the pilot program. If concerns expressed in the comments, such as using the program solely for tactical advantage, are realized, the Office may modify, terminate, or otherwise alter the pilot program in view of actual experience. The Office always welcomes feedback from the public on all aspects of the pilot, including during or after the course of this program.

Contingent Motions to Amend

Comment 9: Commenters were almost evenly mixed on whether MTAs should be contingent, i.e., the Board provides a final decision on the patentability of a proposed substitute claim only if it determines that a corresponding original claim is unpatentable, or non-contingent, i.e., the Board provides a final decision on the patentability of substitute claims in place of determining the patentability of corresponding original claims. Some commenters favored every MTA being contingent, while other commenters favored every MTA being non-contingent.

Some commenters favored a mixed-approach in which patent owners opting-out of the pilot may file contingent MTAs, while patent owners proceeding under the pilot program may file only non-contingent MTAs. The commenters favoring a mixed approach believed that treatment of MTAs as non-contingent under the pilot represented a fair trade-off for the proposal in the MTA RFC and would also decrease the Board's burden under that proposal.

Response: The Office appreciates the comments. Under the pilot program, consistent with current practice, patent owners may continue to choose whether MTAs (both initial and revised) are contingent or non-contingent. As noted above, patent owners may still proceed, if they choose, with a process that is essentially the same as the existing MTA process, e.g., regarding the general timing of due dates and costs associated with filing papers and evidence. In addition, although a patent owner has an option to file a revised MTA, that filing triggers deadlines for subsequent related papers that are extended compared to deadlines in the timeline proposed in the RFC. Based on information available at this time, the Office is persuaded by concerns that if the pilot program required MTAs to be non-contingent, it might inappropriately deter patent owners from filing MTAs on that basis alone.

As noted above, the program is a "pilot" in the sense that the Office may modify MTA procedures in response to feedback and experience with the program during and/or after the course of the pilot program. If it appears, in view of actual experience, that there are sufficient reasons for requiring MTAs to be non-contingent, the Office may revisit this issue and modify the pilot program accordingly. The Office always welcomes feedback from the public on all aspects of the pilot, including during or after the course of this program.

Opt-out

Comment 10: Many commenters favored some form of opting-out of the pilot program. Some commenters believed it should be solely the patent owner's choice to opt-out, while others believed that both the patent owner and the petitioner must agree to opt-out of the pilot program. Some commenters suggested that allowing parties to opt-out would save Board resources. Some commenters also suggested that, without an opt-out option, the program would not actually be a pilot because it would apply to every proceeding with an MTA, potentially creating a problem under the APA by effectively changing the MTA process completely without formal rulemaking.

Response: As discussed in detail above, the pilot program is the same as current MTA practice in many ways, especially regarding the timing of due dates for already existing papers in an AIA trial. Patent owners also may choose to proceed with a process that is essentially the same as the existing MTA process by electing not to obtain preliminary guidance from the Board or to file a revised MTA. Thus, with minimal exceptions, current MTA practice is available unchanged, and now further includes additional available options with the pilot program.

Amendments through Reissue or Reexamination

Comment 11: In response to the October 2018 RFC, the Office received a number of comments and questions relating to reissue or reexamination as an alternative vehicle for claim amendments. The comments included requests for clarification regarding existing reissue and reexamination procedures at the Office.

Response: In response to these comments and questions, in a future notice, the Office will separately provide information regarding existing reissue and

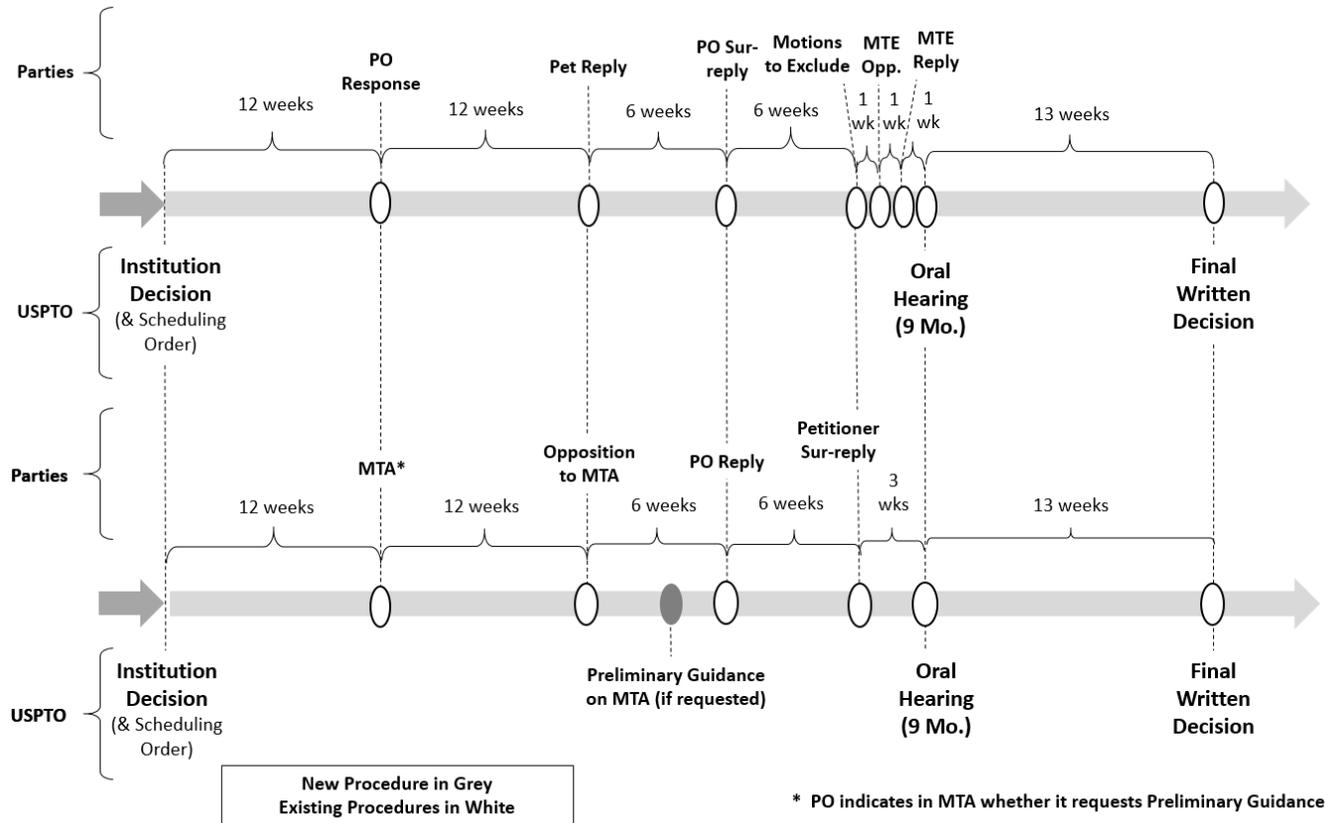
reexamination options for patent owners, including procedures for options after a petitioner files an AIA petition challenging claims of the same patent, after the Board institutes a trial, and after the Board issues a final written decision.

Dated: March 12, 2019

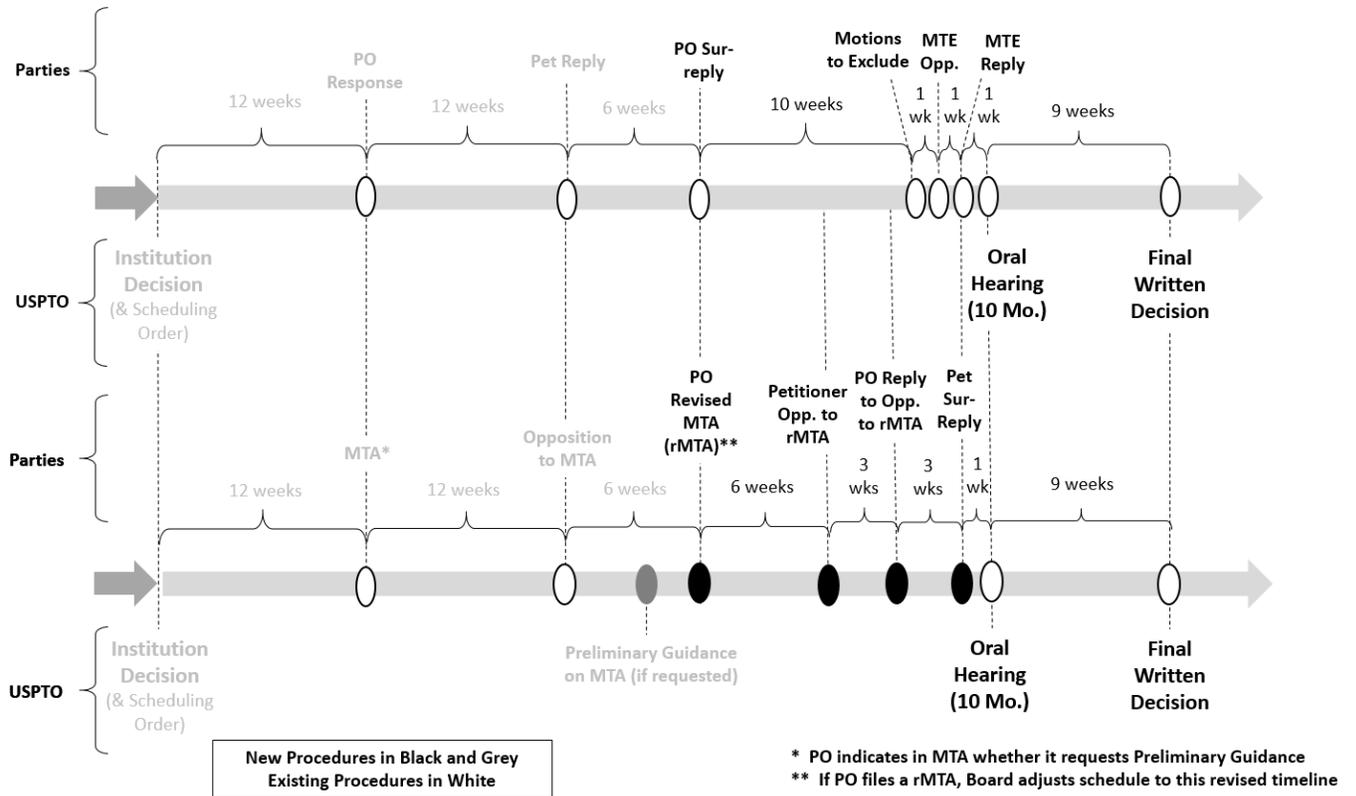
Andrei Iancu,

*Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office.*

APPENDIX 1A (PO REPLY TIMELINE)



APPENDIX 1B (REVISED MTA TIMELINE)



[FR Doc. 2019-04897 Filed: 3/14/2019 8:45 am; Publication Date: 3/15/2019]