

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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**IDLE FREE SYSTEMS, INC.**  
Petitioner,

v.

**BERGSTROM, INC.**  
Patent Owner.

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Case IPR2012-00027 (JL)  
Patent 7,591,303

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Before JAMESON LEE, MICHAEL P. TIERNEY, SCOTT R. BOALICK,  
JONI Y. CHANG, THOMAS L. GIANNETTI, and MICHAEL J. FITZPATRICK,  
*Administrative Patent Judges.*

LEE, *Administrative Patent Judge.*

DECISION  
Motion to Amend Claims  
*37 C.F.R. § 42.121*

## INTRODUCTON

Counsel for Petitioner (“Idle Free Systems”) initiated a conference call on May 20, 2013, with Judges Lee, Giannetti, and Fitzpatrick. Counsel for Patent Owner (“Bergstrom”) were present on the call.

Idle Free Systems requested the call to discuss what it believes to be an unreasonable number of proposed substitute claims in Bergstrom Motion to Amend Claims (“Motion to Amend”) (Paper 22). Idle Free Systems also inquired whether its reply needs to address challenged claims 1-4, 8, 10, and 17-19. According to Idle Free Systems, Bergstrom did not address the unpatentability of those claims over Ieda, alone or in combination with Erdman or Gillett, in the Patent Owner Response filed on April 30, 2013.

Upon inquiry from the judges, counsel for Bergstrom conceded that claims 1-4, 8, 10, and 17-19 are unpatentable on the grounds instituted for those claims, which include the Ieda reference. On that basis, the Board authorized Petitioner to omit those claims in its reply. The Board will cancel claims 1-4, 8, 10, and 17-19, based on the concession of unpatentability by Bergstrom.

Bergstrom filed the Motion to Amend on April 30, 2013, without having conferred with the Board about the specific amendments contemplated, in violation of 37 C.F.R. § 42.121(a). Because the Motion to Amend was not filed in compliance with 37 C.F.R. § 42.121(a), it is *dismissed*.

Below, we provide a general discussion of several important requirements for a patent owner’s motion to amend claims. Thereafter, we also provide a brief discussion of how Bergstrom’s Motion to Amend fails to satisfy many of the requirements for a motion to amend claims. Finally, we provide Bergstrom another opportunity to file a motion to amend claims.

## DISCUSSION

### I. Claim-by-Claim Analysis

#### *Substitution, Responsive to alleged ground, and Prohibition of broadening*

Congress provided an opportunity for a patent owner to file a motion to amend claims in an *inter partes* review, but did not intend that opportunity to be unfettered.

For example, 35 U.S.C. § 316(d), as amended by the Leahy-Smith America Invents Act (Pub. L. 112-29, 125 Stat. 284 (2011)) (“AIA”), states:

(d) Amendment of the Patent. –

(1) IN GENERAL. – During an inter partes review instituted under this chapter, the patent owner may file 1 motion to amend the patent in 1 or more of the following ways:

(A) Cancel any challenged patent claim.

(B) For **each** challenged claim, propose a reasonable number of substitute claims.

\* \* \* \*

(3) SCOPE OF CLAIMS. – An amendment under this subsection may not enlarge the scope of the claims of the patent or introduce new matter.

(Emphasis added.)

Congress also gave the Director authority to set forth “standards and procedures” for moving to amend to cancel a challenged claim or propose a reasonable number of substitute claims. 35 U.S.C. § 316(a)(9). The resulting regulation for filing motions to amend claims in an *inter partes* review is 37 C.F.R. § 42.121.

Subsection (a)(3) of 37 C.F.R. § 42.121 states that a motion to amend may cancel a challenged claim or propose a reasonable number of substitute claims, and then provides: “The presumption is that **only one substitute claim would be needed to replace each challenged claim**, and it may be rebutted by a demonstration of need.” (Emphasis added.) In addition, subsection (a)(2) of 37 C.F.R. § 42.121 states:

- (2) *Scope*. A motion to amend may be denied where:
  - (i) The amendment does not respond to a ground of unpatentability involved in the trial; or
  - (ii) The amendment seeks to enlarge the scope of the claims of the patent or introduce new subject matter.

An *inter partes* review is a focused proceeding, unlike *ex parte* patent prosecution or patent reexamination. For instance, a final determination must be issued not later than one year after the date on which the Director notices the institution of review, except that for good cause the Director may extend the period by not more than six months. 35 U.S.C. § 316(a)(11); 37 C.F.R. § 42.100(c). All portions of Part 42, Title 37, Code of Federal Regulations, are construed to secure the just, speedy, and inexpensive resolution of every proceeding, 37 C.F.R. § 42.1(b), including determining what constitutes a substitute claim for a challenged claim, what is deemed responsive to an alleged ground of unpatentability, and whether an amendment seeks to enlarge the scope of claims.

We appreciate that the “just” resolution of the proceeding consideration supports allowing a patent owner an opportunity to propose a substitute claim for each challenged claim, and also recognize that every substitute claim to be briefed by the parties and analyzed by the Board adds to the cost of the review in terms of both time and expense. The Board seeks to streamline and converge issues at all phases of the proceeding. For example, at time of institution the Board analyzes

the petition on a claim-by-claim, ground-by-ground basis, to eliminate redundant grounds.

Thus, for all of the foregoing reasons, in the absence of special circumstance, a challenged claim can be replaced by only one claim, and a motion to amend should, for each proposed substitute claim, specifically identify the challenged claim which it is intended to replace. Without such indication, the Board does not have adequate basis to determine the reasonableness of the number of substitute claims for each original claim. The determination is made on a claim-by-claim basis, consistent with statutory language that refers to a reasonable number of substitute claims for “each” challenged claim. 35 U.S.C. § 316(d)(1)(B); 37 C.F.R. § 42.121(a)(3). All proposed claims should be traceable to an original challenged claim as a proposed substitute claim for that challenged claim.

The two conditions of 37 C.F.R. § 42.121(a)(2), as quoted above, also are evaluated on a claim-by-claim basis, and that evaluation also is premised on the patent owner’s having identified, for each proposed substitute claim, the challenged claim which it is intended to replace. Specifically, with regard to 37 C.F.R. § 42.121(a)(2)(i), a proposed substitute claim is not responsive to an alleged ground of unpatentability of a challenged claim if it does not either include or narrow each feature of the challenged claim being replaced. A patent owner may not seek to broaden a challenged claim in any respect, in the name of responding to an alleged ground of unpatentability. A proper substitute claim under 37 C.F.R. § 42.121(a)(2)(i) must only narrow the scope of the challenged claim it replaces. Similarly, under 37 C.F.R. § 42.121(a)(2)(ii), a substitute claim may not enlarge the scope of the challenged claim it replaces by eliminating any feature.

It is provided in 37 C.F.R. § 42.121(a)(2) that a motion to amend may be denied on the failure of either condition specified therein. The “just . . . resolution” portion of 37 C.F.R. § 42.1(b), however, would permit a patent owner to seek authorization for other amendments where such amendments are justified by special circumstance. The same is true if a patent owner desires to rebut the presumption that only one substitute claim would be needed to replace each challenged claim. Such actions must be discussed with the Board prior to filing of the motion to amend. A patent owner is required to confer with the Board prior to filing a motion to amend claims. 37 C.F.R. § 42.121(a).

A desire to obtain a new set of claims having a hierarchy of different scope typically would *not* constitute a sufficient special circumstance. An *inter partes* review is more adjudicatory than examinational, in nature. See *Abbott Labs v. Cordis Corp.*, 710 F.3d 1318, 1326 (Fed. Cir. 2013). If a patent owner desires a complete remodeling of its claim structure according to a different strategy, it may do so in another type of proceeding before the Office. For instance, a patent owner may file a request for *ex parte* reexamination, relying on the Board’s conclusion of a petitioner’s having shown reasonable likelihood of success on certain alleged grounds of unpatentability as raising a substantial new question of unpatentability. In appropriate circumstance, it may also seek to file a reissue application.

## II. Need to Show Patentable Distinction

For each proposed substitute claim, we expect a patent owner: (1) in all circumstances, to make a showing of patentable distinction over the prior art; (2) in certain circumstances, to make a showing of patentable distinction over all other proposed substitute claims for the same challenged claim; and (3) in certain

circumstances, to make a showing of patentable distinction over a substitute claim for another challenged claim. The three situations are addressed below.

1.

An *inter partes* review is neither a patent examination nor a patent reexamination. The proposed substitute claims are only “proposed” claims. They are not added to the patent unless a corresponding motion to amend claims has been granted by the Board. In bringing a motion to amend claims, as the moving party, a patent owner bears the burden to show entitlement to the relief requested. 37 C.F.R. § 42.20(c). For a patent owner’s motion to amend, 37 C.F.R. § 42.20(c) places the burden on the patent owner to show a patentable distinction of each proposed substitute claim over the prior art.

A patent owner should identify specifically the feature or features added to each substitute claim, as compared to the challenged claim it replaces, and come forward with technical facts and reasoning about those feature(s), including construction of new claim terms, sufficient to persuade the Board that the proposed substitute claim is patentable over the prior art of record, and over prior art not of record but known to the patent owner. The burden is not on the petitioner to show unpatentability, but on the patent owner to show patentable distinction over the prior art of record and also prior art known to the patent owner. Some representation should be made about the specific technical disclosure of the closest prior art known to the patent owner, and not just a conclusory remark that no prior art known to the patent owner renders obvious the proposed substitute claims.

A showing of patentable distinction can rely on declaration testimony of a technical expert about the significance and usefulness of the feature(s) added by the proposed substitute claim, from the perspective of one with ordinary skill in the art, and also on the level of ordinary skill, in terms of ordinary creativity and the

basic skill set. A mere conclusory statement by counsel, in the motion to amend, to the effect that one or more added features are not described in any prior art, and would not have been suggested or rendered obvious by prior art, is on its face inadequate.

In an opposition to a patent owner's motion to amend, in addition to noting any deficiency in the patent owner's showing, the petitioner may come forward with specific evidence and reasoning, including citation and submission of any applicable prior art and reliance on declaration testimony of technical experts, to rebut the patent owner's position on patentability of the proposed substitute claims.

Prior to moving on to the second situation, we note that a motion to amend claims may also be denied if it introduces new matter. 35 U.S.C. § 316(d)(3); 37 C.F.R. § 42.121(a)(2)(ii). In that context, the burden likewise lies also with the patent owner to show written description support in the original disclosure of the patent.

2.

In the event a patent owner proposes more than one substitute claim for any one challenged claim, the patent owner may additionally label each one after the first as a proposed new claim, to signal its special status, but also identify the challenged claim which it is intended to replace. As explained above, a patent owner has to show a special need to justify more than one substitute claim for each challenged claim. In such situations, the patent owner needs to show patentable distinction of the additional substitute claim over all other substitute claims for the same challenged claim. If the patent owner shows no such patentable distinction or any other special circumstance, then at the Board's discretion, the proposed additional claim may be denied entry, or it may be grouped with, or deemed as standing and falling with, another substitute claim for the same challenged claim,



*e.g.*, the first substitute claim, for purposes of considering patentability over prior art. Each substitute claim for the same challenged claim should be proposed for a meaningful reason. Submission of multiple patentably non-distinct substitute claims is redundant and not meaningful in the context of an *inter partes* review.

3.

Even in the case of proposing only one substitute claim for a particular challenged claim, if the substitute claim is presented as patentable over prior art on the same basis that another substitute claim on which it depends is patentable over prior art, then the patent owner should provide meaningful reasons for making the additional changes effected by that dependent claim. For instance, where independent claim 1 and dependent claims 2 and 3 are challenged, and claims 2 and 3 each depend on claim 1, a patent owner may propose three substitute claims 4-6 and indicate that claim 4 replaces claim 1, claim 5 replaces claim 2, and claim 6 replaces claim 3, where claims 5 and 6 each read the same as claims 2 and 3, respectively, except for the difference in claim dependency. Claims 5 and 6 will be patentable if claim 4 is shown to be patentable.

On the other hand, if the patent owner also proposes to add further features into proposed substitute claims 5 and 6, the patent owner should provide meaningful reasons to establish a special circumstance for adding those features. Without any explanation, at least facially the insertion of those additional features would not be responsive to an alleged ground of unpatentability. Showing a patentable distinction between each of proposed substitute claims 5 and 6, and proposed substitute claim 4, would be one such special circumstance. Adding features for no meaningful reason is generally inconsistent with proposing a reasonable number of substitute claims, and also not responsive to an alleged

ground of unpatentability. Any such proposed substitute claim may be denied entry by the Board. *See* 37 C.F.R. §§ 42.121(a)(2) and (a)(3).

### III. Clearly Stating the Contingency of Substitution

Because an amendment can only cancel or substitute claims, the condition and target of substitution should be clearly stated, without ambiguity. For instance, it is unclear to state that in the event claims 1-50 are found unpatentable, entry of substitute claims 51-100 is requested. Facially, that would mean only if all challenged claims 1-50 are determined to be unpatentable would claims 51-100 be substituted in their place, which may not be the intent of the patent owner. A patent owner should adopt a claim-by-claim approach to specifying the contingency of substitution, *e.g.*, which claim for which claim and in what circumstance.

### IV. Bergstrom's Motion to Amend

The pending Motion to Amend is being dismissed for Bergstrom's failure to confer with the Board prior to filing the motion. However, as this is one of the first *inter partes* reviews instituted by the Board, in the absence of further guidance it was not unreasonable for Bergstrom to have considered the initial conference call as satisfying the conferring requirement, even though nothing specific was discussed about how Bergstrom intended to amend claims. Accordingly, we will provide an opportunity for Bergstrom to file a renewed motion to amend. As guidance, we also comment on several deficiencies of the first motion, based on the requirements discussed above.

The motion does not clearly state the contingency of substitution, on a claim-by-claim basis. It also does not, for each proposed substitute claim, identify the original patent claim it is intended to replace. By our computation, it appears

to propose ten alternative substitute claims, *i.e.*, claims 24-33, for original patent claim 1, and thirteen alternative substitute claims, *i.e.*, claims 34-46, for original patent claim 17. No explanation was given in the motion for overcoming the presumption that only one substitute claim is needed for each claim to be replaced. During the conference call held on May 20, 2013, counsel for Bergstrom explained that they desire the benefit offered by having multiple backup positions on an incremental basis, in case any substitute claim is proven unpatentable. That is a general and common desire insufficient to constitute the necessary special circumstance. Bergstrom did not show patentable distinction of any substitute claim with respect to other substitute claims for the same challenged claim.

#### ORDER

It is

**ORDERED** that Bergstrom's Motion to Amend is *dismissed*; and

**FURTHER ORDERED** that Bergstrom may, within one week of the date of this communication, file a renewed motion to amend claims, without need to further confer with the Board, in light of the guidance provided herein.

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