



THINK FORWARD

PTAB Grants Rare Motion to Amend Against Backdrop of Proposed Changes to AIA Reviews

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In a rare occurrence for an *inter partes* review proceeding, the Patent Trial and Appeal Board (“PTAB” or “Board”) recently granted a motion to amend, finding the patent owner’s substitute claims to be patentable. In *REG Synthetic Fuels LLC v. Neste Oil OYJ*, IPR2014-00192, Paper 48 (PTAB June 05, 2015), the Board distinguished its earlier decisions that created a high procedural bar for patent owners, and which required patent owners to demonstrate that any proposed substitute claims overcome all known relevant prior art. Instead, the Board held that the patent owner was only required to demonstrate how its proposed substitute claims “are patentable over the prior art of record.” The Board did note, however, that a patent owner retains a duty of candor that “requires that it discuss any relevant prior art not of record but known to it.”

The Board’s decision comes at a time when the high burden to amend in America Invents Act (“AIA”) review proceedings has been subject to public debate. To ease this burden, the PTAB recently introduced a first round of “quick fixes” expanding the page limit for motions to amend from 15 to 25 pages. The PTAB is also considering several other changes in its forthcoming second rules package to reduce the patent owner’s burden. And in March 2015, the U.S. Senate introduced provisions in the STRONG PATENTS Act that make it easier to amend patents.

Against this backdrop, the Board granted one of the few motions to amend to date in *REG Synthetic Fuels v. Neste Oil*, involving Neste’s patent covering a process for the manufacture of biodiesel fuel. The invalidity issue centered not on the presence or absence of any particular claim element in the prior art, but on the motivation to combine the prior art. Neste argued that the prior art teaches that the addition of sulfur decreases life expectancy of the relevant catalyst and increases the cost of performing the process. Neste also submitted a contingent motion to amend proposing to cancel claims 1-24 and substitute four claims if the existing claims were found unpatentable. Neste’s substitute independent claim added a step requiring the addition of 5000–8000 w-ppm sulfur to the feed stock.

The Board found that the prior art taught all elements of claims 1-24 and that a person of ordinary skill in the art would have had reason to combine the references. The Board rejected Neste’s argument supporting claims 1-24 that there would be no motivation to add sulfur to the feed stock, by finding that use of some sulfur was known and that economic concerns alone are insufficient to support teaching away. However, when evaluating Neste’s substitute claims, the Board noted that the question of adding sulfur in the higher range of 5000–8000 w-ppm “is an altogether different one.” The Board held that the

prior art did not establish a motivation to use sulfur at the higher concentration and granted Neste's motion to amend.

On a procedural basis, REG had also argued that the motion to amend should be denied because Neste failed to address the patentability of the substitute claims over several prior art references of record. However, the Board distinguished this situation from its prior precedent because it determined the omitted prior art references to be not relevant to the substitute claims.

The Board's departure from its prior decisions denying motions to amend may mark a turning point in AIA reviews that opens the door for more patent owners to survive an AIA trial with patentable claims.

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