

Federal Circuit Patent Bulletin: *In re Aqua Prods., Inc.*

May 25, 2016

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On May 25, 2016, in *In re Aqua Prods., Inc.*, the U.S. Court of Appeals for the Federal Circuit (Prost, Reyna,* Stark) affirmed the Patent Trial & Appeal Board decision in an inter partes review of U.S. Patent No. 8,273,183, which related to automated swimming pool cleaners used to filter water and scrub pool surfaces, to deny patent owner Aqua’s motion to substitute claims based on the failure to demonstrate that the amended claims would be patentable over the art of record. The Federal Circuit stated:

The America Invents Act (AIA) provides that a patent holder in an IPR “may file 1 motion to amend,” by “propos[ing] a reasonable number of substitute claims.” The only statutory requirement is that the amendment “may not enlarge the scope of the claims of the patent or introduce new matter.” Section 318(b), however, provides that the final written decision may incorporate into the patent any new or amended claim “determined to be patentable.” Pursuant to the statutory framework, the Patent and Trademark Office (PTO) promulgated 37 C.F.R. § 42.121, which allows the Board to deny a motion to amend if the amendment expands the claim scope or “does not respond to a ground of unpatentability involved in the trial.” Because PTO regulations place the burden for any motion on the movant, the Board has interpreted § 42.121 as placing the burden on the patentee to show that the proposed amendments would make the claims patentable over the known prior art.

Our precedent has upheld the Board’s approach of allocating to the patentee the burden of showing that its proposed amendments would overcome the art of record. . . . [T]he Board’s regulations concerning motions to amend and its interpretation thereof are consistent with the AIA’s statutory framework, even though the framework generally places the burden of proving unpatentability on the IPR petitioner. Given our precedent, this panel cannot revisit the question of whether the Board may require the patentee to demonstrate the patentability of substitute claims over the art of record.

The only issue left open for our consideration is whether the Board abused its discretion by failing to evaluate objective indicia of non-obviousness and various new limitations in the proposed claims, even though Aqua did not argue that those indicia and limitations distinguish the proposed claims over the combination of

Henkin and Myers. We find no abuse of discretion. The burden of showing that the substitute claims were patentable rested with Aqua. It therefore follows that the Board's evaluation of Aqua's motion to amend was limited to considering only those arguments that Aqua actually raised. To hold otherwise would require the Board to fully reexamine the proposed claims in the first instance, effectively shifting the burden from the patentee to the Board. Denial of a motion to amend in compliance with the APA only requires that the Board show that it fully considered the particular arguments raised by the patentee and that it provided a reasoned explanation for why those arguments were unpersuasive. Those requirements were satisfied here.

Aqua contends that the Board was "on notice" of its arguments with respect to all four added limitations. In fact, in its motion, Aqua presented only one reason why the substitute claims might overcome the combination of Henkin and Myers. That reason was that the combination fails to teach the newly added vector limitation. To deny the motion, the Board needed to rebut only this argument.

To be sure, Aqua makes passing references in its motion to the additional limitations. Although Aqua identifies in the record where it described the new limitations and distinguished them from the prior art, none of the descriptions were made in the context of supporting the patentability of the amended claims in light of the combination of Henkin and Myers. Most of the arguments were made in the course of the main IPR proceedings; none of the arguments appeared in the portion of the motion to amend that sought to explain why the "Substitute Claims Are Not Obvious In View of Henkin and Myers." Accordingly, the Board was under no obligation to consider them in evaluating the motion to amend.

The Board properly rebutted Aqua's argument. The Board explained that Henkin discloses the vector limitation by teaching a jet whose angle "is selected to yield both a downward thrust component (i.e., normal to the vessel surface) for providing traction and a forward component which aids in propelling the car." The Board thus found that Henkin taught the vector limitation explicitly.