



Withdrawal of Petitioner from IPR Proceeding All But Ensures Success in Contingent Motion to Amend

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The Board originally issued a final written decision in an *inter partes* review (IPR) proceeding, holding that the challenged claims of U.S. Patent No. 6,904,796 (the “’796 Patent”) were unpatentable as obvious or anticipated by the prior art. The ’796 Patent is directed to a tire positioning tool that is able to work with remote tire monitoring systems made by different manufacturers. In its final written decision, the Board denied patent owner’s motion to amend because patent owner failed to set forth a *prima facie* case for the relief it requested or satisfy its burden of proof to show patentability of the proposed substitute claims. Of relevance here, the Board determined that certain proposed substitute claims included a means-plus-function limitation that could not be construed, and therefore were indefinite under 35 U.S.C. § 112.

Patent owner appealed the Board’s decision, but petitioners never entered an appearance nor took part in the appeal. The Federal Circuit affirmed the Board’s findings of unpatentability of the original claims, but vacated and remanded the Board’s denial of patent owner’s motion to amend. The Federal Circuit explained that the Board erred in assigning the burden of proof to patent owner and, citing *Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) reiterated that the Board must justify any finding of unpatentability by reference to the record in situations where the challenger has stopped participating in the proceeding and the Board proceeds to final judgment. The Federal Circuit later clarified that a petitioner bears the burden of proving that the proposed amended claims are unpatentable by a preponderance of the evidence. See *Bosch Auto. Serv. Sols., LLC v. Iancu*, Order on Petition for Panel Rehearing, No. 2015-1928 (Fed. Cir. Mar. 15, 2018).

On remand, the parties notified the Board that they had reached a settlement. Petitioners also informed the Board that they wished to withdraw from the IPR and would no longer oppose patent owner in the proceeding. The Board granted petitioners' request to withdraw and treated such abandonment as a request for adverse judgment. Patent owner—the only party left in the proceeding—requested that the Board reconsider its proposed amended claims per the Federal Circuit's guidance. Those amended claims included, *inter alia*, additional limitations reciting a “means for recording” and a “means for selecting.”

Turning to the proposed claims, the Board found that the additional limitations were responsive to the grounds of unpatentability involved in the IPR proceeding and that those limitations did not enlarge the scope of the claims of the '796 Patent. See 37 C.F.R. § 42.121(a)(2)(i); 35 U.S.C. § 316(d)(3). The Board further held that the proposed substitute claims were adequately described in the '796 Patent's specification and did not introduce new subject matter. See 37 C.F.R. § 42.121(a)(2)(ii); 35 U.S.C. § 112 ¶ 1.

After determining that patent owner's motion to amend met the pertinent statutory and regulatory requirements, the Board found that the totality of the record did not establish by a preponderance of the evidence that the proposed substitute claims were unpatentable. Relying on the Federal Circuit's guidance, the Board emphasized its role in evaluating the patentability of the claims in light of the record and confirmed that patent owner does not bear the burden of proving that the substitute claims are patentable. And while the Board originally rejected certain proposed amended claims as indefinite under 35 U.S.C. § 112, the Board recognized that petitioners' withdrawal from the IPR proceeding had changed the “facts and evidence on indefiniteness.” For instance, in light of petitioners' request, the Board had expunged petitioners' opposition to the motion to amend.

Thus, on the current record, the Board found that petitioners did not meet their burden to show by a preponderance of the evidence that the amended substitute claims were unpatentable as indefinite under 35 U.S.C. § 112. Consequently, the amended claims were deemed patentable.

Practice Tip:

When a petitioner withdraws from an IPR proceeding, the Board may deny a motion to amend only if it justifies that finding of unpatentability by reference to the evidence of record. Thus, in cases where a patent owner may escape from the Board with substitute

claims that can be asserted against future defendants, a patent owner may have an incentive to reach settlement with the IPR petitioner before a decision is final.

Autel U.S. Inc., and Autel Intelligent Technology Co. Ltd. v. Bosch Automotive Service Solutions LLC, Case IPR2014-00183, Paper 62 (Aug. 1, 2019)

Categories

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