

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS, INC.
Petitioner

v.

CLOUDING IP, LLC
Patent Owner

Case IPR2013-00586
Patent 6,738,799 B2

Before JAMESON LEE, RAMA G. ELLURU, and JUSTIN BUSCH,
Administrative Patent Judges.

LEE, *Administrative Patent Judge.*

ORDER
Conduct of Proceeding
37 C.F.R. § 42.5

Introduction

A conference call was held on May 7, 2014, between respective counsel for the parties and Judges Lee, Elluru, and Busch. Patent Owner (“Clouding”) initiated the conference call to satisfy the “to confer” requirement of 37 C.F.R. § 42.121(a) with regard to the filing of a motion to amend claims. We asked what specific questions counsel for Patent Owner may have in that regard, and received in response a general question—how does Patent Owner make out a prima facie case that it is entitled to a proposed substitute claim, not considering any opposition by the Petitioner?

Discussion

A prima facie case that the Patent Owner is entitled to a substitute claim is evaluated without considering any rebuttal by the Petitioner. If the facts are on the side of the Patent Owner, a prima facie case can be established by conveying those facts and applying the law. Patent Owner’s inquiry really pertains to what kind of facts should be presented and discussed in a motion to amend.

With regard to anticipation as the basis of potential unpatentability of the proposed substitute claim, state, but only if true, that Patent Owner is unaware of any prior art which includes all of the features in the proposed substitute claim, arranged precisely as recited in the claim. With regard to obviousness as the basis of potential unpatentability of the proposed substitute claim, present and discuss facts which are pertinent to the first three underlying factual inquiries of *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966): (1) the scope and content of the prior art, (2) differences between the claimed subject matter and the prior art, and (3) the level of ordinary skill in the art, with special focus on the feature(s) added relative to an original patent claim being replaced by the proposed substitute claim.

Typically, prior art information relating to the feature(s) that were added to an original patent claim to form a proposed substitute claim is scarce in the record. Such information is relevant to our review of the proposed substitute claim(s). If Patent Owner is not forth coming with such information, we would notice the deficiency. It is a deficiency because, for a motion to amend claims, the burden is on the Patent Owner to establish patentability of the proposed substitute claim. *See* 37 C.F.R. § 42.20(c).

An example using letters A through Y (“A-Y”) to represent the scope of an original patent claim was discussed. If invention having features A-Y is unpatentable based on the prior art asserted by the Petitioner, and if Patent Owner presents a proposed substitute claim which adds feature Z to arrive at an invention including features A-Z, the motion to amend should focus on providing pertinent information with respect to feature Z. Patent Owner should not bypass the relevant inquiry by stating that the closest prior art already is of record, which may in fact be true if the prior art of record accounts for features A-Y of an invention directed to features A-Z, i.e., 25 of 26 claim features.

If a statement regarding what constitutes the closest prior art is made, the underlying basis supporting that assertion should be explained. Such a statement is not meaningful, if not accompanied by sufficient explanation, because the subjective focus is uncertain. Patent Owner’s motion would be much more persuasive if, instead, Patent Owner specifically addresses feature Z by indicating, if true, that feature Z was known only in the context of Situation 1, Circumstance 2, and Application 3, and explaining why one with ordinary skill in the art would not have reason to combine feature Z from those scenarios with features A-Y to form an invention including features A-Z. Thus, Patent Owner may discuss prior art categorically, rather than individually. With regard to the prior art references

asserted by the Petitioner, Patent Owner may point out, if true, that they belong to Situation 1, Circumstance 2, or Application 3, and, therefore, the categorical discussions of those types of prior art demonstrate the inapplicability of the specific prior art asserted by the Petitioner.

Patent Owner then asked: (1) should a search be performed by the Patent Owner? and (2) should an expert declaration be presented?

Whether a prior art search should be performed by the Patent Owner is not a question with a definite answer, and we should not be advising any Patent Owner on whether to conduct a search of the prior art. If the Patent Owner is sufficiently confident in its knowledge of the pertinent facts regarding feature Z to make a firm representation in its motion to amend, perhaps a prior art search is not necessary, and the Patent Owner may rely on a declaration from the inventor or an expert witness. If, on the other hand, the Patent Owner is not sufficiently confident about its knowledge of feature Z or is unable to explain why a claim drawn to features A-Z is patentable in general, even with the help of an expert declaration, perhaps a prior art search should be made. The answer depends on the comfort level of the Patent Owner both with regard to its knowledge and with regard to its assessment of what would be persuasive.

As for whether an expert declaration should be presented to support the Patent Owner's motion to amend claims, we replied that for establishing the underlying facts for an obviousness determination under *Graham, supra*, the use of and reliance on an expert declaration may be crucial and that attorney argument is not a substitute for evidence. Even with regard to anticipation or lack thereof, an expert declaration is helpful in corroborating Patent Owner's novelty assertion.

We are not saying, however, that an expert declaration is always required. It all depends on the circumstances, including the comfort level of the Patent Owner with regard to both its knowledge and its assessment of what would be persuasive. For instance, if Patent Owner has conducted a thorough and professional prior art search, with respect to the proposed substitute claim, and with emphasis on feature Z, that *may* be sufficient to support the motion to amend without an expert declaration. Each case depends on its own facts. The particular situations are different, for different motions to amend claims.

For additional guidance regarding the mechanics of making an amendment and other requirements for a motion to amend claims, the parties may refer to *Toyota Motor Corporation v. American Vehicular Sciences LLC*, IPR2013-00419 (PTAB) (Paper 32); *Idle Free Sys., Inc. v. Bergstrom, Inc.*, IPR2012-00027 (PTAB) (Papers 26 and 66), *Nichia Corp. v. Emcore Corp.*, IPR2012-00005 (PTAB) (Papers 27 and 68), and *ZTE Corp. v. ContentGuard Holdings, Inc.*, IPR2013-00136 (PTAB) (Papers 32 and 33).

Order

It is

ORDERED that the requirement of a “to confer” conference for a motion to amend claims pursuant to 37 C.F.R. § 42.121(a) has been satisfied.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.