

Veritas Technologies: Entry of Amendment in IPR Proceedings

In *Veritas Technologies LLC v. Veeam Software Corp.*, ___ F.3d ___, 2016 WL 4525278 (Fed. Cir. Aug. 30, 2016)(Taranto, J.), an Inter Partes Review proceeding where the Patent Office had denied entry of a proposed claim amendment, the panel reversed denial of entry of the proposed claims and remanded the case to the Patent Office for further proceedings.

Patentability of the Claimed Combination: The Patent Office had required for consideration of the amended claims that the patentee establish that *each element* of a claimed combination is patentable, whereas the patentee only sought to establish that the *combination of elements* is patentable.

An excerpt from the opinion is attached below.

Regards,
Hal

From the Opinion:

The Board ... denied [the patentee] Veritas's contingent motion to add substitute claims, relying on what it deemed a deficiency in Veritas's motion and supporting declaration. Specifically, the Board explained that Veritas “offer[ed] no discussion of whether the newly added features” stated in [the substitute claims] were separately “known in the art.” All that Veritas discussed, the Board said, was that “the newly added feature[s] *in combination with other known features* [were] not in the prior art.” *** For that reason alone, the Board denied the motion to amend.

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*** [W]e proceed to address the Board's denial of Veritas's contingent motion to amend by adding substitute claims 26 and 27. We review that denial under the Administrative Procedure Act. *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1306 (Fed. Cir. 2015); see *Belden [Inc. v. Berk-Tek LLC]*, 805 F.3d 1064, 1080 (Fed. Cir. 2015)]; see also *Cuozzo [Speed Techs., LLC v. Lee]*, 136 S. Ct. 2131, 2145 (2016)]. We set aside the Board's action if it is “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.” 5 U.S.C. § 706(2)(A). We conclude here that the Board erred on its sole ground for denying Veritas's motion.

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The Board denied the motion based on its insistence that the patent owner discuss whether each newly added feature was separately known in the prior art. The Board concluded that the motion and the declaration of Veritas's expert, Dr. Levy, do not discuss the features separately but discuss only “the newly added feature *in combination with other known features*.” That conclusion, the sole basis for denying the motion to amend, is unreasonable and hence must be set aside as arbitrary and capricious.

* * *

* * * Here, we have been shown no reason to doubt that it is only the combination that was the “new feature,” a scenario recognized in a long line of Supreme Court and Federal Circuit cases noting that novel and nonobvious inventions often are only a combination of known individual features. See *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418–19 (2007) (“[I]nventions in most, if not all, instances rely upon building blocks long since uncovered, and claimed discoveries almost of necessity will be combinations of what, in some sense, is already known.”); *Parks v. Booth*, 102 U.S. 96, 102 (1880); *Plantronics, Inc. v. Aliph, Inc.*, 724 F.3d 1343, 1354 (Fed. Cir. 2013); *Envtl. Designs, Ltd. v. Union Oil Co. of Cal.*, 713 F.2d 693, 698 (Fed. Cir. 1983); *In re Warner*, 379 F.2d 1011, 1016 (CCPA 1967). In this case, we fail to see how describing the combination is meaningfully different from describing what is new about the proposed claims, even in comparison to the unamended claims.

For that reason, we conclude that the Board erred in its sole reason for denying the motion to amend. The Board rationale here is erroneous independently of any resolution of this court's recently initiated en banc proceeding *in In re Aqua Products, Inc.*, No. 2015-1177, petition for rehearing en banc granted, 2016 WL 4375651 (Fed. Cir. Aug. 12, 2016). We therefore vacate the Board's decision on the motion to amend and remand the matter to allow for a determination of the patentability of the proposed substitute claims.

[record citations omitted]