

## International reports

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### PTAB arbitrary in not allowing claim amendments

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On August 30 2016 the Federal Circuit in *Veritas Technologies v Veeam Software Corporation* vacated the Patent Trial and Appeal Board's (PTAB) denial of a patent owner's motion to amend the claims during an *inter partes* review proceeding. The PTAB's denial was based on the sole ground that the motion to amend and the supporting declaration offered no discussion of whether the new features added by proposed amendment were separately known in the art, as opposed to the motion's discussion of whether the new features in combination with other known features were not in the prior art.

The patent in question, owned by Veritas Technologies, is directed to systems and method through which, while processes for restoring computer data are in progress, specific data sought by an active program or application can be given priority for restoration and made immediately accessible. The *inter partes* review petition filed by Veeam Software challenged certain claims as unpatentable. A claim construction dispute was at the heart of the matter, and the PTAB interpreted the claims generally under the broadest reasonable interpretation rule. As a result, the claims were determined to be obvious, a finding that the Federal Circuit affirmed.

Recognising the potential problem, Veritas had filed a conditional motion to amend, seeking to add new claims if the board ultimately decided that the existing claims were unpatentable. The new claims were intended to state more expressly a file-level restoration limitation that it had urged as a proposed construction of the original claims (a construction that was rejected by the board). The board denied the motion because it insisted that Veritas had to discuss whether each newly added feature was separately known in the prior art.

The Federal Circuit held that the board's denial on this basis was arbitrary. The court held that the motion's discussion of the combination as the 'new feature' was all that was required under the statute. It noted that there was no reason to doubt that only the combination was the new feature, and that a long line of Supreme Court and Federal Circuit cases clarified that novel and non-obvious inventions often are only a combination of known individual features.

The panel noted that the PTAB's rationale in the case at hand was erroneous independently of the upcoming *en banc* proceeding in *In re Aqua Products, Inc.* However, taken in that context, it provides a clear signal that the PTAB is being overly restrictive in its handling of motions to amend claims in *inter partes* review proceedings.

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