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Paper 33
Date: November 7, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZTE CORPORATION AND ZTE (USA) INC.
Petitioner,

v.

CONTENTGUARD HOLDINGS INC.
Patent Owner.

Case IPR2013-00136
Patent 7,359,884

Before JAMESON LEE, SALLY C. MEDLEY, JONI Y. CHANG, MICHAEL W. KIM, and MICHAEL R. ZECHER, *Administrative Patent Judges.*

LEE, *Administrative Patent Judge*.

ORDER
Conduct of Proceeding
37 C.F.R. § 42.05

Introduction

On November 6, 2013, counsel for Patent Owner ("ContentGuard") initiated a telephone conference to seek authorization to file a substitute motion to amend claims, which will replace the motion to amend claims ("motion") filed on October 23, 2013 (Paper 29). Participants of the call include respective counsel for the parties and Judges Lee, Kim, and Zecher. The reason for the request was that ContentGuard recognized and chose not to dispute the deficiencies in the motion, as identified in the Board's Order (Paper 32), dated November 5, 2013.

ContentGuard now seeks an opportunity to re-file the motion, under circumstances which do not prejudice ZTE or cause any delay in the proceeding.

Among the acknowledged deficiencies are:

1. Limiting the obviousness analysis to the references of record and references cited during foreign prosecution, and not discussing the level of ordinary skill in the art, common sense, and ordinary creativity possessed by one with ordinary skill in the art, with respect to the features added by the proposed substitute claims, e.g., in what contexts it already was known to exclude, from subsequent rendition of a file or listing, items in that file or listing which are no longer used, applied, or needed;

2. Making a mere conclusion in the motion and relying on a declaration to make meaningful arguments and explanations, to show written description support for the proposed substitute claims in the original disclosure of Patent 7,359,884; and

3. Proposing more than a reasonable number of substitute claims.

Discussion

A motion to amend claims, in an *inter partes* review, is *not* like a claim amendment in patent prosecution, because the amendments proposed by a motion to amend are not entered as a matter of right. The Board stated to counsel for

ContentGuard that the burden is on ContentGuard to show patentability of the proposed substitute claims, not on ZTE to show unpatentability. It is evident that ContentGuard did not appreciate fully its burden of proof. After expressing initial disagreement, counsel for ContentGuard reconsidered the issue and then indicated to the Board that ContentGuard accepts, and would not dispute, that the burden appropriately was placed on ContentGuard to show patentability of the proposed substitute claims.

We also take this opportunity to give further guidance with regard to the filing of a motion to amend claims. In *Idle Free Systems, Inc. v. Bergstrom, Inc.*, IPR2012-00027 (Paper 26, June 11, 2013), the Board stated that an *inter partes* review is more adjudicatory than examinational, in nature, and that if a patent owner desires a complete remodeling of its claim structure according to a different strategy, it may do so in another type of proceeding before the Office. That does not explain the situation where the Patent Owner desires to keep its original claim structure, but also to detach that claim tree which hangs from an original independent claim, and to graft it onto a new independent claim which substitutes for the original independent claim.

Technically, in such a circumstance, there may be a one-for-one substitution of a proposed new claim for each original dependent claim. Only the claim dependence has changed. However, such a practice consumes a substantial portion of the page-limit for a motion to amend claims. The 15-page limit for a motion to amend claims was not intended for such use. If a party chooses to engage in such practice, it risks not having sufficient space in the motion to make all the substantive showings it is required to make in order to be entitled to entry of the proposed amendments. For instance, in this case, ContentGuard proposed twenty-

four substitute claims, and was left with insufficient space in the motion to make the necessary demonstration of patentability.

We articulate a more prudent and realistic way for counting substitute claims and for determining a one-to-one correspondence of substitute claims to original claims, which will, in most instances, leave sufficient space in a patent owner's motion to amend claims, to be used for making a showing of patentability:

> If a proposed substitute claim includes all the features of an original patent claim, then it counts as a substitute claim for that original patent claim, regardless of the actual designation of substitution contained in the motion.

At this stage of the trial, ZTE will not be prejudiced by giving ContentGuard a second opportunity for its motion to amend claims. It has been only two weeks since the filing of ContentGuard's motion to amend claims, and none of the due dates in the Scheduling Order need to be changed to permit ContentGuard to withdraw its motion and to file a substitute motion to amend claims.

ContentGuard seeks to withdraw its current motion and to file a substitute motion to amend claims by November 15, 2013. ContentGuard also indicates that its substitute motion to amend claims will include only one proposed substitute claim. Based on that representation, and the understanding that no due date in the Scheduling Order would be changed, counsel for ZTE expressed no objection.

Order

It is

ORDERED that ContentGuard's request to withdraw its Motion to Amend Claims (Paper 29) is *granted*;

FURTHER ORDERED that ContentGuard is authorized to file a substitute motion to amend claims, by November 15, 2013; and

FURTHER ORDERED that all the due dates in the Scheduling Order of July 16, 2013, remain unchanged.

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