

PROLITEC, INC. v. SCENTAIR TECHNOLOGIES, INC., Appeal No. 2015-1020 (Fed. Cir. December 4, 2015). Before Prost, Newman, and Taranto. Appealed from PTAB.

Background:

Prolitec's patent is directed to a cartridge for use with air freshener dispensers. During *inter partes* review (IPR), the patentee moved to amend the claims. Although the patentee argued that the proposed amended claim was not anticipated by the prior art applied during IPR, the PTAB found that Prolitec had failed to demonstrate that its proposal would not have been obvious over the prior art made of record during original prosecution, and thus denied the motion to amend. Prolitec appealed.

Issue/Holding:

Did the PTAB err in denying the patentee's motion to amend during IPR because the patentee did not establish that the proposed amended claim was novel and non-obvious over not only the "prior art of record" in the IPR itself, but also prior art references made of record in the patent's original prosecution history? No, affirmed.

Discussion:

The majority reiterated its prior statement in *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292 (Fed. Cir. 2015), that the patentee bears the burden of establishing that a proposed amended claim is patentable over the "prior art of record." Here, the majority extended that doctrine to affirm the PTAB's rule that the "prior art of record" includes the prior art made of record in both the IPR and the original prosecution history. The majority stated that such a rule is not contrary to any statute and is also "reasonable." Further, the majority held that the requirement of "establishing patentability" includes both novelty and nonobviousness. The majority thus found no reversible error in the PTAB's denial of Prolitec's motion to amend.

In dissent, Judge Newman questioned the correctness of allowing the PTAB to construe claim terms broadly while depriving the patentee of the statutory right to amend. Judge Newman argued that the refusal to allow an amendment was "contrary to both the purpose and the text of the America Invents Act. . . . [E]ntry of a compliant amendment is [a] statutory right."