

IN RE: AQUA PRODUCTS, INC., Appeal No. 2015-1177 (Fed. Cir. May 25, 2016). Before Prost, Reyna and Stark (D. Del., by designation). Appealed from Patent Trial and Appeal Board.

Background:

Aqua Products holds a patent relating to automated swimming pool cleaners. The Patent Trial and Appeal Board (PTAB) instituted an IPR in response to a petition from Zodiac Pool systems, the petition providing two prior art references which were asserted to have rendered obvious claims of the Aqua Products patent.

In response to the Board instituting the IPR, Aqua Products moved to amend, which involved adding some new claims to require three additional features. In the motion, Aqua Products asserted that the two prior art references would not have rendered obvious the substitute claims on the basis of one of the additional features. The two other limitations in substitute claims were referenced but not separately argued as being nonobvious over the two prior art references.

The PTAB denied Aqua Product's motion to amend, reasoning that the argued limitation would have been obvious, and the other new limitations were within the ordinary skill. Aqua Products appealed, asserting that the PTAB's regulations requiring the patentee to demonstrate that an amended claim is patentable over the art of record are unsupported by statute, and the burden is impermissibly placed on the patentee to show non-obviousness. Further, Aqua Products argued that the PTAB abused its discretion by denying the motion to amend without considering all of the new limitations and objective indicia of non-obviousness.

Issue/Holding:

Was the PTAB's denial of Aqua Product's motion to amend improper? No, affirmed.

Discussion:

The Federal Circuit first reiterated that the PTO regulations based upon the AIA place the burden for any motion on the moving party, and thus, it has been interpreted that proposed substitute claims must be shown, by the patentee, to be patentable over the known prior art. The Federal Circuit did not revisit the question of whether these regulations are proper, citing precedent. The PTAB's analysis of the obviousness of additional limitations argued by Aqua Products was sufficient to find that Aqua Products had not carried its burden.

The Federal Circuit next discussed whether the PTAB abused its discretion by failing to evaluate objective indicia of non-obviousness of the new limitations in the claims that were not separately argued, and held that there was no abuse. The Federal Circuit found that the burden of showing that the claims were patentable was on Aqua Product, and the consideration of the motion to amend was limited to considering only those arguments actually raised.