

VERITAS TECHNOLOGIES LLC v. VEEAM SOFTWARE CORP., Appeal No. 2015-1894 (Fed. Cir. August 30, 2016). Before Lourie, O'Malley and Taranto. Appealed from PTAB.

Background:

Veeam requested an IPR of Veritas' patent directed to systems and methods for restoring computer data. The PTAB held that the claims at issue were obvious because the claims were not limited to a file-level restoration process as argued by Veritas, but could reasonably be read as also covering block-level restoration processes as taught in the prior art.

Veritas also filed a motion to amend the claims to more expressly recite a file-level restoration limitation. The PTAB denied the motion because Veritas failed to discuss whether each newly added feature was separately known in the art, but only discussed the newly added feature in combination with other known features.

Issue/Holding:

- (i) Did the PTAB err in holding the claims obvious? No, affirmed.
- (ii) Did the PTAB err in denying the motion to amend claims? Yes, vacated and remanded.

Discussion:

The Federal Circuit held that although the patent specification gave indications that contemplated restore application operations at the file-level, the indications were not enough under a broadest-reasonable-interpretation standard to exclude block-level restoration. The Federal Circuit noted that while the specification suggests that the restore operation generally operates at the file-level, the patent does not state or include claim language that it is restricted to file-level background restores. The Federal Circuit found particularly important that nothing in the claims or the specification explained why it made a material difference whether the restoration is at the file-level or the block level. Thus, the Federal Circuit found no error in the PTAB's obviousness analysis and conclusion.

The Federal Circuit, however, further held that the PTAB erred in denying Veritas' motion to amend the claims on the ground that the newly added features were not separately discussed, but discussed only in combination with other known features. The Federal Circuit explained that there was no reason to doubt that it is only the combination that was the new feature, which is a scenario recognized in a long line of Supreme Court and Federal Circuit cases that held that novel and non-obvious inventions often are only combinations of known individual elements. The Federal Circuit noted that "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." Accordingly, the Federal Circuit vacated the PTAB's denial of Veritas' motion to amend the claims.