



PTAB: Post-Arthrex



Gene Quinn – IPWatchdog

Sharon Israel – Shook Hardy & Bacon

Scott McKeown – Ropes & Gray

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SHOOK
HARDY & BACON

ROPES & GRAY

Topics

- Supreme Court decision in *United States v. Arthrex*
- Interim procedure for Director review

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United States v. Arthrex

- On June 21, 2021, the Supreme Court issued its decision in *United States v. Arthrex*.
- The Court addressed the Constitution's Appointments Clause as it relates to administrative patent judges ("APJs").
- The Court considered whether APJs are "principal officers" who must be appointed by the President with the Senate's advice and consent, or, as the USPTO and the U.S. government argued, whether they are "inferior officers" who can be appointed by the Secretary of Commerce.

United States v. Arthrex

- 35 U.S.C. § 6 – USPTO’s Patent Trial & Appeal Board:
- Section (a) – Addresses composition
 - The Director, the Deputy Director, the Commissioner for Patents, the Commissioner for Trademarks, and the administrative patent judges shall constitute the Patent Trial and Appeal Board.
 - The **administrative patent judges** shall be persons of competent legal knowledge and scientific ability **who are appointed by the Secretary, in consultation with the Director.**
- Section (c) – 3-Member Panels:
 - Each appeal, derivation proceeding, post-grant review, and inter partes review shall be heard by at least 3 members of the Patent Trial and Appeal Board, who shall be designated by the Director. **Only the Patent Trial and Appeal Board may grant rehearings.**

United States v. Arthrex

- Appointments Clause, art. II, § 2, cl. 2
 - [The President] . . . shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the supreme Court, and all other **Officers** of the United States . . . but the Congress may by law vest the appointment of such **inferior officers**, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

United States v. Arthrex

- The Court held that “the unreviewable authority wielded by APJs during *inter partes* review is incompatible with their appointment by the Secretary to an inferior office.”
- The Court’s remedy provides that the Director “may review final PTAB decisions and, upon review, may issue decisions himself on behalf of the Board.”
- Although the decision comprises four separate opinions on the constitutionality issue, seven Justices agree that the Court’s tailored remedy addresses the identified problem.

United States v. Arthrex

- The lead opinion by Chief Justice Roberts
 - Vacates the Federal Circuit’s decision holding that APJs were unconstitutionally appointed by the Secretary, and states that “Arthrex is not entitled to a hearing before a new panel of APJs.”
 - Vacates the Federal Circuit’s remedy of severing Title 5 removal protections for PTAB judges.
 - Holds that APJs can function as inferior officers so long as the Director “may review final PTAB decisions and, upon review, may issue decisions himself on behalf of the Board.”
 - States “that 35 U.S.C. §6(c) is unenforceable as applied to the Director insofar as it prevents the Director from reviewing the decisions of the PTAB on his own.” Instead, the Director may unilaterally “engage in such review and reach his own decision.”

United States v. Arthrex

- The lead opinion by Chief Justice Roberts
 - Leaves open what happens in other adjudications: “We do not address the Director’s supervision over other types of adjudications conducted by the PTAB, such as the examination process for which the Director has claimed unilateral authority to issue a patent. . . .”
 - Provides the Director with broad discretion: “To be clear, the Director need not review every decision of the PTAB. What matters is that the Director have the discretion to review decisions rendered by APJs. In this way, the President remains responsible for the exercise of executive power—and through him, the exercise of executive power remains accountable to the people.”

Topics

- Supreme Court decision in *United States v. Arthrex*
- Interim procedure for Director review

Director review

- The Office has implemented an interim procedure for Director review, consistent with the *Arthrex* decision.
- In this interim procedure, such a review may be initiated sua sponte by the Director or requested by a party to a PTAB proceeding.

Director review

- If initiated sua sponte by the Director, the parties to the proceeding will be given notice and may be given an opportunity for briefing.
- The Director's review may address any issue, including issues of fact and issues of law, and will be *de novo*.

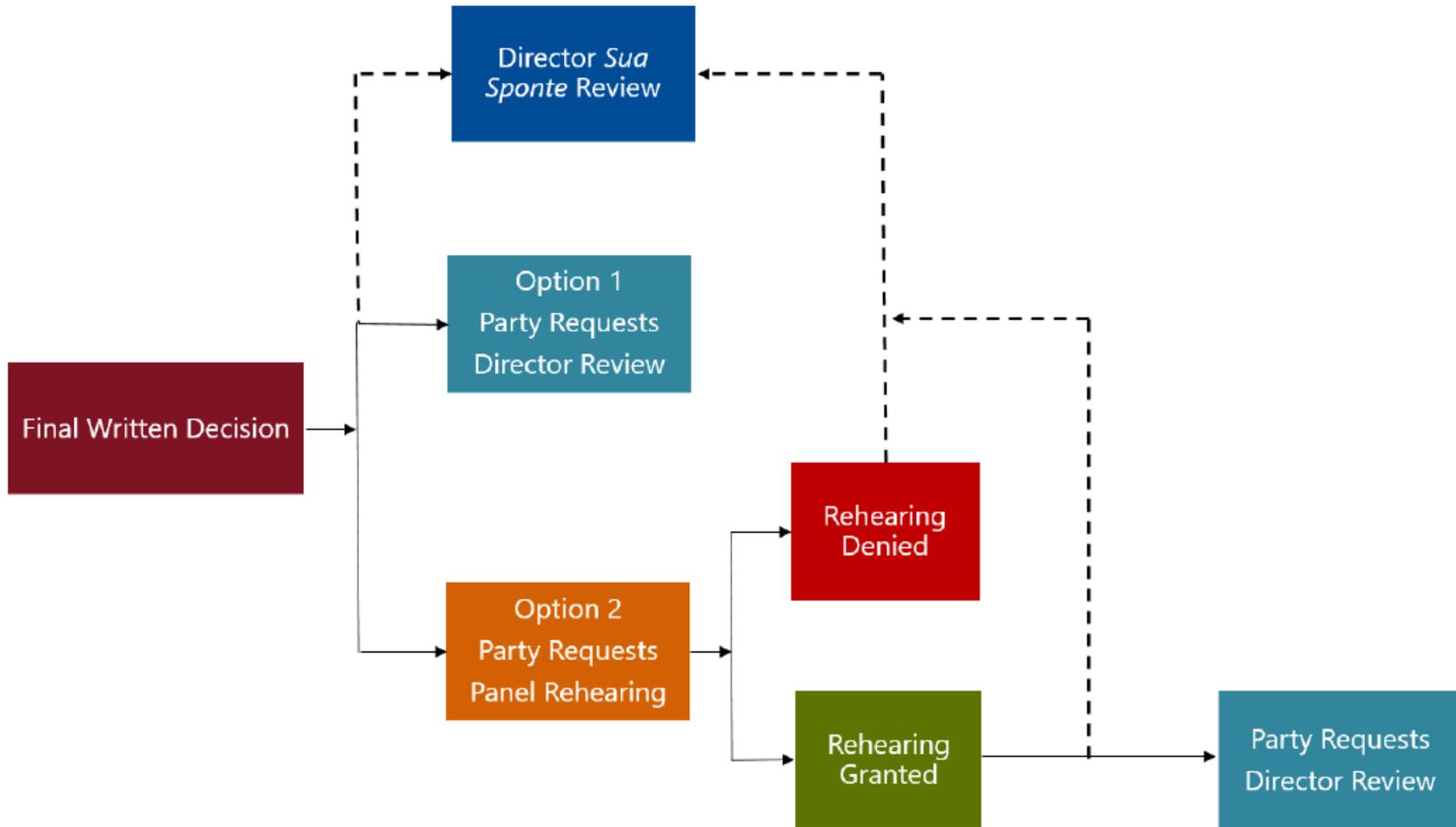
Director review – procedure

- A party may request Director review of a final written decision in an *inter partes* review or a post-grant review by concurrently:
 - Filing a request for rehearing by the Director of a PTAB decision, and
 - Submitting a notification of that request by email to Director_PTABDecision_Review@uspto.gov, and copying counsel for the parties.

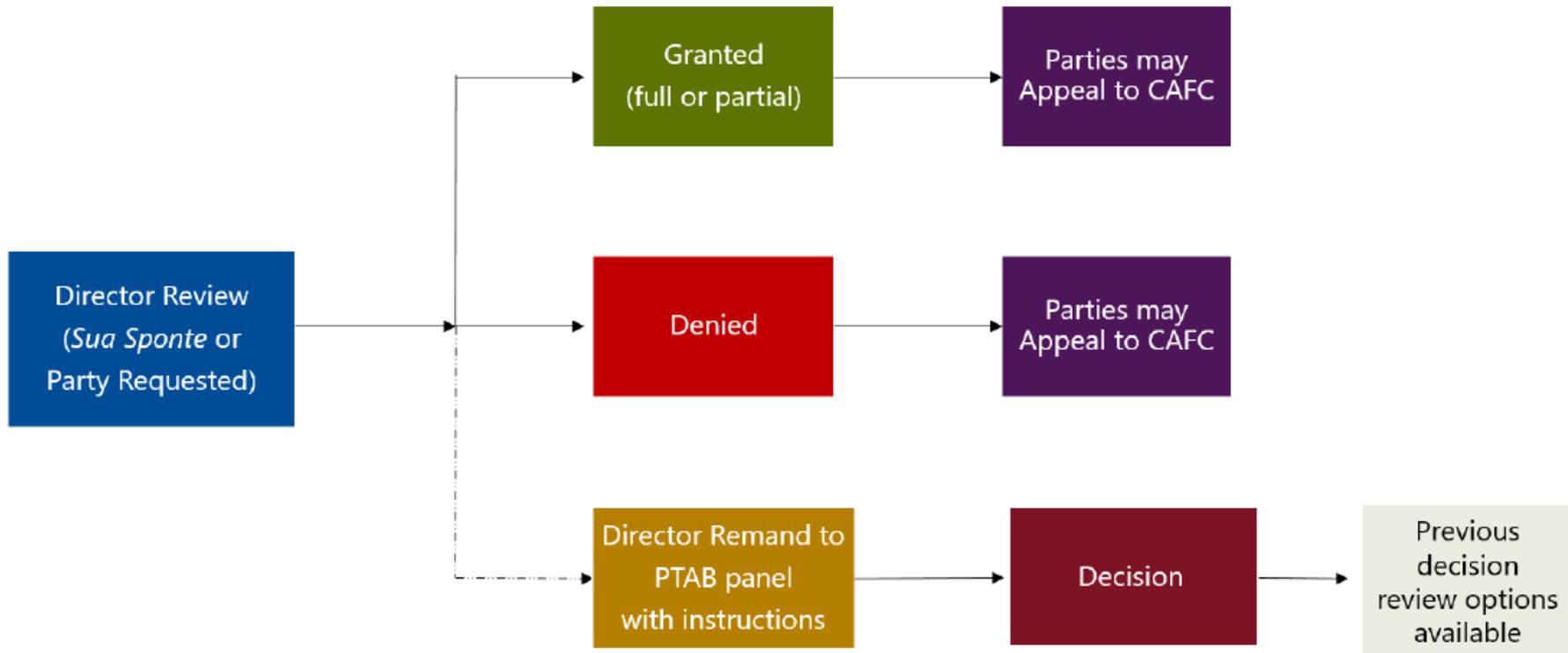
Director review – procedure

- A party may request Director review or, in the alternative, rehearing by the original PTAB panel.
 - If a party requests Director review, and that review is not granted, the party may not then request PTAB panel rehearing.
 - If rehearing is granted by the original PTAB panels, parties may request Director review of the panel rehearing decision, whether or not they originally requested Director review.

Director review – procedure



Director review – procedure



Director review – requirements

- A request for rehearing by the Director must satisfy the timing requirements of 37 C.F.R. 42.71(d).
 - Must be filed within 30 days of the entry of a final written decision or a decision on rehearing by a PTAB panel.
- A timely request for rehearing by the Director will be considered a request for rehearing under 37 C.F.R. 90.3(b) and will reset the time for appeal or civil action as set forth in that rule.

Director review – requirements

- As a general matter, the Director will not consider untimely requests for rehearing of decisions.
- However, the Director may choose to extend the rehearing deadline for good cause if a party requests such an extension before the due date for a request for rehearing.
- Parties whose deadline for requesting rehearing had expired at the time *Arthrex* issued may request a waiver of the deadline, so long as they request the waiver before the due date for filing a notice of appeal under 37 C.F.R. 90.3.

Director review

- The Precedential Opinion Panel (POP) process will remain in effect and unchanged at this time.
 - However, the Office will be reviewing the POP process in view of the Director review process and welcomes public suggestions regarding potential changes.
- Only a party to a case may submit a request for Director review. Third party requests for Director review are not permitted.
- During implementation of the interim procedure, the USPTO will not charge a fee.

Director review – future plans

- The current process is envisioned as an interim procedure that may change based on input from the public and experience with conducting Director reviews.
- Suggestions about the Director review process may be submitted to Director_Review_Suggestions@uspto.gov.

Issues on the Horizon

- New Constitutional challenges?
- Fee bias?
- New Legislation/New Director?
 - 314(a) litigation?
 - CBM coming back?
 - 112?
 - 101?
 - Standing?
 - One request?
 - Joinder changes?
- Reexamination reinvigorated?
- Arbitration?

Thank You



Questions?

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