NYIPLA
PTAB COMMITTEE
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ARTHREX AT THE SUPREME COURT: PTAB ADMINISTRATIVE PATENT JUDGES AND THE APPOINTMENTS CLAUSE OF THE U.S. CONSTITUTION

BY

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Nineteen Hundred and Twenty-two

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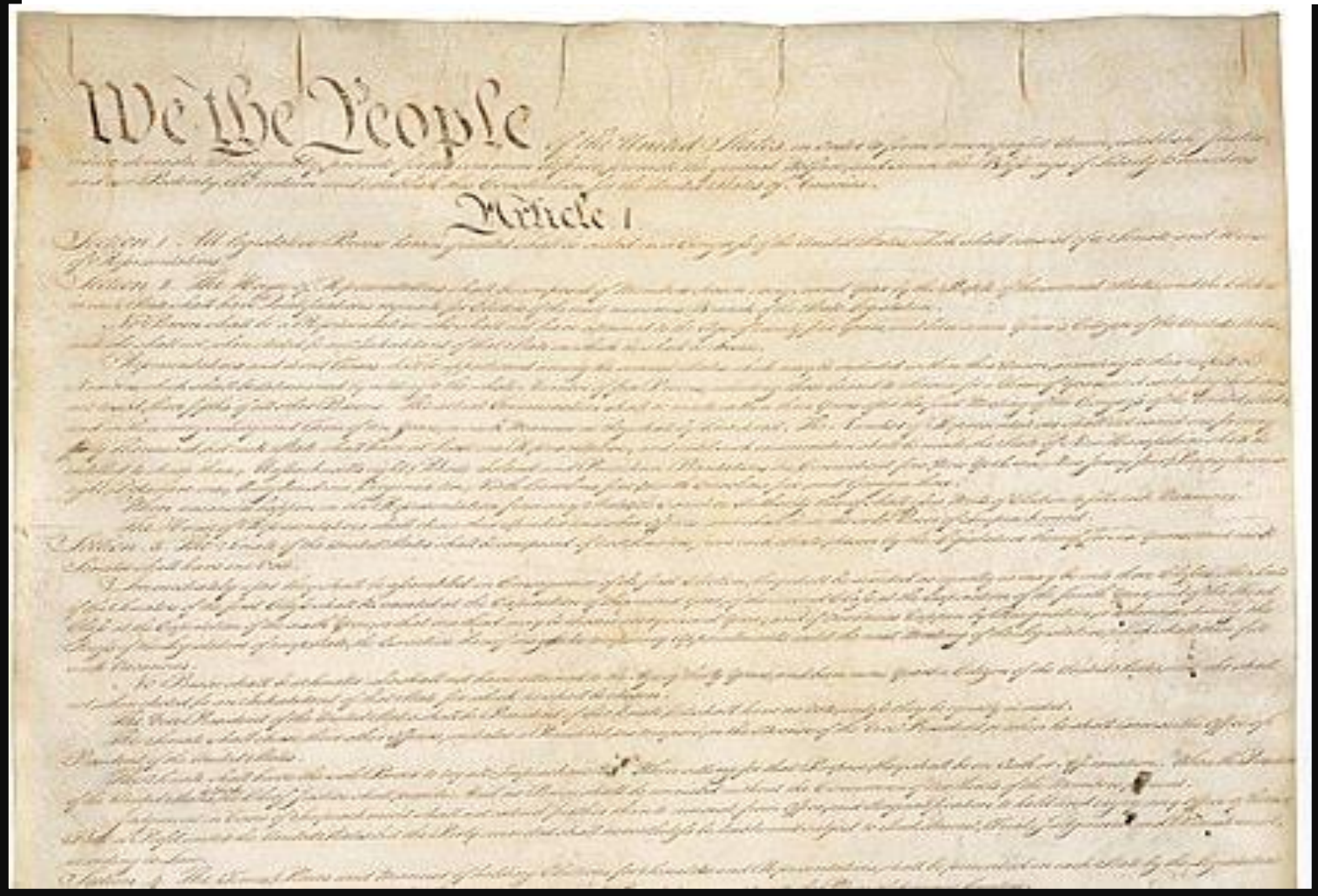

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Constitutional and Statutory Framework

Power and Authority of APJs

Arthrex v. Smith & Nephew

SCOTUS

The Constitutional and Statutory Framework To Appoint APJs

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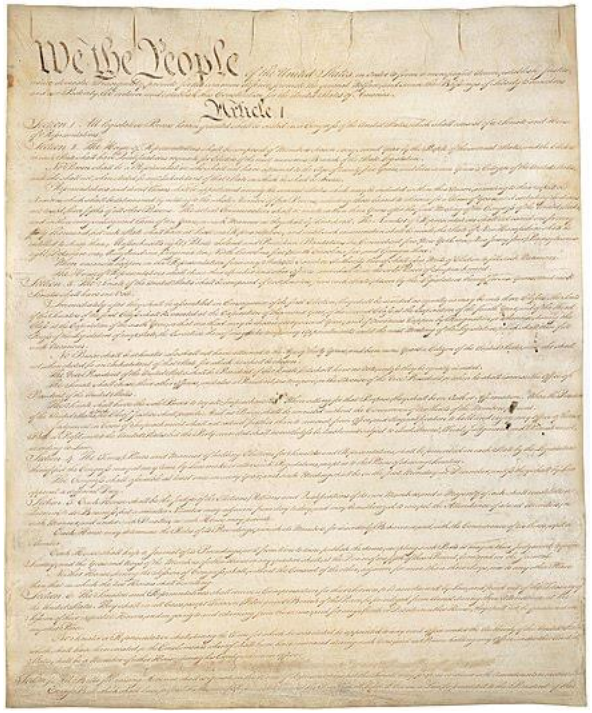
U.S. Const., Art. 2, Sec. 2, Clause 2 ("The Appointment's Clause")



[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, whose Appointments are not herein otherwise provided for, and which shall be established by Law: 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.

U.S. Const., Art. 2, Sec. 2, Clause 2 ("The Appointment's Clause")

[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, whose Appointments are not herein otherwise provided for, and which shall be established by Law: 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.

Principal Officers – President nominates and with advice and consent of Senate appoint.

Inferior Officers – Congress may provide by Law for appointment by:
(a) President alone;
(b) Courts of Law; or
(c) Heads of Departments

Employees – No limit on appointment placed by Constitution

Any "Officer of the U.S." **must** be appointed per the Appointments Clause

We think that the term "Officers of the United States" as used in Art. II, defined to include "all persons who can be said to hold an office under the government" in *United States v. Germaine, supra*, is a term intended to have substantive meaning. We think its fair import is that any appointee exercising significant authority pursuant to the laws of the United States is an "Officer of the United States," and must, therefore, be appointed in the manner prescribed by § 2, cl. 2, of that Article.

Buckley v. Valeo, 424 U.S. 1, 125-126 (1976)

"Employees" (i.e., "lesser functionaries"), are **not** "Officers" and not subject to Appointment's Clause Limitations

[162]*"Officers of the United States"* **does not include all employees** of the United States, *** . Employees are **lesser functionaries subordinate to officers of the United States**, see *Auffmordt v. Hedden*, 137 U. S. 310, 327 (1890); *United States v. Germaine*, 99 U. S. 508 (1879), whereas the Commissioners, appointed for a statutory term, are not subject to the control or direction of any other executive, judicial, or legislative authority.

Buckley v. Valeo, 424 U.S. 1, 126 n.162 (1976)

"the Appointments Clause cares not a whit about who named them" (mere employees).

Lucia v. SEC, 138 S. Ct. 2044, 2051 (2018)

Examples of Categorizations Made By U.S. Supreme Court

PRINCIPAL OFFICERS	INFERIOR OFFICERS	EMPLOYEES ("LESSER FUNCTIONARIES")
???	SEC Administrative Law Judges (ALJs) Special Trial Judges (STJs) for the Tax Court Judges of the Coast Guard Court of Criminal Appeal Vice Counsel of Secretary of State Independent counsel/Special Prosecutor Federal Supervisor of Elections U.S. Commissioners (for elective franchise and civil rights) Post-Master First Class Clerk of District Court	Civil surgeons

Appointment of APJs under the AIA

There shall be in the Office a Patent Trial and Appeal Board. 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**. Any reference in any Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to the Board of Patent Appeals and Interferences is deemed to refer to the Patent Trial and Appeal Board.

35 U.S.C. § 6(a)

PTAB APJs are **appointed by the Secretary of Commerce (a Head of Department),** in consultation with the Director.

This is appropriate if APJs are "**inferior officers**" under the Appointments Clause.

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35 U.S.C. § 6(a)

Administrative Patent Judges **occupy an office established by law**.

In General // There shall be in the Office a Patent Trial and Appeal Board. **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.

35 U.S.C. § 6(b)

Administrative Patent Judges have **duties specified by statute.**

- Review adverse decisions of examiners on appeal
- Review appeals of reexaminations
- Conduct IPRs and PGRs

Duties // The Patent Trial and Appeal Board shall—

1. on written appeal of an applicant, **review adverse decisions** of examiners upon applications for patents pursuant to section 134(a);
2. **review appeals** of reexaminations pursuant to section 134(b);
3. **conduct derivation proceedings** pursuant to section 135; and
4. **conduct inter partes reviews and post-grant reviews** pursuant to chapters 31 and 32.

35 U.S.C. § 318(a)

APJs **issue final written decisions** containing fact findings and legal conclusions, and **ultimately deciding the patentability** of the claims at issue.

Final Written Decision // If an inter partes review is instituted and not dismissed under this chapter, **the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged** by the petitioner and any new claim added under section 316(d).

35 U.S.C. § 6(c)

The Board's **patentability decisions are final**, subject only to rehearing by the Board or Appeal to the Federal Circuit.

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.**

35 U.S.C. § 141(c)

The Board's **patentability decisions are final**, subject only to rehearing by the Board or Appeal to the Federal Circuit.

Post-Grant and Inter Partes Review // A party to an inter partes review or a post-grant review who is dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 318(a) or 328(a) (as the case may be) **may appeal the Board's decision only to the United States Court of Appeals for the Federal Circuit.**

35 U.S.C. § 319

The Board's **patentability decisions are final**, subject only to rehearing by the Board or Appeal to the Federal Circuit.

A party dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 318(a) **may appeal the decision pursuant to sections 141** through 144. Any party to the inter partes review shall have the right to be a party to the appeal.

37 C.F.R. § 42.51

(b) (1) Routine Discovery // Except as the **Board** may otherwise order:

(ii) Cross examination of affidavit testimony prepared for the proceeding is authorized **within such time period as the Board may set**.

(b)(2) Additional Discovery //

(i) The parties may agree to additional discovery between themselves…**The Board may specify conditions for such additional discovery.**

(c) Production of Documents // **Except as otherwise order by the Board**…

Administrative Patent Judges **oversee discovery obligations.**

37 C.F.R. § 42.62(a)

Generally. Except as otherwise provided in this subpart, the **Federal Rules of Evidence shall apply to a proceeding**.

Administrative Patent Judges **apply federal rules of evidence and rule on admissibility of evidence.**

37 C.F.R. § 42.70

(a) **Request for oral argument. A party may request oral argument** on an issue raised in a paper **at a time set by the Board.** The request must be filed as a separate paper and must specify the issues to be argued.

(b) Demonstrative exhibits must be served at least seven business days before the oral argument and filed no later than the time of the oral argument.

Administrative Patent Judges **hear oral arguments/take testimony.**

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The Supreme Court

Arthrex, Inc. v. Smith & Nephew, Inc.

ARTHREX, INC., Appellant
v.
SMITH & NEPHEW, INC., ARTHROCARE CORP., Appellees,
UNITED STATES, Intervenor.

No. 2018-2140.

United States Court of Appeals, Federal Circuit.

Decided: October 31, 2019.

Before MOORE, REYNA, and CHEN, Circuit Judges.

MOORE, Circuit Judge.

Arthrex, Inc. v. Smith & Nephew, Inc.

A. Waiver

Appellees and the government argue that Arthrex forfeited its Appointments Clause challenge by not raising the issue before the Board. * * * .

Because the Secretary continues to have the power to appoint APJs and those APJs continue to decide patentability in *inter partes* review, we conclude that it is **appropriate for this court to exercise its discretion to decide the Appointments Clause challenge here**. This is an **issue of exceptional importance**, and we conclude it is an appropriate use of our discretion to decide the issue over a challenge of waiver.

The Supreme Court is <u>not</u> taking this issue, even though the U.S. Government asked for the SCOTUS to address it in Question 3.

Arthrex, Inc. v. Smith & Nephew, Inc.

B. Appointments Clause

Arthrex argues that the APJs who presided over this *inter partes* review were not constitutionally appointed. It argues the APJs were principal officers who must be, but were not, appointed by the President with the advice and consent of the Senate.

1. Are APJs officers of the United States?
2. If yes, are they principal or inferior officers (the former requiring appointment by the President as opposed to the Secretary of Commerce)?

1. Is not in dispute.
2. Is Question 1 that the Supreme Court will Consider

Arthrex, Inc. v. Smith & Nephew, Inc.

Like the special trial judges ("STJs") of the Tax Court in *Freytag*, who "**take testimony, conduct trials, rule on the admissibility of evidence, and have the power to enforce compliance with discovery orders**," 501 U.S. at 881-82, and the SEC Administrative Law Judges in *Lucia*, who have "equivalent duties and powers as STJs in conducting adversarial inquiries," 138 S. Ct. at 2053,the **APJs exercise significant authority rendering them Officers of the United States**.

Unlike prior cases, there is no dispute that APJs are "officers" of the U.S.

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The remaining question is whether they are principal or inferior officers. The Supreme Court explained that "[w]hether one is an `inferior' officer depends on whether he has a superior," and "`inferior officers' are officers whose work is directed and supervised at some level by others who were appointed by Presidential nomination with the advice and consent of the Senate." *Edmond v. United States*, 520 U.S. 651, 662-63 (1997).

This is Question 1 which the Supreme Court will address.

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There is no "exclusive criterion for distinguishing between principal and inferior officers for Appointments Clause purposes." *Id.* at 661. However, the Court in *Edmond* emphasized **three factors: (1) whether an appointed official has the power to review and reverse the officers' decision; (2) the level of supervision and oversight an appointed official has over the officers; and (3) the appointed official's power to remove the officers**. *See id.* at 664-65; *see also* *Intercollegiate*, 684 F.3d at 1338.

Adopting a "three factor" test from Edmond is a key error attributed to *Arthrex*

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1. Review Power

The Supreme Court deemed it "significant" whether an appointed official has the power to review an officer's decision such that the officer cannot independently "render a final decision on behalf of the United States." *Edmond*, 520 U.S. at 665. **No presidentially-appointed officer has independent statutory authority to review a final written decision by the APJs before the decision issues on behalf of the United States. *** The Director cannot, on his own, *sua sponte* review or vacate a final written decision**. ***

To be clear, **the Director does not have the sole authority to review or vacate any decision by a panel of APJs.** He can only *convene* a panel of Board members to *decide whether* to rehear a case for the purpose of deciding whether it should be precedential. **No other Board member is appointed by the President**. *** Thus, **there is no review by other Executive Branch officers who meet the accountability requirements of the Appointments Clause**.

The ability of the Director to influence PTAB decisions is one aspect being challenged.

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The situation here is critically different from the one in *Edmond*. In *Edmond*, the Supreme Court considered whether military judges on the Coast Guard Court of Criminal Appeals were principal as opposed to inferior officers. 520 U.S. at 655. There, the Court of Appeals for the Armed Forces, an Executive Branch entity, had the power to reverse decisions by the military judges and "review[ed] every decision of the Court of Criminal Appeals in which: (a) the sentence extends to death; (b) the Judge Advocate General orders such review; or (c) the court itself grants review upon petition of the accused." *Id.* at 664-65. And while the Judge Advocate General (a properly appointed Executive officer) could not reverse decisions of the military judges, he could order any of those decisions be reviewed by the Court of Appeals for the Armed Forces (a presidentially-appointed Executive Branch, Article I court). *Id.* The Court deemed it "significant [] that **the judges of the Court of Criminal Appeals ha[d] *no* power to render a final decision on behalf of the United States unless permitted to do so by other Executive officers**." *Id.* at 665 (emphasis added). **That is simply not the case here.**

The ability of the Director to influence PTAB decisions is one aspect being challenged.

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That is simply not the case here. Panels of APJs issue final decisions on behalf of the USPTO, at times revoking patent rights, **without any principal officers having the right to review those decisions**. Thus, APJs have substantial power to issue final decisions on behalf of the United States **without any review by a presidentially-appointed officer**. **We find that there is insufficient review within the agency over APJ panel decisions. This supports a conclusion that APJs are principal officers.**

The ability of the Director to influence PTAB decisions is one aspect being challenged.

Arthrex, Inc. v. Smith & Nephew, Inc.

2. Supervision Power

The extent to which **an officer's work is supervised or overseen by another Executive officer also factors into determining inferior versus principal officer status**. See *Edmond*, 520 U.S. at 664. The Director exercises a broad policy-direction and supervisory authority over the APJs. The Director is "responsible for providing policy direction and management supervision" for the USPTO. 35 U.S.C. § 3(a)(2)(A). **Arthrex argues the Director's oversight authority amounts to little more than high-level, arms-length control. We disagree.**

This factor was found to favor the position that APJs are "inferior" officers.

Arthrex, Inc. v. Smith & Nephew, Inc.

The **Director** has the **authority to promulgate regulations** governing the conduct of *inter partes* review. *Id.* § 316. He also has the **power to issue policy directives and management supervision** of the Office. *Id.* § 3(a). He may **provide instructions** that include exemplary applications of patent laws to fact patterns, which the Board can refer to when presented with factually similar cases. Moreover, **no decision of the Board can be designated or de-designated as precedential without the Director's approval**. Patent Trial and Appeal Board Standard Operating Procedure 2 at 1. And all precedential decisions of the Board are binding on future panels. *Id.* at 11. In addition to these policy controls that guide APJ-panel decision making, **the Director has administrative authority that can affect the procedure of individual cases**. For example, the Director has the independent authority to decide whether to institute an *inter partes* review based on a filed petition and any corresponding preliminary response. 35 U.S.C. § 314(a). And the **Director is authorized to designate the panel of judges** who decides each *inter partes* review. *See* 35 U.S.C. § 6(c). Not only does the Director exercise administrative supervisory authority over the APJs based on his issuance of procedures, he also has authority over the APJs' pay. 35 U.S.C. § 3(b)(6).

This factor was found to favor the position that APJs are "inferior" officers.

Arthrex, Inc. v. Smith & Nephew, Inc.

The Director's administrative oversight authority is similar to the supervisory authority that was present in both *Edmond* and *Intercollegiate*.

In *Edmond*, the Judge Advocate General "exercise[d] administrative oversight" and had the responsibility of "prescrib[ing] uniform rules of procedure" for the military judges. 520 U.S. at 664.

Likewise, in *Intercollegiate*, the Librarian of Congress was responsible for approving the Copyright Royalty Judges' ("CRJs") "procedural regulations . . . and [] overseeing various logistical aspects of their duties." 684 F.3d at 1338. And the Register of Copyrights, who was subject to the control of the Librarian, had "the authority to interpret the copyright laws and provide written opinions to the CRJs." *Id*.

The Director possesses similar authority to promulgate regulations governing *inter partes* review procedure and to issue policy interpretations which the APJs must follow.

This factor was found to favor the position that APJs are "inferior" officers.

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Accordingly, we conclude that the **Director's supervisory powers** weigh in favor of a conclusion that **APJs are inferior officers**.

This factor was found to favor the position that APJs are "inferior" officers.

Arthrex, Inc. v. Smith & Nephew, Inc.

3. Removal Power

The Supreme Court viewed removal power over an officer as "a powerful tool for control" when it was unlimited. *Edmond*, 520 U.S. at 664. Under the current Title 35 framework, both the Secretary of Commerce and the Director lack unfettered removal authority.

The U.S. Government disputes this factor too.

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The only actual removal authority the Director or Secretary have over APJs is subject to limitations by **Title 5. Title 35 does not provide statutory authority for removal** of the APJs. Instead, 35 U.S.C. § 3(c) provides, **"[o]fficers and employees of the Office shall be subject to the provisions of title 5, relating to Federal employees."** No one disputes that Title 5 creates limitations on the Secretary's or Director's authority to remove an APJ from his or her employment at the USPTO. **Specifically, APJs may be removed "only for such cause as will promote the efficiency of the service." 5 U.S.C. § 7513(a).**

The U.S. Government disputes this factor too.

Arthrex, Inc. v. Smith & Nephew, Inc.

The D.C. Circuit in *Intercollegiate* determined that **given the CRJs' nonremovability and the finality of their decisions, "the Librarian's and Register's supervision functions still fall short of the kind that would render [them] inferior officers**." 684 F.3d at 1339. Likewise, APJs issue decisions that are final on behalf of the Executive Branch and are not removable without cause. **We conclude that the supervision and control over APJs by appointed Executive Branch officials in significant ways mirrors that of the CRJs in *Intercollegiate*.**

The U.S. Government disputes this factor too.

Arthrex, Inc. v. Smith & Nephew, Inc.

4. Other Limitations

We do not mean to suggest that the three factors discussed are the only factors to be considered. However, other factors which have favored the conclusion that an officer is an inferior officer are completely absent here. *** Unlike the Independent Counsel [in *Morrison v. Olson*], the APJs do not have limited tenure, limited duties, or limited jurisdiction.

The U.S. Government disputes this factor too.

Arthrex, Inc. v. Smith & Nephew, Inc.

Having considered the issues presented, **we conclude that APJs are principal officers. The lack of any presidentially-appointed officer who can review, vacate, or correct decisions by the APJs** combined with **the limited removal power** lead us to conclude, like our sister circuit in *Intercollegiate,* which dealt with the similarly situated CRJs, that **these are principal officers**. While the **Director does exercise oversight authority** that guides the APJs procedurally and substantively, and even if he has the authority to de-designate an APJ from *inter partes* reviews, we conclude that **the control and supervision of the APJs is not sufficient to render them inferior officer**s. The lack of control over APJ decisions **does not allow the President to ensure the laws are faithfully executed** because "he cannot oversee the faithfulness of the officers who execute them." *Free Enterprise Fund*, 561 U.S. at 484. These factors, considered together, **confirm that APJs are principal officers under Title 35 as currently constituted**. As such, they must be appointed by the President and confirmed by the Senate; because they are not, the current structure of the Board violates the Appointments Clause.

The U.S. Government disputes this conclusion.

Arthrex, Inc. v. Smith & Nephew, Inc.

C. Severability

Having determined that the current structure of the Board under Title 35 as constituted is unconstitutional, **we must consider whether there is a remedial approach we can take to address the constitutionality issue**. ***

This is part of Question 2 taken by the Supreme Court.

Arthrex, Inc. v. Smith & Nephew, Inc.

Severing the statute is appropriate if the remainder of the statute is "(1) constitutionally valid, (2) capable of functioning independently, and (3) consistent with Congress' basic objectives in enacting the statute." *United States v. Booker*, 543 U.S. 220, 258-59 (2005).

This is part of Question 2 taken by the Supreme Court.

Arthrex, Inc. v. Smith & Nephew, Inc.

The narrowest remedy here is similar to the one adopted in *Intercollegiate,* the facts of which parallel this case. Thus, we conclude that **the appropriate remedy to the constitutional violation is partial invalidation of the statutory limitations on the removal of APJs**. Title 35 U.S.C. § 3(c) declares the applicability of Title 5 rights to "Officers and employees of the Office." *See also* Supp. Br. of United States at 9-10 (noting that Title 5 definitions might cover APJs). Title 5 U.S.C. § 7513(a) permits agency action against those officers and employees "only for such cause as will promote the efficiency of the service." Accordingly, **we hold unconstitutional the statutory removal provisions as applied to APJs, and sever that application**. Like the D.C. Circuit in *Intercollegiate,* we believe **severing the restriction on removal of APJs renders them inferior rather than principal officers**. Although the Director still does not have independent authority to review decisions rendered by APJs, his provision of policy and regulation to guide the outcomes of those decisions, coupled with the power of removal by the Secretary without cause provides significant constraint on issued decisions.

This is part of Question 2 taken by the Supreme Court.

Can the Title 5 be severed in application, rather than by excision?

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Because the Board's decision in this case was made by a panel of APJs that were not constitutionally appointed at the time the decision was rendered, we vacate and remand the Board's decision without reaching the merits.

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We agree with Arthrex that its Appointments Clause challenge was properly and timely raised before the first body capable of providing it with the relief sought—a determination that the Board judges are not constitutionally appointed.

The Supreme Court is <u>not</u> taking this issue, even though the U.S. Government asked for the SCOTUS to address it in Question 3.

Arthrex, Inc. v. Smith & Nephew, Inc.

We have decided only that this case, where the final decision was rendered by a panel of APJs who were not constitutionally appointed and where the parties presented an Appointments Clause challenge on appeal, must be vacated and remanded. **Appointments Clause challenges are "nonjurisdictional structural constitutional objections" that can be waived when not presented**. *Freytag*, 501 U.S. at 878-79. Thus, we see the **impact of this case as limited to those cases where final written decisions were issued and where litigants present an Appointments Clause challenge on appeal.**

The Supreme Court is not taking this issue, even though the U.S. Government asked for the SCOTUS to address it in Question 3.

Arthrex, Inc. v. Smith & Nephew, Inc.

Finally, on remand we hold that a new panel of APJs must be designated and a new hearing granted. *** Like *Lucia*, **we hold that a new panel of APJs must be designated to hear the *inter partes* review anew on remand**. To be clear, on remand **the decision to institute is not suspect**; we see **no constitutional infirmity in the institution decision as the statute clearly bestows such authority on the Director pursuant to 35 U.S.C. § 314.** Finally, we **see no error in the new panel proceeding on the existing written record but leave to the Board's sound discretion whether it should allow additional briefing or reopen the record in any individual case**.

This is arguably part of Question 2 taken by the Supreme Court.

Arthrex, Inc. v. Smith & Nephew, Inc.

VACATED AND REMANDED.

COSTS

The parties shall bear their own costs.

Agenda

Constitutional and Statutory Framework

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The Supreme Court

Arthrex v. Smith & Nephew, 19-1434, 19-1452, 19-1958

Petition GRANTED, the petition for a writ of certiorari in No. 19-1434 is granted as to Federal Circuit case No. 2018-2140, and the petition for a writ of certiorari in No. 19-1452 is granted, all limited to Questions 1 and 2 as set forth in the July 22, 2020 Memorandum for the United States. The cases are consolidated, and a total of one hour is allotted for oral argument.

Arthrex v. Smith & Nephew, 19-1434, 19-1452, 19-1958

1. Whether, for purposes of the Appointments Clause, U.S. Const. Art. II, § 2, Cl. 2, administrative patent judges of the U.S. Patent and Trademark Office are principal officers who must be appointed by the President with the Senate's advice and consent, or "inferior officers" whose appointment Congress has permissibly vested in a department head.

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2. Whether, if administrative patent judges are principal officers, the court of appeals properly cured any Appointments Clause defect in the current statutory scheme prospectively by severing the application of 5 U.S.C. 7513(a) to those judges.

Arthrex v. Smith & Nephew, 19-1434, 19-1452, 19-1958

3. Whether the court of appeals in Arthrex erred by adjudicating an Appointments Clause challenge that had not been presented to the agency.

Briefing Schedule

Petitioners in Nos. 19-1434 and 19-1452 shall each file an **opening brief,** limited to 13,000 words, on or before **Wednesday, November 25, 2020**.

Amicus curiae briefs in support of petitioners in Nos. 19-1434 or 19-1452, or in support of no party, shall be filed on or before **Wednesday, December 2, 2020,** and the briefs shall bear a light green cover.

Petitioner in No. 19-1458 shall file a consolidated opening and response brief, limited to 17,000 words, on or before **Wednesday, December 23, 2020**.

Amicus curiae briefs in support of petitioner in No. 19-1458 shall be filed on or before **Wednesday, December 30, 2020,** and the briefs shall bear a dark green cover.

Petitioners in Nos. 19-1434 and 19-1452 shall each file a **consolidated response and reply brief,** limited to 14,500 words, on or before **Friday, January 22, 2021. Petitioner in No. 19-1458** shall file a **reply brief,** limited to 6,000 words, pursuant to Rule 25.3 of the Rules of this Court.

PTAB

Request for Comments

Due by:

November 19, 2020

The United States Patent and Trademark Office (Office or USPTO) seeks public comments on considerations for instituting trials before the Office under the Leahy-Smith America Invents Act (AIA). The USPTO is considering the codification of its current policies and practices, or the modification thereof, through rulemaking and wishes to gather public comments on the Office's current approach and on various other approaches suggested to the Office by stakeholders. To assist in gathering public input, the USPTO is publishing questions, and seeks focused public comments, on appropriate considerations for instituting AIA trials.

Serial Petitions

1. Should the Office promulgate a rule with a case-specific analysis, such as generally outlined in *General Plastic, Valve I, Valve II* and their progeny, for deciding whether to institute a petition on claims that have previously been challenged in another petition?

2. Alternatively, in deciding whether to institute a petition, should the Office (a) altogether disregard whether the claims have previously been challenged in another petition, or (b) altogether decline to institute if the claims have previously been challenged in another petition?

Parallel Petitions

3. Should the Office promulgate a rule with a case-specific analysis, such as generally outlined in the Consolidated Trial Practice Guide, for deciding whether to institute more than one petition filed at or about the same time on the same patent?

4. Alternatively, in deciding whether to institute more than one petition filed at or about the same time on the same patent, should the Office (a) altogether disregard the number of petitions filed, or (b) altogether decline to institute on more than one petition?

Proceedings in Other Tribunals

5. Should the Office promulgate a rule with a case-specific analysis, such as generally outlined in *Fintiv* and its progeny, for deciding whether to institute a petition on a patent that is or has been subject to other proceedings in a U.S. district court or the ITC?

6. Alternatively, in deciding whether to institute a petition on a patent that is or has been subject to other proceedings in district court or the ITC, should the Office (a) altogether disregard such other proceedings, or (b) altogether decline to institute if the patent that is or has been subject to such other proceedings, unless the district court or the ITC has indicated that it will stay the action?

Other Considerations

7. Whether or not the Office promulgates rules on these issues, are there any other modifications the Office should make in its approach to serial and parallel AIA petitions, proceedings in other tribunals, or other use of discretion in deciding whether to institute an AIA trial?

Questions?

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Resources

United States v. Arthrex, Inc., No. 19-1434 (filed June 25, 2020)

Smith & Nephew, Inc. v. Arthrex, Inc., No. 19-1452 (filed June 29, 2020)

Arthrex, Inc. v. Smith & Nephew, Inc., No. 19-1458 (filed June 30, 2020)

Memorandum for the United States (filed July 22, 2020)

Brief amicus curiae of Askeladden L.L.C. filed.

Brief amicus curiae of The New York Intellectual Property Law Association filed.

Federal Register – PTAB Request for Comments.