

5-10-2023

## The Patent Trial and Appeal Board: A Heightened Call for Transparency

Nicole Bruner

Follow this and additional works at: <https://scholarship.kentlaw.iit.edu/ckjip>



Part of the [Intellectual Property Law Commons](#)

---

### Recommended Citation

Nicole Bruner, *The Patent Trial and Appeal Board: A Heightened Call for Transparency*, 22 Chi.-Kent J. Intell. Prop. 99 (2023).

Available at: <https://scholarship.kentlaw.iit.edu/ckjip/vol22/iss2/12>

This Article is brought to you for free and open access by Scholarly Commons @ IIT Chicago-Kent College of Law. It has been accepted for inclusion in Chicago-Kent Journal of Intellectual Property by an authorized editor of Scholarly Commons @ IIT Chicago-Kent College of Law. For more information, please contact [jwenger@kentlaw.iit.edu](mailto:jwenger@kentlaw.iit.edu), [ebarney@kentlaw.iit.edu](mailto:ebarney@kentlaw.iit.edu).

---

## The Patent Trial and Appeal Board: A Heightened Call for Transparency

### Cover Page Footnote

The author thanks Inge Osman and Jonathan Strang for guidance and mentorship specifically while drafting this Article and generally in her career.

# THE PATENT TRIAL AND APPEAL BOARD: A HEIGHTENED CALL FOR TRANSPARENCY

NICOLE BRUNER\*

---

\*Intellectual Property Litigation Associate, Latham & Watkins LLP. The opinions expressed are those of the author and do not necessarily reflect the views of his employer, its clients, or any of his or its respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice. The author thanks Inge Osman and Jonathan Strang for guidance and mentorship specifically while drafting this Article and generally in her career.

## Table of Contents

I.INTRODUCTION .....	101
II.COMPARISON OF ADJUDICATORY BODIES.....	102
III.IMPLEMENTING POLICY AT THE USPTO.....	105
A. Policy Changes at the USPTO and the PTAB .....	105
B. The GAO Report .....	107
IV.CONCLUSION.....	110

# THE PATENT TRIAL AND APPEAL BOARD: A HEIGHTENED CALL FOR TRANSPARENCY

## I. INTRODUCTION

Congress established the United States Patent and Trademark Office’s (“USPTO”) Patent Trial and Appeal Board (“PTAB”) to, among other things, review the patentability of issued patents claims—and “to reconsider and cancel patent claims that were wrongly issued.”<sup>1</sup> This article reviews the implications resulting from the PTAB’s structure and contrasts its structure with that of the adjudicatory body of the United States International Trade Commission (“USITC”).

In particular, some commentators have stated, or at least insinuated, that the PTAB should resemble an Article III court: insulated from political concerns, with the current President’s patent policy (via the Director, who is nominated by the President and confirmed by the Senate) independent from the PTAB’s review of issued patents.<sup>2</sup> However, the PTAB differs from Article III courts in that respect because Congress intentionally placed the PTAB under the Executive Branch’s control.<sup>3</sup> And to “preserve *political* accountability,” the Director may review each and every Board decision.<sup>4</sup>

If Congress had intended to insulate the PTAB from Presidential policymaking—whoever the President may be at a given time—Congress knew how to do so without establishing a new Article III Court. For example, Congress tasked the USITC with conducting “Section 337” investigations that resolve patent disputes

---

1. *Oil States Energy Servs. v. Greene’s Energy Grp.*, 138 S. Ct. 1365, 1370 (2018).

2. *See, e.g.*, Gregory Dolin, *Yes, The PTAB is Unconstitutional*, 17-2 CHL-KENT J. INTELL. PROP. 457, 457-458, 480-484 (2018) (Fairness “cannot be dependent on mere legislative or executive promises not to put their thumb on the scale.”); Greg Reilly, *The PTAB’s Problem*, 27 TEX. INTELL. PROP. L.J. 31, 36 (2019) (expressing “plausible concerns” regarding the PTAB’s judges because they are “appointed, supervised, and controlled by political appointees.”).

3. 35 U.S.C. § 1 (2018) (“[T]he [USPTO] shall be subject to the policy direction of the Secretary of Commerce . . .”).

4. *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1982 (2021) (emphasis added).

regarding imported products.<sup>5</sup> When the USITC enforces patent rights, its proceedings are heard by an Administrative Law Judge (“ALJ”). The PTAB’s Administrative Patent Judges (“APJs”) and the USITC’s ALJs are both inferior officers.<sup>6</sup> But unlike APJs, ALJs are protected by the Administrative Procedure Act and do not receive performance reviews or bonuses based on their performance.<sup>7</sup> Further, the USITC’s decisions are reviewed by a bi-partisan Commission that cannot, by law, allow more than three of its six members from the same political party.<sup>8</sup> In contrast, the USPTO Director may affiliate with any political party, and as history has demonstrated, the position usually changes with the Presidency. This paper will explore key differences between the USPTO and USITC, and the effects of these differences.

## II. COMPARISON OF ADJUDICATORY BODIES

The USPTO is a political agency within the Department of Commerce.<sup>9</sup> The USPTO is primarily responsible “for the granting and issuing of patents and the registration of trademarks” and “for disseminating to the public information with respect to patents and trademarks.”<sup>10</sup> The USPTO’s PTAB adjudicates patent disputes in proceedings to address appeals from Examiner rejections and to review patents that have been issued.<sup>11</sup> The PTAB’s APJs are recognized as “adjudicatory officers” that perform “quasi-judicial functions.”<sup>12</sup>

---

5. 19 U.S.C. § 1337 (2018).

6. *Arthrex*, 141 S. Ct. at 1972; 19 U.S.C. § 1331.

7. Ron D. Katznelson, *The Pecuniary Interests of PTAB Judges - Empirical Analysis Relating Bonus Awards to Decisions in AIA Trials* (July 5, 2021). Available at SSRN: <https://ssrn.com/abstract=3871108>; 5 U.S.C. §§ 553-559; *Fact Sheet: Administrative Law Judge Pay System*, U.S. OFF. OF PERS. MGMT. (last visited Apr. 5, 2023), <https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/administrative-law-judge-pay-system/> [<https://perma.cc/8NNK-6UFD>].

8. 19 U.S.C. § 1330.

9. 35 U.S.C. § 1 (“The United States Patent and Trademark Office is established as an agency of the United States, within the Department of Commerce. In carrying out its functions, the United States Patent and Trademark Office shall be subject to the policy direction of the Secretary of Commerce, but otherwise shall retain responsibility for decisions regarding the management and administration of its operations and shall exercise independent control of its budget allocations and expenditures, personnel decisions and processes, procurements, and other administrative and management functions in accordance with this title and applicable provisions of law. Those operations designed to grant and issue patents and those operations which are designed to facilitate the registration of trademarks shall be treated as separate operating units within the Office.”).

10. 35 U.S.C. § 2.

11. Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, § 7, 125 Stat. 284, 313 (2011).

12. 78 Fed. Reg. 20180, 20187 (Apr. 3, 2013).

The USPTO is an arm of the executive branch. Nominated by the President and confirmed by the Senate, the USPTO Director aims to implement the policies of each administration.<sup>13</sup> This practice provides that the USPTO Director is a principal officer subject to policies of the respective administration<sup>14</sup> and reviews decisions rendered by the PTAB's APJs. Those APJs, in turn, are nominated by the Secretary of Commerce, who appoints the PTAB's APJs with input from the USPTO Director.<sup>15</sup>

In contrast to the USPTO, Congress established the USITC to be an "independent" and "nonpartisan" agency.<sup>16</sup> The USITC is also "quasi-judicial" in that it adjudicates "intellectual property and trade disputes."<sup>17</sup> The "Commission investigates and makes determinations in proceedings involving imports claimed to injure a domestic industry or violate U.S. intellectual property rights."<sup>18</sup> The USITC enjoys broad adjudicatory scope with disputed products requiring only a physical medium that relies on importation to qualify for ITC proceedings.<sup>19</sup>

The USITC is headed by six Commissioners that are, like the USPTO Director, nominated by the President and confirmed by the Senate.<sup>20</sup> Unlike the USPTO Director, who can change (and usually does change) with each new administration and can be from the same political party as the President, the six USITC Commissioners serve nine-year terms each, with their terms staggered to end 18 months apart.<sup>21</sup> In addition, no more than three Commissioners may come from the same political party, the Chairman and Vice Chairman must be from different political parties, and an incoming Chairman cannot be from the same political party as the previous Chairman.<sup>22</sup> The

---

13. *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1977 (2021).

14. *Id.*

15. Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, § 7, 125 Stat. 284, 312-13 (2011).

16. *About the USITC*, U.S. INT'L TRADE COMM'N (last visited Mar. 10, 2023), [https://www.usitc.gov/press\\_room/about\\_usitc.htm](https://www.usitc.gov/press_room/about_usitc.htm) [<https://perma.cc/8PEC-M3MD>].

17. *Id.*

18. *Id.*

19. *Suprema, Inc. v. ITC*, 796 F.3d 1338, 1349 (Fed. Cir. 2015) (initiating proceedings for a product that was not infringing until after importation). *But see* *ClearCorrect Operating, LLC v. ITC*, 810 F.3d 1283, 1286 (Fed. Cir. 2015) (providing that that accused product must require a physical medium and cannot be mere electronic transmissions).

20. 19 U.S.C. § 1330; *Commissioner Bios*, U.S. INT'L TRADE COMM'N (last visited Mar. 10, 2023), [https://www.usitc.gov/commissioner\\_bios](https://www.usitc.gov/commissioner_bios) [<https://perma.cc/SJG5-HNEJ>].

21. 35 U.S.C. § 3; *Commissioner Bios*, U.S. INT'L TRADE COMM'N (last visited Mar. 10, 2023), [https://www.usitc.gov/commissioner\\_bios](https://www.usitc.gov/commissioner_bios) [<https://perma.cc/SJG5-HNEJ>].

22. 19 U.S.C. § 1330; *Commissioner Bios*, U.S. INT'L TRADE COMM'N (last visited Mar. 10, 2023), [https://www.usitc.gov/commissioner\\_bios](https://www.usitc.gov/commissioner_bios) [<https://perma.cc/SJG5-HNEJ>] (highlighting that the current

extent of direct executive influence over USITC proceedings is the President's power to "veto" Commission determinations.<sup>23</sup> The USPTO Director, in contrast, participates in implementing the administration's patent policy.<sup>24</sup>

The PTAB's APJs and the USITC's ALJs have significant differences in responsibility. The APJs at the PTAB review Examiner decisions before and after issuance and preside over post-grant proceedings.<sup>25</sup> While post-grant proceedings at the PTAB are disputes between parties insofar as they disagree as to patentability, the PTAB's ultimate decision is whether the agency should have issued the patent in the first place.<sup>26</sup>

In contrast to the APJs at the PTAB, the ALJs at the USITC consider intellectual property disputes between parties related to issues like importation of allegedly infringing articles,<sup>27</sup> not whether a previous agency action was justified. While the focus of the adjudication differs, the USITC's structure is similar to that of the USPTO's in some respects. Namely, the USITC ALJs' decisions are reviewed by the Commissioners, while the PTAB APJs' decisions are reviewable by the USPTO Director.<sup>28</sup> However, the implication of such review differs between the adjudicatory bodies. The USITC's Commissioners are, as discussed above, from both political parties and serve longer than a single Presidential term of office. Conversely, the USPTO Director's review of PTAB decisions is one tool the Director may use to implement the President's policy while maintaining a "line [] of [political] accountability demanded by the Appointments Clause."<sup>29</sup>

---

Commissioners at the ITC represent both the Democrat and Republican parties, with 3 from the Democrat party and 2 from the Republican party).

23. See Letter from Michael B.G. Froman, Ambassador, Executive Office of the President, The United States Trade Representative, *Re: Disapproval of the U.S. International Trade Commission's Determination in the Matter of Certain Electronic Devices, Including Wireless Communication Devices, Portable Music and Data Processing Devices, and Tablet Computers*, Investigation No. 337-TA-794 (Aug. 3, 2013) [https://www.itcblog.com/images/08032013-Letter\\_1.pdf](https://www.itcblog.com/images/08032013-Letter_1.pdf) [<https://perma.cc/3VEE-LMY6>].

24. 35 USC §§ 1-3.

25. *Oil States energy Servs. v. Greene's Energy Grp.*, 138 S. Ct. 1365, 1370 (2018); Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, § 7, 125 Stat. 284, 313-15 (2011).

26. Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, § 7, 125 Stat. 284, 313-15 (2011).

27. 19 U.S.C. § 1337.

28. 19 C.F.R. § 210.42; *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1986 (2021).

29. *Arthrex*, 141 S. Ct. at 1982.



### III. IMPLEMENTING POLICY AT THE USPTO

Congress established the USPTO to implement the policies of the executive branch, as discussed above. The PTAB thus reflects the direction each administration takes in its practice and outcomes. This section will analyze the policy changes between each administration and how such changes affect the PTAB.

#### A. Policy Changes at the USPTO and the PTAB

Like the USPTO Directors, the USPTO, including the PTAB, changes policy with each new president. For example, discretionary denials waxed under one Director and waned under the next.<sup>30</sup> The PTAB exercises its statutory discretion, set forth in 35 U.S.C. §§ 314(a) and § 325(d), to deny petitions that may otherwise be meritorious.<sup>31</sup> Congress granted the Director wide discretion to deny any petition under § 314(a).<sup>32</sup> And with § 325(d), Congress granted the Director discretion to deny petitions if the USPTO has already been presented with the same or substantially the same prior art or arguments.<sup>33</sup> Under Director Lee, the PTAB rarely denied petitions for discretionary reasons, and institution rates were high, reflecting the Obama administration's policies that generally favored petitioners.<sup>34</sup>

But under the Trump administration and Director Iancu, discretionary denials soared and institution rates dropped to the lowest rates since the AIA's implementation.<sup>35</sup> Two new precedential decisions, *NHK Spring Co. v. Intri-Plex Techs*<sup>36</sup> and *Apple v. Fintiv*,<sup>37</sup> largely drove the increase in discretionary denials. First, in *NHK Spring Co.*, the PTAB addressed concerns of

---

30. Jasper Tran, Matthew Chung, David Maiorana & Matthew Johnson, *Discretionary Denials of IPR Institution*, 19 CHI.-KENT J. INTELL. PROP. 253 (2020); Douglas Crandell, *Throwing Discretion to the Wind: Discretionary Denials in Instituting Inter Partes Review Under the NHK-Fintiv Framework*, 69 WASH. U. J.L. & POL'Y 341 (2022) [hereinafter "Crandell, *Throwing Discretion to the Wind*"].

31. Crandell, *Throwing Discretion to the Wind*, *supra* note 30, at 350'.

32. 35 U.S.C. § 314.

33. 35 U.S.C. § 325.

34. *Trial Statistics*, USPTO (Dec. 2017), [https://www.uspto.gov/sites/default/files/documents/Trial\\_Statistics\\_2017-12-31.pdf](https://www.uspto.gov/sites/default/files/documents/Trial_Statistics_2017-12-31.pdf) [https://perma.cc/N945-M3ZM].

35. *Trial Statistics*, USPTO (Jan. 2021), [https://www.uspto.gov/sites/default/files/documents/ptab\\_aia\\_20210131\\_.pdf](https://www.uspto.gov/sites/default/files/documents/ptab_aia_20210131_.pdf) [https://perma.cc/8B2B-EK84].

36. *NHK Spring Co. v. Intri-Plex Techs., Inc.*, No. IPR2018-00752, Paper 8 (P.T.A.B. Sept. 12, 2018) (precedential, designated May 7, 2019).

37. *Apple Inc. v. Fintiv, Inc.*, No. IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) (precedential, designated May 5, 2020).

duplicated efforts due to parallel PTAB and district court cases by denying institution under § 314(a).<sup>38</sup> Next, the PTAB expanded on *NHK Spring* by introducing a six-factor test in *Apple v. Fintiv*.<sup>39</sup> Under the new *Fintiv* framework, PTAB institution rates plummeted, reflecting the patent owner-friendly policies of that administration.<sup>40</sup>

With the Biden administration came Director Vidal and the return of more petitioner-friendly policies. Institution rates are rising again in view of her new *Fintiv* memorandum that eliminated *Fintiv* denials when the co-pending litigation was before the USITC rather than the district court and when the petition presents a compelling unpatentability case, and gave petitioners a guaranteed safe harbor if they agree to eliminate duplicative validity litigation by dropping all of their IPR (or PGR) eligible invalidity defenses in district court upon institution.<sup>41</sup> *Fintiv* denials are now exceedingly rare.<sup>42</sup> In fact, all discretionary denials have dropped under Director Vidal's tenure and IPR institution rates have jumped more than 10% since Director Vidal's confirmation.<sup>43</sup> As a result, petitioners are enjoying the highest IPR institution rates since 2015-2016.<sup>44</sup>

As another example of changing administrative policy, Director Iancu implemented the *2019 Patent Eligibility Guidance* in February of 2019.<sup>45</sup> This guidance replaced the *Alice/Mayo* framework that the PTAB and examiners had been applying to determine whether patent claims recited patent-eligible subject matter under 35 U.S.C. § 101. While the Guidance states its intent to follow Supreme Court and Federal Circuit precedent, it arguably broadens the scope of eligible inventions by narrowing what qualifies as an abstract idea and by placing a portion of the *Alice/Mayo* step 2B framework at an earlier stage of the analysis.<sup>46</sup> In other words, the Guidance expands the types of inventions that

---

38. *NHK Spring Co. v. Intri-Plex Techs., Inc.*, No. IPR2018-00752, Paper 8 (P.T.A.B. Sept. 12, 2018) (precedential, designated May 7, 2019).

39. *Apple Inc. v. Fintiv, Inc.*, No. IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) (precedential, designated May 5, 2020).

40. Crandell, *Throwing Discretion to the Wind*, *supra* note 30, at 351.

41. *Id.*

42. *Remarks by USPTO Deputy Director Derrick Brent at the PTAB Boardside Chat*, USPTO (Dec. 15, 2022), <https://www.uspto.gov/about-us/news-updates/remarks-uspto-deputy-director-derrick-brent-ptab-boardside-chat> [<https://perma.cc/GF5E-2PRJ>].

43. *Id.*

44. *Id.*

45. 84 Fed. Reg. 50.

46. 84 Fed. Reg. 50, 52, 55.

examiners may find patent-eligible.<sup>47</sup> USPTO statistics show a 25% reduction in patent examiner’s first-office-action rejections under § 101 for “*Alice*-affected technologies.”<sup>48</sup> The PTAB is also applying this same Guidance, but is bound by the law. A PTAB panel wrote in a recent decision, “[w]e evaluate the parties’ arguments using the Guidance’s framework,”<sup>49</sup> while acknowledging that decisions are based on *Alice/Mayo* precedent. Director Vidal has not yet issued any changes to Director Iancu’s Guidance.

These changes between administrations demonstrate that each new administration implements its policies at the USPTO and the PTAB in particular, as Congress intended. But as a matter of fairness and political accountability, the USPTO’s policymaking should be transparent.

## B. The GAO Report

In January and February of 2022, the U.S. Government Accountability Office (“GAO”) surveyed PTAB APJs to investigate a perceived lack of transparency at the PTAB.<sup>50</sup> The GAO determined that stakeholders and the general public are “generally unaware of the methods USPTO and PTAB management uses [*sic*] to oversee judges’ decisions.”<sup>51</sup> And while it was unseen by the public, many APJs reported that the Director or other management influenced or changed the APJs’ decisions.<sup>52</sup>

For example, panel stacking—adding and removing APJs from a panel to achieve the desired result— was one particularly opaque method to “influence the overall outcome of or rationale for the decision in an AIA proceeding.”<sup>53</sup> The GAO reported that “PTAB management can potentially influence outcomes of AIA cases and ex

---

47. *IP Data Highlights No. 3, Adjusting to Alice*, OFF. CHIEF ECONOMIST at 1, 6 (April, 2020), [https://www.uspto.gov/sites/default/files/documents/OCE-DH\\_AdjustingtoAlice.pdf](https://www.uspto.gov/sites/default/files/documents/OCE-DH_AdjustingtoAlice.pdf) [<https://perma.cc/5VRH-V94Q>].

48. *Id.*

49. *IronSource Ltd. v. Digital Turbine Inc.*, No. PGR2021-00096, Paper No. 49 at 25 (P.T.A.B. 2023).

50. U.S. GOV’T ACCOUNTABILITY OFF., GAO-23-105336, PATENT TRIAL AND APPEAL BOARD: INCREASED TRANSPARENCY NEEDED IN OVERSIGHT OF JUDICIAL DECISION-MAKING (2022) [hereinafter “*GAO-23-105336*”].

51. *Id.* at “What GAO Found”.

52. *See, e.g., id.* at 20, 26, 30-31, 33, 35, 36, 40, 58.

53. *Id.* at 36, 37 (“A former judge recounted being replaced on a panel, presumably because management wanted a unanimous decision, and this judge was not aware of the replacement until the decision was issued.”).

parte appeals by changing the composition of the three-judge panel.”<sup>54</sup> Over 80% of APJs surveyed experienced a panel change for AIA proceedings, and 20% reported feeling that the modifications were made to alter or influence the result.<sup>55</sup> As the Supreme Court wrote in *Arthrex*:

The Government insists that the Director, by handpicking (and, if necessary, re-picking) Board members, can indirectly influence the course of inter partes review. That is not the solution. It is the problem. ... [S]uch machinations blur the lines of accountability demanded by the Appointments Clause. The parties are left with neither an impartial decision by a panel of experts nor a transparent decision for which a politically accountable officer must take responsibility.<sup>56</sup>

APJs also reported that they were unsure what is expected of them, and that the AIA Review Committee (“ARC”) lacks clarity and adds to a “culture of pressure.”<sup>57</sup> One APJ reported that “[a] big factor is the shifting standards management uses for certain issues, like discretionary denials under sections 325(d) and 314. The politics of how these standards are applied keeps changing and you get comments or edits back from management that reflects the politics and not the actual law.”<sup>58</sup> In addition, “Management Review” of draft decisions was called a “black box,” without any insight into when draft decisions should be submitted for review and when or whether comments are returned to the APJs.<sup>59</sup> The GAO stated that Management Review’s “very existence for all but the most routine decisions creates a preemptive chilling effect: consideration of management’s wishes is at least a factor in all panel deliberations, and is sometimes the dominant factor.”<sup>60</sup> Another APJ reported that PTAB panel decisions are “constrained by whatever may be the current Director or management policy.”<sup>61</sup> APJs even reported pressure from management to refrain from drafting dissenting opinions.<sup>62</sup>

---

54. *Id.* at 36.

55. *Id.*

56. *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1981-82 (2021).

57. *GAO-23-105336*, *supra* note 50, at 30.

58. *Id.* at 71.

59. *Id.*

60. *Id.*

61. *Id.* at 72.

62. *Id.* at 60.

In view of its findings, the GAO recommended that the USPTO increase transparency. As the Supreme Court explained in *Arthrex*:

“...such machinations blur the lines of accountability demanded by the Appointments Clause. The parties are left with neither an impartial decision by a panel of experts nor a transparent decision for which a politically accountable officer must take responsibility. And the public can only wonder on whom the blame or the punishment of a pernicious measure, or series of pernicious measures ought really to fall.”<sup>63</sup> (internal quotations omitted).

Director Vidal took office in April 2022, after the GAO survey was completed in January and February of that year. In response to the GAO’s findings, the USPTO implemented new oversight procedures and made Management Review optional.<sup>64</sup> Director Vidal has not shied away from implementing the current administration’s policy, but at least from what is visible to date, her policy-making has been transparent.

For example, the Supreme Court made it clear in *Arthrex* that the USPTO Director must have the power to review at least all final written decisions.<sup>65</sup> In response, the USPTO implemented an interim process for Director Review—and Director Vidal has used it frequently, and not just for final written decisions.<sup>66</sup> Director Vidal has granted requests for, or ordered *sua sponte*, Director Review in sixteen cases to date.<sup>67</sup> Importantly, each of these cases and its status is posted on the USPTO’s website.<sup>68</sup>

Director Vidal also issued the *Fintiv* memorandum mentioned above, making the *Fintiv* test more forgiving and more predictable for petitioners—and publicly announcing as much, rather than leaving practitioners and parties to guess which way the wind would blow next.<sup>69</sup> More recently, Director Vidal further elaborated on

---

63. *Arthrex*, 141 S. Ct. at 1982.

64. *GAO-23-105336*, *supra* note 50, at “What GAO Found.” (“In May 2022, PTAB implemented new interim oversight procedures, which made Management Review optional, and clarified that the USPTO Director would not be involved in decision-making prior to issuance.”)

65. *Arthrex*, 141 S. Ct. at 1972.

66. *Interim Process for Director Review*, USPTO (Sept. 22, 2022), <https://www.uspto.gov/patents/patent-trial-and-appeal-board/interim-process-director-review> [<https://perma.cc/8HEP-UBAY>].

67. *Id.*

68. *Id.*

69. Memorandum from the Under Sec’y of Com. for Intell. Prop. and Dir. of the U.S.P.T.O. on Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court

exactly what she expected of PTAB panels when applying *Fintiv* by *sua sponte* initiating Director Review in *CommScope Technologies v. Dali Wireless*.<sup>70</sup> In that case, she explained that PTAB panels must carefully address all of the *Fintiv* factors rather than avoiding the analysis by simply finding petitioner presented a “compelling case.”<sup>71</sup> In addition, Director Vidal explained that PTAB panels must explain why a particular case is “compelling”.<sup>72</sup>

#### IV. CONCLUSION

Congress creates federal agencies and establishes their scope and mission.<sup>73</sup> With the USITC, Congress established an independent, quasi-judicial branch that decides trade disputes between parties.<sup>74</sup> The USITC’s Commissioners each serve for longer than any President’s term of office, and both political parties are represented. As a result, the public should receive an “impartial decision by a panel of experts.”<sup>75</sup> In contrast, the USPTO’s Director changes when the President changes and is tasked with implementing the administration’s patent policies within the boundaries of the law. As a result, the Director’s policy-making must be transparent to preserve political accountability.

---

Litigation to Members of the P.T.A.B. (June 21, 2022), [https://www.uspto.gov/sites/default/files/documents/interim\\_proc\\_discretionary\\_denials\\_aia\\_parallel\\_district\\_court\\_litigation\\_memo\\_20220621\\_.pdf](https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf) [<https://perma.cc/GG5C-8YV6>]; *Remarks by USPTO Director Kathi Vidal at the 2022 Bench & Bar Conference*, USPTO (June 16, 2022), <https://www.uspto.gov/about-us/news-updates/remarks-uspto-director-kathi-vidal-2022-bench-bar-conference> [<https://perma.cc/NTX5-Y5B7>].

70. *CommScope Technologies v. Dali Wireless*, (Decision), IPR2022-01242 (2023) (Before Katherine K. Vidal, Under Sec’y of Com. for Intell. Prop. and Dir. of the U.S.P.T.O.).

71. *Id.*

72. *Id.*

73. *Freytag v. Comm’r*, 501 U.S. 868, 883 (1991) (acknowledging Congress’ authority to create federal agencies and provide for appointments); *Wiener v. United States*, 357 U.S. 349 (1957) (recognizing “a sharp line of cleavage between officials who were part of the Executive establishment and were thus removable by virtue of the President’s constitutional powers, and those who are members of a body ‘to exercise its judgment without the leave or hindrance of any other official or any department of the government’...”); *Myers v. United States*, 272 U.S. 52, 129 (1926) (recognizing that Congress “under its legislative power is given the establishment of offices, the determination of their functions and jurisdiction, the prescribing of reasonable and relevant qualifications and rules of eligibility of appointees....”)

74. *Supra* notes 4, 7, 15, 19.

75. *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1982 (2021).