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CITY BAR

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October 18, 2022

Via E-Mail

**Director of the United States Patent
and Trademark Office**

P.O. Box 1450
Alexandria, Virginia 22313-1450
Attn: Director Katherine K. Vidal

Re: Response to Request for Comments on Director Review, Precedential Opinion Panel Review, and Internal Circulation and Review of Patent Trial and Appeal Board Decisions

Dear USPTO Director Katherine K. Vidal:

The New York City Bar Association (the “City Bar”), through its Committee on Patents, thanks the United States Patent and Trademark Office (“USPTO” or the “Office”) for considering the City Bar’s comments in response to the Office’s Request for Comments on *Director Review, Precedential Opinion Panel Review, and Internal Circulation and Review of Patent Trial and Appeal Board Decisions*, published at [87 Federal Register 43249 \(PTO-P-2022-0023, July 20, 2020\)](#). The [USPTO has requested](#) comments by October 19, 2022.

I. About the City Bar

The City Bar is a private, non-profit organization of more than 23,000 members who are professionally involved in a broad range of law-related activities. Founded in 1870, the City Bar is one

About the Association

The mission of the New York City Bar Association, which was founded in 1870 and has over 23,000 members, is to equip and mobilize a diverse legal profession to practice with excellence, promote reform of the law, and uphold the rule of law and access to justice in support of a fair society and the public interest in our community, our nation, and throughout the world.

THE ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK
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of the oldest bar associations in the United States. The City Bar seeks to promote reform of the law and to improve the administration of justice at the local, state, federal and international levels, through the activities of its more than 150 standing and special committees. Among these, the Committee on Patents is a long-established standing committee of the City Bar, and its membership reflects a wide range of in-house, corporate, private practice, and academic experience in patent law. The participating members of this committee are dedicated to promoting the City Bar's objective of improving the administration of the patent laws.

II. Introductory Comments

The City Bar commends the USPTO and the Director for using the mechanism of notice-and-comment rulemaking to ensure compliance with the America Invents Act (AIA) and the Administrative Procedure Act (APA).

The City Bar appreciates the sometimes opposing viewpoints that the Office must consider to ensure that all post-grant proceedings are completed within their statutorily mandated deadlines, while at the same time ensuring sufficient resources are allocated to allow for due process. In the City Bar's view, any new rules or changes to existing ones should not favor either petitioners or patent owners, or unjustifiably strengthen or weaken patent protection. Instead, the Office's rulemaking should strengthen the patent system overall, including the ability of patent owners to sufficiently protect and commercialize their inventions and the ability of other market participants to challenge and invalidate patents, consistent with the Constitutional purpose of promoting the progress of science and useful arts. The City Bar's comments, presented below, are made in response to the questions posed by the Office with regard to the procedures for Director review of Patent Trial and Appeal Board (PTAB) decisions to institute post-grant patent proceedings and final written decisions by the PTAB.

Question 1. Should any changes be made to the interim Director review process?

The current interim Director review process that reviews final written decisions made by the Administrative Board (PTAB) should be transparent in order for the decisions to be viewed as impartial with respect to applicants, petitioners, and patent owners. The current process is opaque. Criteria for determining which petitions will be granted Director review are not delineated, whether for *sua sponte* review of institution decisions, or for review of final written decisions. Further, the current review process should ensure that **all** PTAB decisions **warranting review** by the Director be, **in fact**, so reviewed by the Director, or the Director's designee(s). Decisions by the Director's designee(s) should be subject to modification or reversal by the Director. We do not suggest that the Director grant review for all final written decisions. We do suggest that all final written decisions be, **in fact**, considered by the Director or the Director's designee(s) sufficiently to determine whether Director review is warranted and therefore should be granted.

Question 2. Should only the parties to a proceeding be permitted to request Director review, or should third party requests for Director review be allowed?

No comment.

Question 3. Should requests for Director Review be limited to final written decisions in IPR or PGR?

Requests for Director Review should not be limited to PTAB's final written decisions, but should also include PTAB's institution decisions. The statute states that the "determination by the Director whether to institute an *inter-partes* review under this section shall be final and non-appealable." 35 USC 314(d), 324(e). The statute clearly contemplates Director participation in the decision whether to institute a post-grant or *inter-partes* review. Also, given the significance of the PTAB's decision whether to institute the *inter-partes* review, the parties should be permitted to request, directly to the Director, review by the Director of such decisions by the PTAB. Additionally, because there is no other available review of a PTAB institution decision, even an erroneous decision, the Director review process should apply to PTAB's decisions of whether to institute or not institute review of issued patents.

Question 4. Should a party to a proceeding be able to request both Director review and rehearing by the merits panel?

A party that requests Director review of a PTAB decision should be viewed as having waived its petition for rehearing to the PTAB merits panel. However, a party that petitions for rehearing to the PTAB merits panel may subsequently request Director review of the rehearing decision by the PTAB merits panel.

Question 5. What criteria should be used in determining whether to initiate Director review?

The primary criteria for Director review should be that such review is made of PTAB decisions containing a clear error of fact or law that negatively affects the interests of at least one party, and such negative effect is material. Additional criteria which may justify review by the Director include decisions involving major policy or procedural issues; constitutional questions; issues regarding statutes, rules, and regulations; issues regarding binding or precedential case law; issues of broad applicability to the PTAB; or conflicts between PTAB decisions.

Question 6. What standard of review should the Director apply in Director review?

The standard for initiating Director review should be a clear error by the PTAB. Upon finding clear error by the PTAB, the Director's review should be *de novo* and may address issues of law or fact.

Question 7. What standard should the Director apply in determining whether or not to grant sua sponte Director review of decisions on institution? Should the standard change if the decision on institution addresses discretionary issues instead of, or in addition to, merits issues?

No comment.

Question 8. Should there be a time limit on the Director's ability to reconsider a petition denial?

There should be a time limit on the Director's review of a petition denial. This time limit is necessary to prevent the USPTO from failing to act with promptness and diligence for the commercial

benefit of the petitioner. This time limit should be two months from the date of the request for the Director's review of the petition's denial by the PTAB.

Question 9. Are there considerations the USPTO should take with regard to the fact that decisions made on Director review are not precedential and are made precedential upon designation by the Director?

Decisions by the Director upon review of PTAB decisions should be designated as precedential when such decisions by the Director involve major policy or procedural issues; constitutional questions; issues regarding statutes, rules, and regulations; issues regarding binding or precedential case law; issues of broad applicability to the PTAB; or conflicts between PTAB decisions.

Question 10. Are there any other considerations the USPTO should take into account with respect to Director review?

Other considerations that should be taken into account with respect to Director review concern related proceedings, either before the PTAB, district courts, or International Trade Commission. Proceedings before the PTAB may be followed on (serial) or parallel proceedings, and the Director review process should be mindful of these related cases. However, the Director review should not be governed by the proceedings or decisions of these other tribunals except as required by statute, rule, or appellate decision.

Question 11. Should the POP review process remain in effect, be modified, or be eliminated in view of Director review?

The Precedential Opinion Panel ("POP") review process should remain in effect, but also be modified for petitions for review of PTAB decisions as follows. The POP review process should provide for the reporting of **all** requests for review of PTAB decisions received by the POP to the Director or the designee(s) of the Director. The reporting of each request **may** include decisions and/or recommendations by the POP and/or POP Screening Committee. However, the Director should be authorized to accept or reject, in whole or in part, such decisions and/or recommendations. Further, the Director should be authorized to rule on all requests to review PTAB decisions independently of any decisions and/or recommendations by the POP and/or POP Screening Committee.

Question 12. Are there any other considerations the USPTO should take into account with respect to the POP process?

No comment.

Question 13. Should any changes be made to the interim PTAB decision circulation and internal review processes, and if so, what changes and why?

No comment.

Question 14. Are there any other considerations the USPTO should take into account with respect to the interim PTAB decision circulation and internal review processes?

No comment.

III. Summary

The City Bar appreciates the opportunity to submit responses to the USPTO's request for comments on practices and policies for the review of PTAB decisions. Soliciting comments from practitioners, patent holders and the public provides for a more transparent and robust patent system. The City Bar respectfully requests that the comments above be taken into consideration by the USPTO to inform any modifications to the interim processes.

Respectfully submitted,

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