

New Policy Seen As Easing PTAB Judges' Pressure Concerns

Recently revised processes at the Patent Trial and Appeal Board should lessen concerns raised by a new government survey in which PTAB judges reported feeling pressure from superiors to alter their rulings, but more could still be done, attorneys and former judges said.

The [Government Accountability Office](#) said in a [preliminary report Thursday](#) that two-thirds of PTAB judges who responded to a survey said they felt pressured to modify their decisions on America Invents Act reviews, and that 75% felt the oversight of superiors affected their independence.

Former PTAB judges told Law360 after the report's release that during their time on the board, they didn't feel the same way as the majority of the respondents, but that [new policies put in place](#) by [U.S. Patent and Trademark Office Director Kathi Vidal](#) appear to address the issues flagged by the GAO.

"I've never felt pressured, nor have I witnessed any pressure on judges to change their decision in a certain way," Alex Yap of [Morrison Foerster LLP](#), a PTAB judge from 2016 to 2020, said in an interview.

He noted that "what is pressure is very subjective" and suggested that some of the guidance to the board put in place by previous USPTO Director Andrei Iancu on [issues like patent eligibility](#) may have been interpreted by the judges as "infringing upon their autonomy of how they're going to write their decision."

Until recently, PTAB management would review the board's decisions and offer suggestions before they were finalized, but Vidal altered that practice in May. Under the revised policy, that feedback will come only from other judges, and the director emphasized that management will not be involved in influencing decisions before they are issued.

"I think that removes at least any perception, whether rightly or wrongly, that somehow management has a thumb on the scale," said Yap, who called the change "definitely the right step in terms of more transparency."

An Important Change

Similarly, Jessica Kaiser of [Arnold & Porter](#), a PTAB judge from 2014 until earlier this year, said she didn't recall feeling pressure to change any decisions on the merits. Yet USPTO leadership has provided guidance, like outlining when related district court litigation means the board [shouldn't review a patent](#), and "I can understand why judges would feel that gave them less independence," she said.

The PTAB has more than 200 judges, so "there is certainly value in consistency, and there's value in people who come before the agency with similar facts being treated the same," she said.

Vidal's memo has made clear that leadership of the patent office will not be involved in PTAB

decisions before they are issued, and the GAO report "really underscores the importance of that change in policy," Kaiser said.

"An important part of transparency is that people know who their decision maker is," she said. The report is focused on what has happened in the past, so "I could understand the concerns, but I think in a lot of ways, hopefully those concerns have been addressed through that new interim policy."

The [U.S. Supreme Court said last year](#) that the USPTO director must have the authority to review and overturn PTAB decisions in order to pass constitutional muster. So in the report's concerns about the director influencing the board's decisions behind the scenes, the key issue is transparency about how decisions are made, Yap said.

"It seems like Director Vidal is trying to thread the needle here by saying, 'We are not going to meddle with you pre-issuance of the decision,' but she still has the right to make any changes to the decision," he said. "But at least this will be public and there's not a hidden hand behind the scenes."

More To Do

From the perspective of attorneys litigating at the PTAB, the report's finding that some decisions had been altered by higher-ups with no public record that it happened or why is "extremely troubling," said Blair Jacobs of [McKool Smith PC](#).

When attorneys provide advice on whether to seek rehearing or appeal, "you can only make those decisions and recommendations to clients if you have information about why things occurred, and what the probability of changing or identifying a mistake might be," he said.

Vidal's new policy is a positive development, Jacobs said. However, he said he would like the office to ensure that in any future case where the PTAB exercises its discretion in a decision and management decides to alter it, that will be made clear to both the board and the parties.

"That would accomplish two things: It would allow the PTAB judge to know why their discretion is being overridden ... and would teach them to conform better to what management and the director are seeking," he said. "And secondly, it would give practitioners some information that they could then use to analyze what their next steps are going to be."

Kevin McNish of [McNish PLLC](#) noted that some judges told the GAO they had relented when they disagreed with other members of a panel to avoid being seen as "difficult" and getting poor ratings from peers in their performance reviews.

Even with the new policy in place, where other judges review decisions rather than management, that situation could still arise, he said. In addition, he said he'd like to see more explanation from the board when a judge is replaced, since some judges reported being dropped from panels due to disagreements.

"There are some good steps forward with respect to transparency, but there's still more that can be done, I think," McNish said.

Next Steps

What is missing from the report are the exact circumstances in which PTAB judges felt pressure from management, said Christopher Ricciuti of [Oblon McClelland Maier & Neustadt LLP](#).

He said if the pressure was to conform with USPTO policies designed to ensure the board's decisions are consistent on issues like patent eligibility and denying petitions based on related district court litigation, it "ultimately may be a good thing because I think part of what people go to the PTAB for is consistency."

That would stand in stark contrast to USPTO leadership dictating results by mandating that decisions go against a certain disfavored party like a nonpracticing entity, Ricciuti said. Whatever happened in the past, the new guidance is helpful in that it makes it very clear that "it is ultimately the judges who have the final say," he said.

Scott McKeown of [Ropes & Gray LLP](#) said he thinks the report is "really much ado about nothing," because the intervention of management appears to be about ensuring uniformity in the board's decisions rather than dictating results.

The new policy statement that management will not be involved in the board's decisions before they are issued seems to have been "specifically designed to anticipate this report" and addresses most of the issues, at least while the current administration is in place, he said.

"The only question is, should that be codified into legislation, so you can have some kind of comfort if the next director comes in and decides to go back to the old system?" McKeown said.

Even with the new policy, Ricciuti said the report will give ammunition to litigants seeking to overturn previous decisions by the board, who may now cite it to argue that there were "some sort of shenanigans that run counter to the Administrative Procedure Act."

"You probably have some fodder now to maybe see if you can craft this into some sort of appellate argument or maybe even a means to request director review before you get to the Federal Circuit," he said.