

UNITED STATES
PATENT AND TRADEMARK OFFICE

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Patent Trial and Appeal Board Boardside Chat: *Arthrex* and the interim procedure for Director review

Drew Hirshfeld, Performing the Functions and Duties of the Under Secretary
of Commerce for Intellectual Property and Director of the USPTO

Scott R. Boalick, Chief Administrative Patent Judge

Jacqueline W. Bonilla, Deputy Chief Administrative Patent Judge

Scott C. Weidenfeller, Vice Chief Administrative Patent Judge

July 1, 2021



Question/comment submission

- To send in questions or comments during the webinar, please email:
 - PTABBoardsideChat@uspto.gov



Topics

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

Opening Remarks

Supreme Court decision

United States v. Arthrex

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

- 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.”

Implementation of interim procedure

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*.

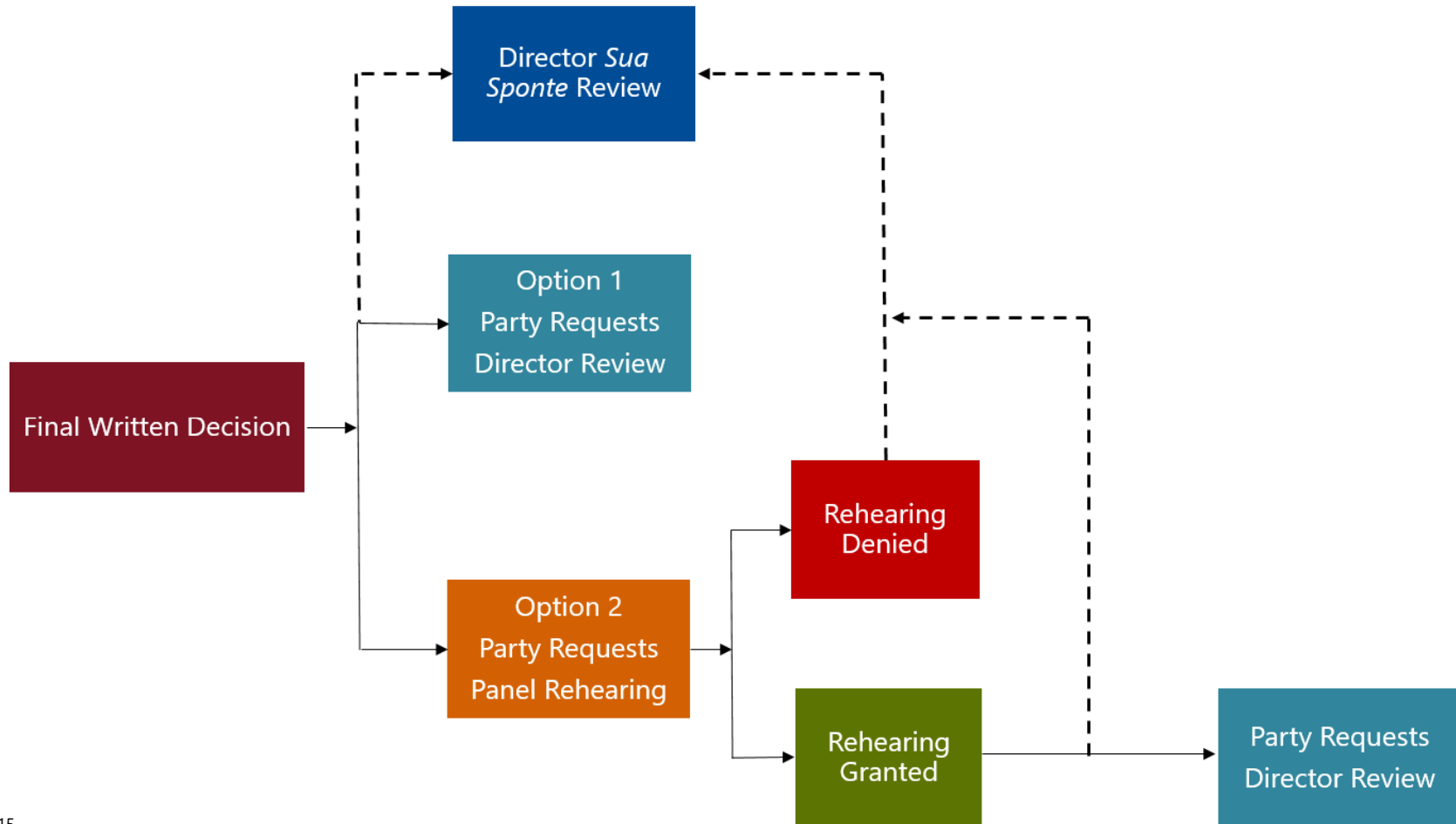
Director review - procedure

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

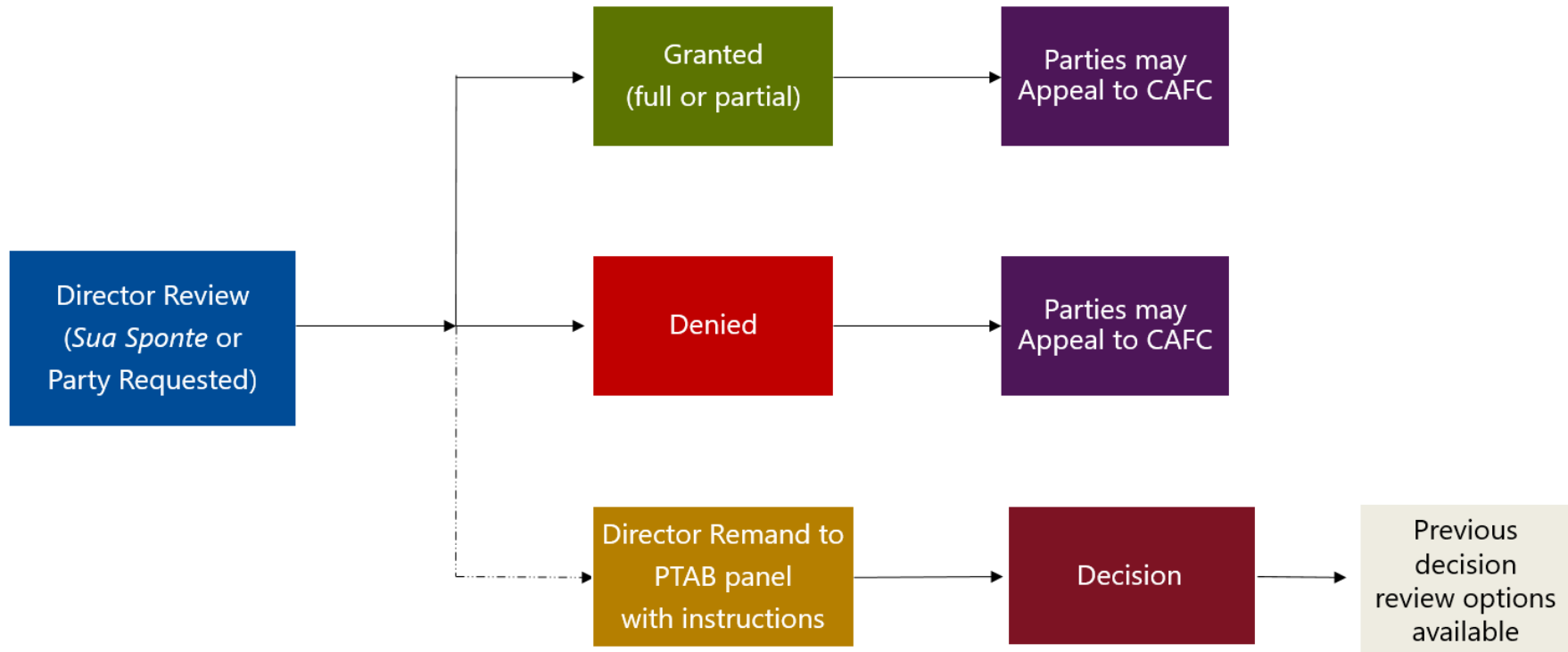
Director review - procedure

- 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 panel, 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.



Director review – further information

- More details on the interim Director review procedure are provided on the [USPTO *Arthrex* information webpage](https://www-cms.uspto.gov/patents/patent-trial-and-appeal-board/procedures/uspto-implementation-interim-director-review).
 - <https://www-cms.uspto.gov/patents/patent-trial-and-appeal-board/procedures/uspto-implementation-interim-director-review>
- Additional questions regarding the implications of *Arthrex* generally, or on a specific proceeding, may be submitted to trials@uspto.gov.



Director review – email contact info

- **Director_PTABDecision_Review@uspto.gov**
 - Where a party submits a notification of a Request for Rehearing by the Director (copying counsel for all parties)
 - Must be done concurrently with entering a Request for Rehearing by the Director into PTAB E2E
- **Director_Review_Suggestions@uspto.gov**
 - Where the public may provide feedback and suggestions about the interim Director review process
- **trials@uspto.gov**
 - Where parties may submit case-specific questions (e.g., request a call with the Board) regarding implications of *Arthrex*
 - Where the public may submit general *Arthrex*-related questions



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Next Boardside Chat

- July 15, 2021, at 12-1 p.m. ET
- Topic: RCE versus Appeal
- Register for and learn about upcoming Boardside Chats and access past Boardside Chats at: www.uspto.gov/patents/ptab/ptab-boardside-chats



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