

The Patent Bar's Role In Setting PTAB Precedence

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Kate S. Gaudry



Justin Krieger

The Patent Trial and Appeal Board issues more than 10,000 decisions each year. These decisions include ex parte appeal decisions, interference decisions, inter partes review decisions and covered business method decisions.[1] These decisions are issued by panels of experienced judges on a variety of issues about which opposing parties disagree in terms of legal interpretation. Presumably, each of these fact-specific, detailed analyses should provide valuable information about how the same laws are to be interpreted for similar fact patterns. However, for 99.96 percent of the issued decisions, an applicant or challenger cannot be assured that the PTAB (or any other U.S. Patent and Trademark Office party) will respect the logic and analysis presented in prior decisions.

Types of PTAB Decisions

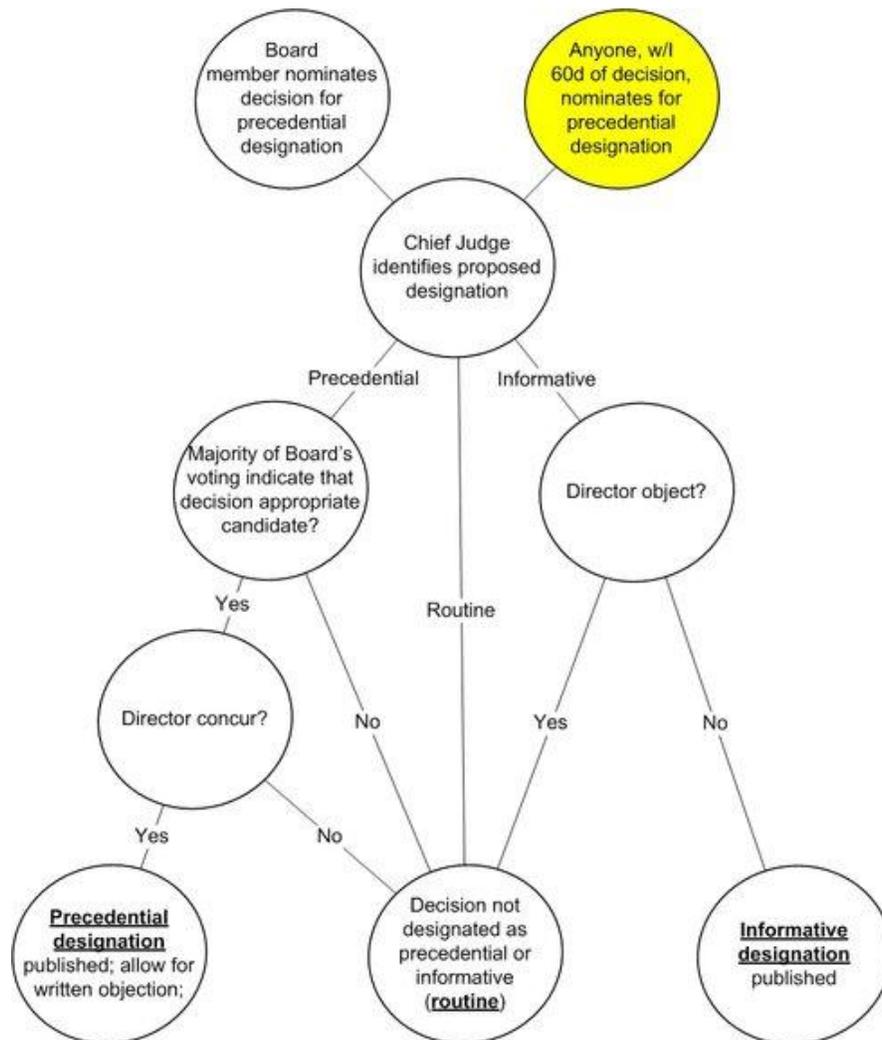
As context, select PTAB decisions can be classified as being precedential or informative. All other decisions are deemed “routine.”[2] The PTAB’s standard operating procedures (SOP) do not provide specific definitions for these classifications but instead rely on examples. The SOP states that “an opinion may be considered appropriate [for a precedential designation] for any reason, but particular emphasis will be placed on opinions resolving conflicts or addressing novel conflicts.” Similarly, “an opinion may be designated as informative for any reason; identified considerations include” providing a representative outcome sample, representative sample of opinion types, and guidance on board rules or practices.

When issued, precedential decisions are binding authority on other PTAB matters, whereas informative decisions remain authority but are not binding. Routine decisions are not to be cited as authority.

Process of Precedential and Informative Designation

In order for a PTAB decision to be designated as a precedential or informative decision, it must first be nominated as such and must survive several rounds of approval. Nominations for precedential decisions may originate from anyone. The PTAB’s SOP indicates that any member of the board (which includes the administrative patent judges, the director, the deputy director, the commissioner for patents and the commissioner for trademarks) may nominate a decision for either a precedential or informative designation. For precedential nominations, the recommendation (if received within 60 days of issuance of the opinion) may also be provided by the appellant, patentee, petitioner or third-party member of the public.

In order for a nominated decision to be made precedential, the chief judge, the majority of the board members responding to a vote and the director must agree that the opinion should be designated as precedential. When all such approvals are obtained, the opinion is published to allow for written objection and thereafter can be designated as being precedential. If the chief judge determines that a nominated opinion should receive an informative designation, the SOP indicates that the director must merely be notified of the designation in advance of publication of such, along with a brief explanation of the designation rationale. (See Fig. 1.)



Precedential and Informative Designations are Extremely Rare

Roughly 10,000 decisions are being handed down by the PTAB each year. Fig. 2 shows the number of IPR, ex parte appeal and interference decisions issued during each of the last 17 fiscal years. As shown, ex parte appeals accounted for the vast majority of the decisions, while the number of IPR decisions is increasing.

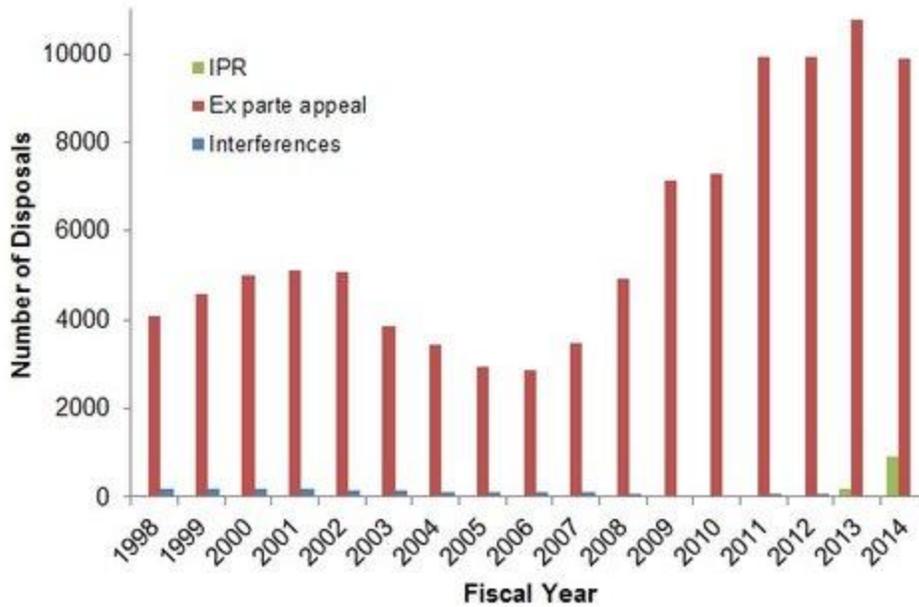
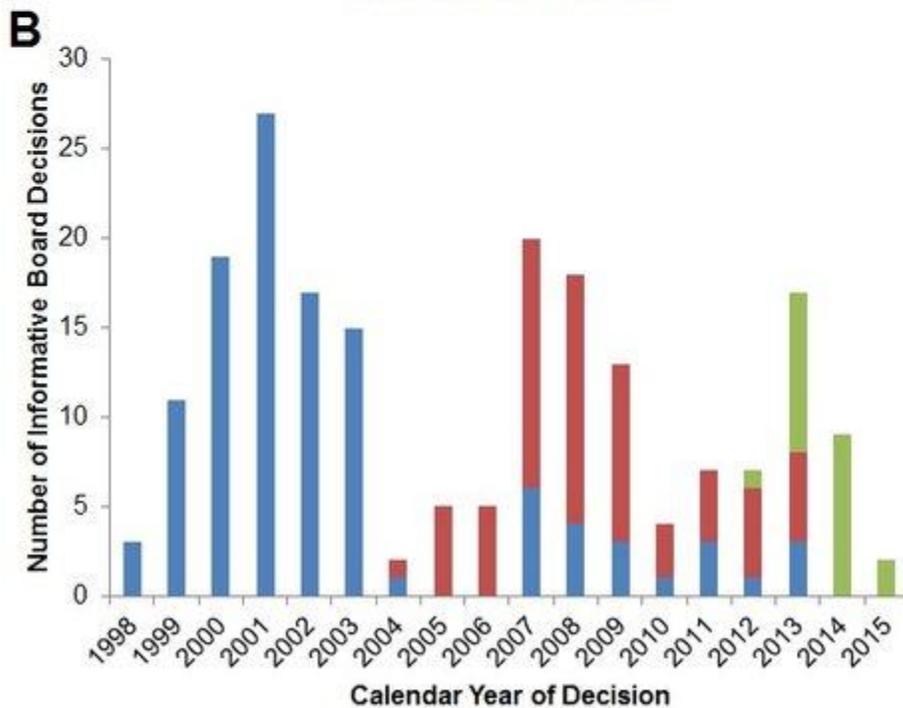
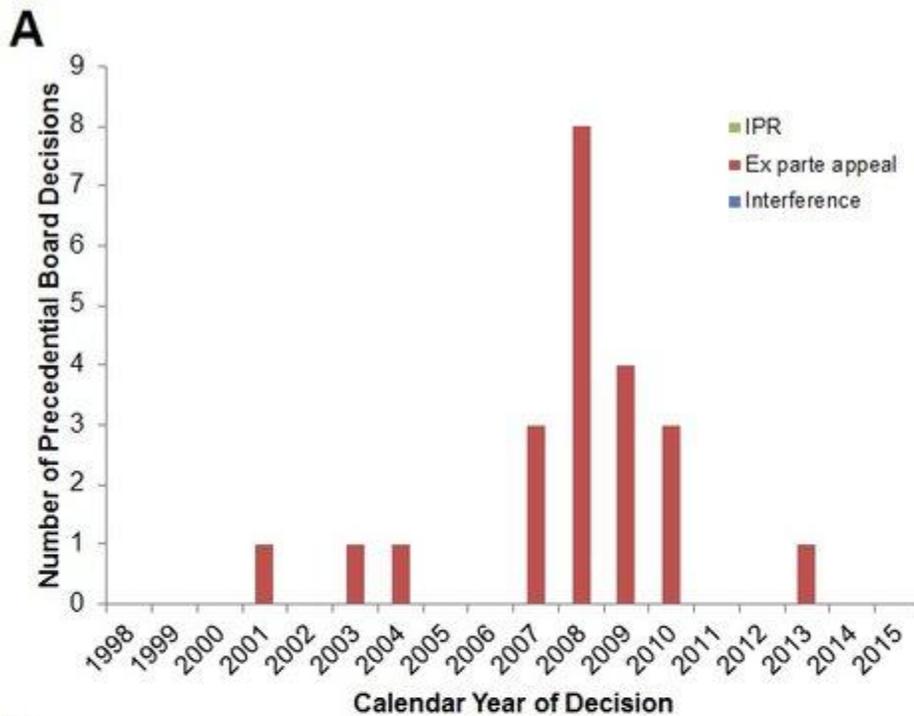


Fig. 3, meanwhile, shows a graph with a vertical scale that is several hundred times smaller than that in Fig. 2. Figs. 3A and 3B show the number of PTAB decisions designated as being precedential and informative, respectively. The most recent ex parte appeal decision designated as being informative or precedential was issued over two years ago, in May 2013.



Thus, the PTAB has refrained from providing any official guidance during that period on evolving issues such as patent eligibility[3] or issues unique to patent office practice such as claim interpretation under the broadest reasonable interpretation standard.[4] In addition, as shown the table, below, although the PTAB has issued several informative decisions concerning procedures for handling proceedings brought under the America Invents Act, the PTAB has not designated as precedential any decisions clarifying PTAB procedures under inter partes review or post-grant review.

	Precedential	Informative	Routine
Purpose	Resolving conflicts; addressing novel questions	Representative sample of outcomes/opinion types; provides guidance on rules/practice	All other decisions
Effect	Binding authority	Non-binding authority	Should not be cited as authority. May be cited if needed as relevant fact.
Process	Any person can nominate w/i 60 days from Decision	Chief Judge or any person can nominate w/i 60 days from Decision	-
# Ex Parte Appeals (FY2013-14)	1 (0.005%)	6 (0.03%)	20631
# Interferences (FY2013-14)	0 (0%)	3 (3%)	102
# IPRs (FY2013-14)	0 (0%)	18 (2%)	1095

External Requests for Precedential Designations Are Even Rarer

These numbers prompt the question as to why so few decisions are receiving precedential or informative designations. Are nominations being denied or seldom being received? To address this question, we submitted a Freedom of Information Act request for all submissions made to the chief judge that requested that a decision be made precedential.

The response to the request included a single request made in April 2012, nominating a decision (Ex parte Hu, App No 2010-000151 (BPAI 2012)). This decision is not, at least currently, designated as being informative or precedential. However, what we find to be more striking about the response than the apparent denial of the request, was that there appears to have been only one external request made during the last 12 years.

A Call to the Patent Bar

With the passage of the AIA and the issuance of several significant U.S. Supreme Court decisions, we are in a time of great change for U.S. patent law. With increased change comes increased uncertainty. In order to clarify PTAB practice and improve predictability before the USPTO practice, more precedential and information PTAB decisions are needed. Perhaps due to a lack of understanding of the designation procedure, to date the patent bar has been unhelpful in assisting the PTAB in designating decisions as precedential or informative. Since a robust library of decisions would help improve predictability of practicing before the PTAB, more precedential and informative decisions would significantly benefit patent owners. As a result, the patent bar has a responsibility to play a more active role in identifying well-reasoned decisions and nominating such decisions as precedential or informative.

Below, we are providing a template of a letter to use to request a precedential designation. We encourage members of the bar or other interested parties to use this template to engage in the process for increasing the official guidance provided from the PTAB. It is our hope that active participation on the part of patent agents and attorneys will help to build a more complete and useful library of precedential and informative PTAB decisions to help improve the consistency and quality of examiner actions and board decisions.

Sample Request for Precedential Designation

Chief Judge James Smith [or new Chief Judge, as Judge Smith is stepping down this year]
Patent Trial and Appeal Board
USPTO
P.O. Box 1450

Alexandria, Virginia 22313-1450

Fax Number: 571-273-0053

RE: Request to Make [Appeal Citation] Precedential

Dear Chief Judge Smith [or new Chief Judge]:

Pursuant to the Patent Trial and Appeal Board's Standard of Operating Procedure (SOP) 2 (Revision 8), we are nominating [Appeal Citation] for precedential designation. The SOP indicates that the appellant, the patentee, a petitioner or a third party member of the public may, within 60 days of issuance of an opinion, request in writing that an opinion be made precedential, by forwarding that request, along with accompanying reasons, to the Chief Judge. We are a third party member of the public [or replace by proper party identification], and this request is being submitted within 60 days from the issuance of the [Appeal Short Citation] decision.

Briefly, [describe relevant facts of appeal].

The SOP indicates that an opinion "may be considered appropriate [for precedential designation] for any reason, but particular emphasis will be placed on opinions resolving conflicts or addressing novel questions." We believe that [Appeal Short Citation] is well-suited for precedential designations for each of the following reasons.

First, [Appeal Short Citation] addresses and resolves existing legal conflicts. Examiners and PTAB Judges have been inconsistent with regard to interpreting [statute, court case, etc.]. Some [examiners or Judges] have been concluding [describe interpretation #1], while others have been concluding [describe interpretation #2]. For example, [describe and cite to two or more PTAB decisions or examiner actions that include conflicting interpretations]. [Appeal Short Citation] considers both of these approaches and describes why [summarize winning interpretation] is correct. [Summarize logic in Decision.] It is important to clarify the law with respect to this issue, so as to guide and provide clarity to appellants, examiners and PTAB Judges and to promote consistent and predictable examination outcomes.

Second, [Appeal Short Citation] relates to and answers novel questions. Particularly, at issue in [Appeal Short Citation] is whether [describe novel question]. This question is a new question, as [describe why the question had not previously arisen]. However, we expect that the question will be encountered with increasing frequency as [describe why situation is changing]. [Appeal Short Citation] provides a clear and correct answer to this question by indicating that [describe answer to question].

Third, [describe any other reasons to support precedential designation, such as why the decision was a correct decision (e.g., is consistent with court decisions or USPTO guidelines), why a fact pattern is particularly interesting (e.g., as providing interpretation with regard to a borderline case), and/or whether an appeal addresses a circumstance in which examiners or Judges are commonly issuing erroneous decisions].

Designating [Appeal Short Citation] as a precedential decision will encourage appellants, examiners and PTAB Judges to read and understand the insightful logic included therein. This designation may therefore reduce the number of [erroneous rejections issued, appeals filed, etc.], encourage expedited resolution of pending appeals and application, and improve the consistency of appeal decisions. Thus, a precedential designation will serve to promote compact prosecution and to reduce the Board's

workload. [Describe any final logistical advantages of the designation.]

Thus, [Appeal Short Citation] is particularly well-suited for a precedential designation, and such designation will facilitate clarity, consistency and efficiency. We thank you for your consideration of this appeal and welcome any questions or discussions.

[Signature]

—By Kate S. Gaudry and Justin Krieger, Kilpatrick Townsend & Stockton LLP

Kate Gaudry, Ph.D., is an associate and Justin Krieger is a partner in Kilpatrick's Washington, D.C., office.

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[1] See, e.g., USPTO 2014 Performance & Accountability Report. <
<http://www.uspto.gov/about/stratplan/ar/USPTOFY2014PAR.pdf>>.

[2] Patent Trial and Appeal Board. Standard Operating Procedure 2 (Revision 8). <
http://www.uspto.gov/patents/process/appeal/sop_2_revision_8_dated_8_12_2013_final.pdf>.

[3] Alice Corp. v. CLS Bank Int'l, 134 S.Ct. 2347 (2014); Ass'n for Molecular Pathology v. Myriad Genetics, Inc., 569 U.S. ___, 133 S.Ct. 2107 (2013)

[4] In re Cuozzo Speed Techs., LLC, 793 F.3d 1268 (Fed. Cir. July 8, 2015).