



PTAB Alert: USPTO Issues Interim Procedure Giving Director More Control Over PTAB Final Written Decisions in Accordance with Supreme Court's *Arthrex* Decision

Author(s): Charles R. Macedo, David P. Goldberg, Thomas Hart

On June 29, 2021, the USPTO released information regarding an interim Director review process implemented in response to the Supreme Court's opinion in *United States v. Arthrex, Inc.*, Nos. 19-1434, 19-1452, 19-1458, 594 U.S. ____, slip op. (U.S. June 21, 2021), which held that in order for PTAB administrative patent judges ("**APJs**") to be properly appointed as inferior officers, their final written decisions in *inter partes* review proceedings must be subject to review by the Director.

In particular, consistent with *Arthrex*'s dictate that "[t]he Director ... may review final PTAB decisions and, upon review, may issue decisions himself on behalf of the Board," slip op. at 21, the Director may now review a final decision either *sua sponte* or upon request by a party to the PTAB proceeding.

<https://www.uspto.gov/patents/patent-trial-and-appeal-board/procedures/uspto-implementation-interim-director-review>

), which provides a general overview of the interim process as well as answers to some pertinent questions

(<https://www.uspto.gov/patents/patent-trial-and-appeal-board/procedures/arthrex-qas>

). The USPTO is also accepting suggestions for the non-interim review process at Director_Review_Suggestions@uspto.gov. It remains to be seen



to what extent these regulations will change as public comments are submitted.

Background

Arthrex concerned whether or not PTAB APJs exercised a level of authority consistent with their appointment as inferior officers by the Secretary of Commerce under the Appointments Clause of the Constitution.

The Federal Circuit, in considering the question, had held that APJs were principal officers, creating a constitutional violation, which it remedied by removing the tenure provisions enjoyed by APJs, making them removeable at will by the Secretary. *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019).

The Supreme Court took a different tack, holding, with two distinct majorities patched together to form the ruling of the court, that APJs wielded authority inconsistent with the method of their appointment, and the proper remedy was to allow the Director to unilaterally review their final written decisions in *inter partes* review proceedings.

In response to this decision, the USPTO has released information on an interim implementation of review by the Director.

Availability of Review

Under the PTAB's interim procedure, review of a final written decision may be initiated by the Director *sua sponte*, or by request of a party to a PTAB proceeding.

In the alternative, parties may request rehearing by the original PTAB panel.

However, if a party requests Director review in the first instance, without also requesting PTAB panel rehearing, and such review is not granted, that party waives its right to request panel rehearing.



In the event panel rehearing is granted, parties may request Director review of the panel's rehearing decision, regardless of whether or not a party originally sought review by the Director.

Third parties may not request Director review or submit comments concerning the Director's review of a particular case.

Timing of Review

The time for filing a request for rehearing by the Director is the same as requesting rehearing by the panel. 37 C.F.R. § 42.71(d) sets this time as 30 days. The USPTO has said that, as a general matter, the Director will not consider untimely requests, but may extend the deadline if a party requests such an extension before the due date of the request.

Additionally, parties whose deadline for filing a request for rehearing had expired at the time of the *Arthrex* decision (i.e., before June 21, 2021) may request a waiver of the deadline. However, request for such a waiver must be made before the due date for filing a notice of appeal under 37 C.F.R. § 90.3. This is no later than sixty-three days after the date of the final Board decision.

Requesting Review

Parties may request review by concurrently:

- (1) Entering a Request for Rehearing by the Director into PTAB E2E, and
- (2) Submitting a notification by email to Director_PTABDecision_Review@uspto.gov and copying counsel for all parties to the email.

Parties do not need to pay any fees to request review.



The Director may also initiate review *sua sponte*, in which event parties will be given notice and may be given an opportunity for briefing.

Context of Review

The USPTO has not released detailed procedures. The review, however, may address any issue, including issues of fact and law, and will be de novo.

Impact on Other Proceedings

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.

Additional Information

For more information, visit the USPTO's website for an [overview](#) and [questions and answers](#) concerning the interim Director review process. The USPTO is also hosting a [webinar](#) on Thursday, July 1, 2021 at 10:00 am ET to provide more information. For an overview of the PTAB trial process, please read our [practical law note on key PTAB Trial Milestones](#).

Parties, as well as members of the public, may also contact trials@uspto.gov with general or specific questions.

Finally, the USPTO is accepting suggestions with respect to the non-interim review process at Director_Review_Suggestions@uspto.gov. Whether or not the basic framework of the process will change in response to these suggestions remains to be seen.

We will continue to monitor the USPTO's implementation of Director review and will report on



new developments. In the meantime, feel free to contact us to learn more about how this decision may affect you.

Charles R. Macedo is a partner, David P. Goldberg and Chandler Sturm are associates, and Thomas Hart is a law clerk at Amster, Rothstein & Ebenstein LLP. Their practices specialize in intellectual property issues, including litigating copyright, trademark, patent and other intellectual property disputes. The authors can be reached at cmacedo@arelaw.com, dgoldberg@arelaw.com, csturm@arelaw.com, and thart@arelaw.com.