

4 Ideas For How The PTAB Could Provide More Guidance

By Ryan Davis

Law360 (February 2, 2018, 8:05 PM EST) -- Attorneys practicing at the Patent Trial and Appeal Board often lament that the board has created limited binding precedent about key issues. Here, attorneys offer ways the PTAB could improve its guidance, from streamlining the process for making decisions precedential to having top board officials review important cases.

The PTAB has received around 8,000 petitions for America Invents Act reviews and issued thousands of decisions instituting reviews, determining patentability and ruling on other issues. However, it has only designated 11 decisions in AIA proceedings precedential, making them binding in future cases.

That is not enough to provide needed guidance to litigants about the board's thinking on many important and recurring issues, attorneys say.

"There's a vacuum of information, which is frustrating for practitioners and for clients and makes the process very expensive," said Thomas Franklin of Kilpatrick Townsend & Stockton LLP.

Without a robust body of law, litigants will often raise arguments that have failed in the past with new panels in an effort to get a different result, said Jason Stach of Finnegan Henderson Farabow Garrett & Dunner LLP. That creates more work for parties and judges and sometimes leads to conflicting outcomes, he noted.

Parties are "incentivized to relitigate issues with other panels just because history shows they may succeed," he said.

With widespread agreement that the PTAB could provide more guidance, there's no shortage of suggestions about how that could be achieved, and PTAB officials say they are reviewing the board's policies in that regard. This is a look at some ideas that have been floated.

Streamlining the Process

The dearth of precedent is tied to the cumbersome process by which the PTAB makes rulings precedential, including a vote by all 275 of the board's judges.

The PTAB's standard operating procedure first requires the chief judge to decide whether a decision is appropriate for consideration as precedential. Each judge then has an opportunity to vote over a two-

week period, and the board holds meetings to discuss the pros and cons of making the decision precedential.

Since all the judges have a vote, those who handle only appeals from patent applications can vote on AIA review decisions, and vice versa. And even if a majority of the judges votes to make the decision precedential, the chief judge still has the final say and may decide against the designation.

At a meeting of the Patent Public Advisory Committee, PTAB Chief Judge David Ruschke said Thursday that the current system is a "fairly long and involved process" and that "well over 200 judges vote on every single issue." But he said the board has recently made changes to speed up the process.

PTAB officials have begun identifying issues where more case law would be helpful, so that potential precedential decisions can be identified early and the judges have time to write thorough opinions, he said. Also, a panel of more than a dozen judges reviews all the board's decisions and flags those that could be considered as precedential.

Attorneys say the board could do more to create additional binding precedent. One idea would be to shrink the number of judges who get a vote so that, for instance, only judges who handle AIA reviews get to decide whether to make those decisions precedential.

"It's a bit of an odd procedure to have to provide everyone with the opportunity," said Stach, the chairman of the PTAB Bar Association's trials committee.

Another way would be to assign much of the responsibility of designating precedential opinions to the board's lead judges, with the rest of the members having more of an advisory role, said Scott Kamholz of Covington & Burling LLP, a former PTAB judge, who noted that the board has added scores of judges since the current system was adopted.

While he said he doesn't believe that the logistics of the vote hinder anyone from suggesting possible precedential rulings, "if you concentrate authority in the leadership of the board, you can avoid that and streamline the process."

"The board doesn't establish enough ground rules and hasn't established a book for judges to go to and be guided by," Kamholz said. "That's what leaders are for."

En Banc Panel

Another way to give the senior PTAB judges a greater role in directing policy would be to create a kind of en banc review process at the board, where parties could ask to have decisions reviewed by a small panel of experienced judges, said Bob Steinberg of Latham & Watkins LLP, the president of the PTAB Bar Association.

Such a system would give unhappy parties a chance to have decisions reviewed by judges not involved in the original decision, while the board could inspire confidence in its decisions with authoritative internal reviews by top judges, said Steinberg, who outlined his proposal in a Law360 guest column last year.

"They would be the ones to decide close questions and smooth out rough spots," he said. "It would certainly help with predictability, which is what we need."

He proposed that litigants pay a reasonable but not insignificant fee to get reviews, maybe around \$10,000, in order to discourage frivolous requests, and that decisions by the en banc panel would be designated informative, meaning that they are not binding but provide guidance. The board could then consider making them precedential.

Regardless of designation, decisions by the en banc panel would carry substantial weight, having been issued by the board's top judges charged with reviewing key issues, Steinberg said.

Rather than wrangling the votes of hundreds of people, this arrangement would put key issues "in the hands of carefully selected, well-regarded people at the PTAB to help with the policy determinations," he said.

Expanded Panels

One approach the board has already been taking to provide more guidance is to convene expanded panels to rehear cases that deal with important issues. Chief Judge Ruschke said Thursday that the board may do that more frequently to ensure consistent outcomes, saying it is "intolerable" for litigants to be treated differently by different PTAB judges.

The current practice is for expanded panels to add the chief judge or other top judges to the panel that originally issued the decision, then to issue a new decision. Chief Judge Ruschke said such expanded panel decisions are aimed at sending a message to litigants and attorneys.

"When we expand a panel, it's meaningful, and you should be looking at that as a potential future change in jurisprudence or ... in terms of process and procedure before the board," he said.

The expanded panel practice has generated criticism, including from U.S. Supreme Court justices at a recent argument who said it could be used by PTAB officials to manipulate decisions and stack the deck in favor of certain outcomes.

Chief Judge Ruschke said that is not what he is doing and that judges are not added to the board because they are expected to vote a certain way. Ideally, the board will take a unanimous panel decision and put out a unanimous expanded panel decision to flag its importance and promote uniformity, he said.

In addition, he noted that he has the authority to unilaterally designate decisions as informative and will consider doing that more often, noting that such decisions are often then considered for precedential status.

Greater Public Involvement

Rather than wait for the PTAB to make rulings precedential, attorneys, parties and bar associations could aid the board by taking the initiative to highlight important decisions to be considered, said Kate Gaudry of Kilpatrick Townsend. Requests from the public that a decision be made precedential are allowed by law and encouraged by the PTAB, including by Chief Judge Ruschke at Thursday's meeting.

But for a 2015 Law360 guest column, Gaudry submitted a Freedom of Information Act request for the number of such requests and found that only one had been made in the previous 12 years. While she doesn't have current data, she said the number likely hasn't increased much since then.

If attorneys or patent groups were to write to the PTAB and say a decision addresses an important decision and everyone should read it, "I think the chief judge would give that serious consideration," Kamholz said. "That would be a very good function for a bar association."

Patent attorneys with an interest in developing a body of PTAB case law have a responsibility to call the board's attention to well-reasoned decisions, Gaudry said, though she acknowledged that doing so can be a challenge.

"You want to hit a few different points about why the decision should be precedential, because now the default is that it's not," she said. "You really have to justify this one being different from 99 percent of opinions."

However it arrives, additional guidance from the PTAB would make its decisions more uniform and improve public confidence in the board, Steinberg said.

"We shouldn't have to be waiting around to get the PTAB's views when they probably have a view," he said.

--Editing by Mark Lebetkin and Aaron Pelc.