



USPTO's PTAB Proposals Under Congress Microscope

Managing IP

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Counsel debate whether criticisms of Kathi Vidal and the USPTO's Advance Notice of Proposed Rulemaking on PTAB petitions have merit

Lawyers who regularly appear before the Patent Trial and Appeal Board and former USPTO employees are torn over whether Congress members were right to question the office's recent Advance Notice of Proposed Rulemaking.

The House Judiciary Subcommittee on Courts, Intellectual Property, and the Internet [held a hearing](#) on April 27 during which several Congress members questioned the ANPRM and suggested that the USPTO didn't have the authority to enact some of the proposed changes.

Zoe Lofgren, a Congress member from California, claimed that the ANPRM would reduce the time for petitioners to file inter partes reviews (IPRs) and thus didn't align with the America Invents Act (AIA).

One of the ANPRM's main proposals was to codify Fintiv, the rule introduced in 2020 that compels PTAB judges to discretionarily deny IPRs on the basis that parallel district court cases will finish first.

As part of this, the USPTO proposed using a district court's median time to trial to determine whether to discretionarily deny petitions.

In the ANPRM, the USPTO said there should be an exception to Fintiv if petitioners file an IPR within six months of being sued.

Congressional concerns

Lofgren noted during the April 27 hearing that the AIA states that petitioners have up to one year to file an IPR petition from the date they are sued.

"The USPTO's proposal to shorten the 315(b) deadline clearly contradicts the text of the AIA and could create the very problems that Congress sought to avoid by enacting the AIA," she said.

The hearing also addressed issues such as director review and subject matter eligibility.

Speaking to Managing IP, some sources say Lofgren and other Congress members were right to raise statutory concerns.

Joseph Matal, partner at Haynes and Boone in Washington DC and former USPTO acting director, says the proposal effectively creates a six-month deadline.

"Every reasonably prudent lawyer filing an IPR will have to treat it as a six-month deadline," he says.

USPTO director Kathi Vidal stated during the hearing that she was unaware that anything was inconsistent with the statute.

She added that the office wanted to hear from stakeholders about whether it had the authority to carry out these provisions.

Spotlight on Vidal

Scott McKeown, chair of Ropes & Gray's PTAB practice in Washington DC, suggests that this comment wasn't the best way to respond to concerns.

"When you sit before Congress and tell them that you're waiting for the public to tell the expert agency what it has the power to do, that's a serious misstep," he says.

Vidal also said in the hearing that the ANPRM contained a myriad of options – provisions that the USPTO wanted to move forward with and others proposed by stakeholders.

Matal at Haynes and Boone says he found that statement odd.

"If you're putting concrete proposals out there for how to amend the regulations, you have to stand behind those. All of this affects real people," he says.

But other sources believe the USPTO has a good case for its authority to implement these proposals.

Nicholas Matich, principal at McKool Smith in Washington DC and former acting general counsel at the USPTO, says the AIA gave the office director a lot of discretion.

He notes that when Congress makes that choice to give an office director such discretion, individual members are going to disagree with how the agency exercises that power.

"I agree with the members that it would be far more preferable for Congress to work out some of the details through legislation, but some of the issues that are addressed in the rulemaking may be necessary for the consistent functioning of the PTAB," he says.

Joshua Goldberg, leader of Finnegan's PTAB trials section in Washington DC, adds that a lot of Congress members were expressing desires during the hearing to do something legislatively.

"But they're legislators. If they want to do that, they need to do that," he says.

Now what?

Despite the criticisms from Congress, counsel generally believe the USPTO should move forward with the ANPRM.

McKeown at Ropes & Gray says the USPTO has committed to receiving comments anyway.

He expects, however, that the office will issue a much more modest rule package further down the line and will probably cite public comments as reasons not to implement certain proposals.

"I'm pretty sure the agency got the message that it needs to take a couple of steps back," he says.

Matal at Haynes and Boone says the office should withdraw its ANPRM.

"The hearing seemed to go quite badly for them. They should just throw it out and put out something they're willing to stand behind," he says.

But Goldberg at Finnegan says he doesn't see what the USPTO could do differently.

"It may be that some stakeholders don't like what's ultimately proposed, but it's not clear what other option the USPTO has," he says.

Regardless of what the USPTO does, it may want to take this feedback on board to avoid generating this much controversy next time it wants to change the rules.