

Congress of the United States
House of Representatives
Washington, DC 20515-1004

June 2, 2021

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Dodaro:

We write to request that the Government Accountability Office (GAO) undertake the following review into recent developments involving the Patent Trial and Appeal Board (PTAB) at the U.S. Patent and Trademark Office (USPTO).

USPTO Director Oversight and Control of PTAB Decisions

Congress created PTAB in the Leahy-Smith America Invents Act (AIA) as a tribunal in which judges with expertise in patent law adjudicate disputes about a patent's validity.¹ These judges, known as Administrative Patent Judges (APJs), are appointed by the Secretary of Commerce in consultation with the Director of the USPTO.²

Recently, the Supreme Court granted certiorari in *United States v. Arthrex, Inc.*, an appeal from a Federal Circuit decision that determined that APJs were "primary officers of the United States" and, thus, unconstitutionally appointed without Senate confirmation.³ In that appeal, the government's position is that APJs are instead "inferior officers" who do not require Senate confirmation because they are subject to significant oversight and control by the Director of the USPTO, who is a Senate-confirmed political appointee.⁴ The government argues that this control includes, for example, the ability of the Director to dictate the outcome of PTAB cases by controlling which APJs decide which cases (i.e., APJs who will decide each case as the Director wishes) and by providing policy directives that APJs are obligated to follow.⁵

If the government's arguments are accurate, PTAB cases may have been decided based on factors outside of the evidentiary record and public legal authority (e.g., statutes, regulations, court precedents) available to the parties. This possibility raises potential due process concerns and

¹ See Leahy-Smith America Invents Act, Pub. L. 112-29, §§ 6, 7, 18 (2011).

² 35 U.S.C. § 6(a).

³ See *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019).

⁴ Reply and Response Brief for the United States at 1-2, *United States v. Arthrex, Inc.*, Nos. 19-1434, 19-1452, 19-1458 (2020).

⁵ *Id.* at 6-17.

would be inconsistent with the intent of Congress in enacting the AIA. Therefore, we request that the GAO investigate the following:

- The mechanisms available to the Director to influence APJ decisions (including institution decisions, final written decisions, and interlocutory decisions) in AIA cases, such as prescribing or changing APJs on a panel, *ex parte* communications with APJs on a panel, formal review of a decision such as through the Precedential Opinion Panel (POP), personnel actions taken or threatened against APJs, or similar actions.
- The policies, written or unwritten, that exist at the USPTO to effectuate each of the above mechanisms, as well as the statutory or other legal authority that forms the basis for each of the above mechanisms.
- How APJs understand the role of the Director in the decisions they reach in AIA cases, including APJs' awareness of the above mechanisms and associated policies and the number of APJs who have been subject to one or more of them. Also, the impact that the exercise of these mechanisms and policies have had on the decision-making of APJs in AIA cases.
- Whether any APJs have objected or dissented, or attempted to object or dissent, to the above mechanisms and policies, or the exercise of those mechanisms and policies in specific AIA cases. If so, the results of those objections and the processes that were made available to APJs to object or dissent. Also, how APJs understand the extent to which they may object or dissent.
- How often the Director, or a designate thereof, has directly influenced or changed a decision in a specific AIA case (i.e., inter partes review, post-grant review, or covered business method review). Also, the way those decisions were influenced or changed by the Director, and the mechanisms that were used to influence or change those decisions.
- Whether specific notice was provided to the parties in those cases indicating that the Director, or designate thereof, was influencing or changing a decision in the case, and the information included in any such notice. Also, whether the decisions themselves document that influence or change, and explain the reasoning or justification for it.
- Whether parties in AIA cases where a decision was influenced or changed by the Director or Director-designate have an opportunity to be heard regarding that act, to appeal or seek rehearing of the decision based on an alleged error in that act or its effect on the decision, or seek an independent review of that act or its impact on the decision (e.g., in an Article III court).
- Whether stakeholders and the public are aware of the above mechanisms and policies, and the extent to which they have been used to influence or change decisions in AIA cases. What are their opinions of those mechanisms and policies and their use?

We recognize that certain aspects of this review could be relevant to litigation currently pending before the U.S. Supreme Court in *United States v. Arthrex, Inc.* To the extent that these issues remain in active litigation, we will work with GAO to adjust the scope of the request as necessary. If you have any questions regarding this inquiry, please contact Committee staff at (202) 226-6906. Thank you for your attention to this request.

Sincerely,



Henry C. "Hank" Johnson, Jr.
Chairman
Subcommittee on Courts, Intellectual
Property, and the Internet



Darrell Issa
Ranking Member
Subcommittee on Courts, Intellectual
Property, and the Internet