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§ 1:1 Evolution of the Leahy-Smith America Invents Act

The Leahy-Smith America Invents Act\(^1\) was signed into law by President Obama on September 16, 2011, and represents the most comprehensive revision of the patent law since the Patent Act of 1952.\(^2\) The AIA’s goal is to improve patent quality by focusing both on applications before a patent issues and on post-grant procedures in the U.S. Patent and Trademark Office (USPTO) and courts.

§ 1:1.1 Recommendations for Patent System Reform

Congress has long been concerned with the effect of low-quality patents on innovation and in improving patent quality.\(^3\) Congress was not alone in its concern—there was also a growing consensus on the part of industry and certain government agencies that the PTO was issuing low-quality patents. Though most believed the patent system was fundamentally healthy, bad patents and the difficulty and expense of challenging them were stifling innovation.

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1. America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) [hereinafter AIA]. See also Appendix A, where the America Invents Act is reprinted in its entirety.
[A] The FTC Report and NRC Report

The Federal Trade Commission (FTC) and the National Research Council (NRC) conducted multi-year studies on the patent system and its need for reform, and issued reports in 2003 and 2004, respectively. The FTC Report made several recommendations for enacting legislation to improve patent quality and address other issues of concern, including:

1. create a new administrative procedure to allow post-grant review of and opposition to patents;
2. specify that challenges to the validity of a patent are to be determined based on a “preponderance of the evidence”;
3. require publication of all patent applications eighteen months after filing;
4. create intervening or prior-user rights to protect parties from infringement allegations that rely on certain patent claims first introduced in a continuing or other similar application; and
5. enact legislation to require, as a predicate for liability for willful infringement, either actual, written notice of infringement from the patentee, or deliberate copying of the patentee’s invention, knowing it to be patented.

Among the NRC Report’s recommendations were

1. an open review “procedure for third parties to challenge patents after their issuance in a proceeding before administrative patent judges of the USPTO” on “any of the statutory standards—novelty, utility, non-obviousness, disclosure, or enablement—or even the case law proscription on patenting abstract ideas and natural phenomena”;
2. modifying or removing the subjective elements of litigation that depend on an assessment of a party’s state of mind at the time of the patent application or the time of the alleged

5. See FTC REPORT at 7–17.
6. NRC REPORT at 82.
7. Id. at 6.
infringement (that is, best mode, willful infringement, and inequitable conduct), the investigation of which “requires time-consuming, expensive, and ultimately subjective pretrial discovery, a principal source of soaring litigation costs”; and international harmonization: “Differences that among others are in need of reconciling include application priority (‘first-to-invent’ versus ‘first-inventor-to-file’), the grace period for filing an application after publication, the ‘best mode’ requirement of U.S. law, and the U.S. exception to the rule of publication of patent applications after 18 months.”

Although many of the proposals, such as having the United States switch to a “first-inventor-to-file” system, were not new, the time was ripe for legislative action.

[B] Patent Reform Bills

Consensus, however, did not lead to swift enactment. The first bill was introduced in June 2005, more than seven years before the AIA was finally signed into law. Table 1-1 lists the various patent reform bills introduced prior to enactment of the AIA.

Table 1-1
Leahy-Smith America Invents Act Legislative History

<table>
<thead>
<tr>
<th>Congress</th>
<th>Bills</th>
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8. *Id.* at 7.
9. *Id.* at 83.
10. S. 1145 and H.R. 1908 were parallel bills that were substantially identical, as noted by Senator Leahy in introducing Senate Bill 1145. See 153 CONG. REC. S4685 [Apr. 18, 2007].
111th Congress (2009–2010)


Patent Reform Act of 2009, H.R. 1260 (2009).\textsuperscript{11}

nature of substitute).

112th Congress (2011–2012)

Patent Reform Act of 2011, S. 23 (2011) (renamed the “America
Invents Act”).

America Invents Act, H.R. 1249 (Mar. 30, 2011) (renamed the
“Leahy-Smith America Invents Act”) (House and Senate bill
sponsors agreed to a compromise on the differences between
the House and Senate bills and the House-passed bill was
passed by the Senate without amendment).

A detailed and comprehensive legislative history of the AIA is
contained in an excellent two-part article by Joe Matal, “A Guide
to the Legislative History of the America Invents Act.”\textsuperscript{12} No attempt
will be made here to duplicate the exhaustive review contained in
the Matal article. Nevertheless, it is interesting to look at what
was contained in the first version of what became the AIA—that is,
June 8, 2005, by Representative Lamar Smith (R-TX).

\section*{§ 1:1.2 The Patent Reform Act of 2005}

It is evident that H.R. 2795 proposed comprehensive changes
to diverse aspects of patent law and addressed many of the issues
in the FTC Report and NRC Report. Many of these proposals, in one
form or another, were ultimately included in the AIA.

Among the proposed changes included in H.R. 2795 were:

(1) switching the United States from a first-to-invent to a first-
inventor-to-file system with a grace period, and redefining

\textsuperscript{11} S. 515 and H.R. 1260 were parallel bills.

\textsuperscript{12} Joe Matal, \textit{A Guide to the Legislative History of the America Invents Act},
[part II]. The various bills and the \textit{Congressional Record} cited in the
articles are readily available online. A list of legislative events and reports
with hyperlinks is on the USPTO AIA Resource web page [www.uspto.gov/
aia_implementation/resources.jsp] and on the Leahy-Smith America
Invents website [http://patentreform.info/legislative-history.htm].
what constitutes “prior art” to accommodate a first-inventor-to-file system;\(^\text{13}\)

(2) authorizing “inventor’s rights contests” (that is, derivation proceedings) to allow the PTO to determine which applicant is entitled to a patent;\(^\text{14}\)

(3) adding a post-grant opposition proceeding of a patent by a panel of administrative patent judges on any patentability ground if a request is filed within nine months from the grant of a patent (first window) or not later than six months from the patent owner alleging infringement (second window);\(^\text{15}\)

(4) modifying the estoppel provision for *inter partes* reexamination in section 315(c) to delete “or could have raised” so the requester is estopped only as to the arguments actually made to the PTO;

(5) reforming the inventor’s oath requirement\(^\text{16}\) and expanding the rights of assignees to seek patents;\(^\text{17}\)

(6) allowing third parties to submit prior art and explain its relevance with respect to an application;\(^\text{18}\)

(7) eliminating the best mode requirement;\(^\text{19}\)

(8) repealing the “deceptive intent” restrictions in the Patent Code;\(^\text{20}\)

(9) modifying the inequitable conduct doctrine so that violations of the duty of candor would be adjudicated solely by the PTO and would not be an invalidity defense;\(^\text{21}\)

(10) mandating eighteen-month publication for all applications (including eliminating 35 U.S.C. § 122(b)(2)(B), which allows U.S. applicants who do not wish to file for a foreign patent to opt out of publication);\(^\text{22}\)

\(^{13}\) H.R. 2795 § 3(a)–(b).

\(^{14}\) *Id.* § 3(i).

\(^{15}\) *Id.* § 9(f).

\(^{16}\) *Id.* § 4(b).

\(^{17}\) *Id.* § 4(c).

\(^{18}\) *Id.* § 10.

\(^{19}\) *Id.* § 4(d).

\(^{20}\) *Id.* § 5(c).

\(^{21}\) *Id.* § 5(a).

\(^{22}\) *Id.* § 9(a).
(11) limiting damages for willfulness and raising the standard of proof to show willfulness;\(^{23}\)

(12) limiting patentees’ access to injunctions;\(^{24}\)

(13) authorizing the Director to regulate the circumstances under which continuations may be filed and be entitled to the priority date of the parent application;\(^{25}\) and

(14) expanding prior user rights in section 273 from “methods of doing or conducting business” to “commercially used, or made substantial preparations for commercial use of, the subject matter before the effective filing date of the claimed invention.”\(^{26}\)

Controversial aspects of the various bills—which are outside the scope of this treatise—included the standards for awarding damages, willfulness and inequitable conduct (two of the three subjective provisions in patent litigation), prior user rights, venue for infringement litigation, and interlocutory appeals of claim construction.

\section*{§ 1:2 Evolution of AIA’s New Post-Issuance Patent Challenge Procedures}

One of the major concerns reflected throughout the seven-year journey to the AIA was the perception that questionable patents are easily obtained but difficult to challenge before the PTO. Challenging such patents in litigation was prohibitively expensive and time-consuming.\(^{27}\) This led to calls for developing new procedures through which third parties could challenge questionable patents.

\section*{§ 1:2.1 Addressing the Limitations of the Ex Parte Reexamination Process}

Processes for challenging patents already existed. The \textit{ex parte} reexamination process, enacted in 1980, permits a patent owner or a third-party requester to file a request for the PTO to reexamine patents for patentability based on prior-art patents and printed...
publications. The *ex parte* reexamination statute, however, had several limitations as an alternative to litigation:

1. the scope of reexamination request was limited to prior art patents or publications under section 102 or section 103 (later determined to include double patenting) and could not consider issues based on other aspects of section 102, section 101 or section 112;

2. a third-party challenger had no right to participate after reexamination was ordered, while the patent owner participated as if in a regular application, including the right to conduct in-person or telephonic interviews with the examiners;

3. a third-party requester had no right to appeal decisions favorable to patentability to the Board or to the Federal Circuit; and

4. the proceedings often took several years to complete despite the requirement for "special dispatch," partly because of the time for an appeal after the reexamination.

To address these shortcomings, Congress created the *inter partes* reexamination procedure in 1999, in which the third-party requester was permitted to comment on every patent owner response. Nevertheless, during the first several years, *inter partes* reexamination was seldom used. "Over the 5-year period studied by the PTO, it issued 900,000 patents and received only 53 requests for inter partes reexamination." Among the reasons given for this were:

1. the third-party requester was estopped from asserting in a civil action the invalidity of any claim finally determined to be patentable on any ground which the requester "raised or could have raised" during the *inter partes* reexamination proceeding;

2. as with *ex parte* reexamination, the grounds were still limited to prior-art patents or printed publications cited under 35 U.S.C. § 301;

3. although the third-party requester could appeal to the Board from any decision favorable to the patentability of any original or proposed amended or new claim, the third-party requester could not appeal the decision of the Board; and, importantly,

4. *inter partes* reexamination was not available for patents filed before November 29, 1999.

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29. 35 U.S.C. § 315(c).
30. 35 U.S.C. §§ 134(c), 315(b).
Congress amended the law in 2002 to provide that a third-party requester “may appeal [to the Federal Circuit] under the provisions of sections 141 through 144” and may participate in patent owner appeals.\footnote{31} Another reason requesters were reluctant to use \textit{inter partes} reexamination was the fear that reexamination would unduly favor the patentee.\footnote{32} The fact that \textit{inter partes} reexamination was not being used as a true alternative to litigation was a significant motivation underlying the call for the creation of a new post-grant review proceeding.

Several (sometimes inconsistent) goals underpin the post-grant procedures created in the AIA. One goal was to replace the examination-based model of reexamination, where the examiner has the burden of establishing unpatentability, with an adjudicative model before the new Patent Trial and Appeal Board (PTAB or “\textit{Board}”),\footnote{33} where the third-party requester has the burden of proof. Another goal was to ensure swift decisions. Every patent reform bill required that the new proceedings be decided in, not later than, one year, though most bills provided that the time could be extended by six months for good cause shown. The bills provided limited opportunity for amendment, usually once, but sometimes patent owners could further amend for good cause. As with reexamination proceedings, no broadening of original patent claims was permitted.

Some of the bills proposed that \textit{inter partes} reexamination be maintained in Chapter 31 and that a post-grant review proceeding be added in Chapter 32. This was the approach in the Patent Reform Act of 2005. One proposal was to convert \textit{inter partes} reexamination in Chapter 31 into a post-grant review proceeding.\footnote{34} Another proposal involved repealing the optional \textit{inter partes} reexamination procedures and adding a Chapter 32 for post-grant review procedures.\footnote{35} Yet another approach was to repeal \textit{inter partes} reexamination, but create “first-period proceeding” and “second-period proceeding” with different times for filing and different scopes of review.\footnote{36} The approach finally adopted in the AIA was to amend Chapter 31 to convert “\textit{inter partes} reexamination” into “\textit{inter partes} review” and to add Chapter 32 directed to “post-grant review procedures.”

Two principal factors that shaped the new post-grant review procedures were the scope of the review at the PTAB and the timing

\footnote{32. \textit{See}, \textit{e.g.}, FTC \textit{REPORT} at 16.}
\footnote{33. \textit{See} section 1:4, \textit{infra}.}
\footnote{34. S. 3818 [2006].}
\footnote{35. S. 1145 [2007], as amended.}
\footnote{36. S. 3600 [2008].}
of the filing. A new procedure, it was felt, should permit consideration of more than anticipation or obviousness over prior art patents and printed publications, but it would be unfair to the patent owner to allow requesters to challenge the patent on any ground throughout its life.

§ 1:2.2 Different Approaches of Proposed Legislation to Key Issues

The final provisions of inter partes review Chapter 31 and post-grant review Chapter 32 were largely finalized in the Patent Reform Act of 2010, S. 515 [an amendment in the nature of a substitute], except for minor changes liberalizing time limits and other restrictions on inter partes review that apply in civil litigation and adding provisions relating to intervening rights from H.R. 1249. Below is a brief summary of the different approaches to some of the key issues.

[A] Threshold

The various bills addressed what the threshold should be for instituting an inter partes reexamination. The old threshold for inter partes reexamination was a “substantial new question of patentability.” H.R. 2795 proposed removal of the requirement that the substantial question of patentability be “new.”37 S. 3818 proposed a standard whereby the PTAB would determine whether “the information presented provides sufficient grounds to proceed.”38 S. 1145 proposed something similar to the old standard—reexamination was appropriate when the Director determined “that the information presented in the petition raises a substantial new question of patentability for at least 1 of the challenged claims.”39 S. 3600 would have enacted the same standard for both first-period and second-period proceedings. Namely, reexamination would be appropriate when the Director determined “that the information presented in the petition, if not rebutted, would provide a sufficient basis to conclude that at least 1 of the claims challenged in the petition is unpatentable.”40 In a petition for a first-period proceeding, this determination would have been satisfied “by a showing that the petition raises a novel or unsettled legal question that is important to other patents or patent applications.”41 S. 515 [as amended] proposed a threshold of a “substantial question of patentability exists for at least one claim in the patent” which, like H.R. 2795, eliminated the need for the question to be “new.”

37. H.R. 2795 § 325(a).
38. S. 3818 § 317.
39. S. 1145 § 327(a).
40. S. 3600 § 327(a).
41. Id. § 327(b).
42. S. 515 § 325(a) [as amended].
[B] Timing

One proposed approach was to allow the challenge of a patent on any ground if a post-grant proceeding is filed within a short time—for example, nine months after the patent or reissue patent was issued—and to permit the more limited inter partes reexamination procedure for the remainder of the patent term. This is essentially the approach adopted in the AIA, except that inter partes reexamination is replaced with inter partes review. However, the different bills varied widely in terms of the windows within which challenges could be mounted. H.R. 2795 provided that an opposition had to be filed not later than nine months after grant of the patent or not later than six months after receiving notice alleging infringement or, if the patent owner consented, an opposition request could be filed at any time during the period of enforceability. S. 3818 provided that a petition for cancellation had to be filed not later than twelve months after the date the patent issued or reissued unless the cancellation petitioner established a substantial reason to believe that the continued existence of the challenged claim causes or is likely to cause the petitioner significant economic harm. S. 1145 allowed reexamination if

1. the petition was filed not later than twelve months after grant of the patent or issuance of a reissue patent,

2. the petitioner established “a substantial reason to believe that the continued existence of the challenged claim in the petition causes or is likely to cause the petitioner significant economic harm” and is filed within twelve months after receiving notice, explicitly or implicitly, that the patent owner alleges infringement, or

3. the patent owner consented in writing.

S. 515 also would have allowed a challenge of the granted patent at any time with patent owner consent.

[C] Scope of Review

The scope of review for the post-grant reviews went through various iterations, but generally allowed a broader scope of review for proceedings initiated immediately after patent issuance. In the 2005 act, the scope of review was defined as “double patenting and any of the requirements for patentability set forth in sections 101, 102, 103, 112, 101. H.R. 2795 § 323.
44. S. 3818 § 312.
45. S. 1145 § 322.
46. S. 515 § 322.
and 252(d).\textsuperscript{47} In S. 3818, the standard was “any ground which might be raised under section 282[a][2] and [3] (relating to invalidity of the patent or any claim),”\textsuperscript{48} and S. 1145 had a similar provision.\textsuperscript{49} S. 3600 proposed different scopes of review for first-period and second-period proceedings. During the first period, the scope extended to “any ground that could be raised under paragraph [2] or [3] of section 282[b] [relating to invalidity of the patent or any claim],”\textsuperscript{50} while the scope of review during the second period was more restricted and based “only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.”\textsuperscript{51} In S. 515, the standard initially was “any ground that could be raised under section 282 [relating to invalidity of the patent or any claim].”\textsuperscript{52} The standard that was eventually adopted was “any ground that could be raised under paragraph [2] or [3] of section 282[b] [relating to invalidity of the patent or any claim].”\textsuperscript{53} S. 515 amended section 282 so that section 282[b][2] relates to any ground that is a condition of patentability and section 282[b][3] is any requirement of section 112 except best mode or a requirement of section 251.

[D] Estoppel

A major and potentially far-reaching consideration was the estoppel effect of a final decision in a post-grant review proceeding on subsequent PTO proceedings or civil actions. The goals of estoppel are to prevent piecemeal litigation, promote finality, and prevent harassment through concurrent or subsequent proceedings. The basic question was whether estoppel should be limited to grounds that were actually raised or whether it should extend to all grounds that the requester could have raised.

H.R. 2795 provided estoppel for any subsequent proceeding or to a civil action as to “any issue of fact or law actually decided by the panel and necessary to the determination of that issue,” except where the opposer demonstrates “that there is additional factual evidence that is material to an issue of fact actually decided and necessary to the final determination in the opposition proceeding, that could not reasonably have been discovered by the opposer.”\textsuperscript{54} S. 3818’s estoppel provisions stated that if final decision in post-grant review was favorable to patentability, petitioner was estopped “based

\textsuperscript{47} Id. § 324.
\textsuperscript{48} S. 3818 § 311.
\textsuperscript{49} S. 1145 § 321.
\textsuperscript{50} S. 3600 § 321[b][1].
\textsuperscript{51} Id. § 321[c][1].
\textsuperscript{52} S. 515 § 321.
\textsuperscript{53} Id. § 321[b]. These changes were introduced via a manager’s amendment.
\textsuperscript{54} H.R. 2795 § 336[a].
on any ground which the cancellation petitioner raised during
the post-grant review proceeding” from requesting or maintaining
a PTO proceeding or asserting the invalidity of any such claims in
any civil action, but a decision on a petition after the normal twelve-
month window (based on allegations of “significant economic harm”) extends estoppel to any grounds that petitioner raised or could have raised.\textsuperscript{56} H.R. 1908 would have barred petitioners from raising any issues they previously raised in reexamination, requesting a derivation proceeding with respect to such claim, requesting a post-grant review, asserting invalidity in a civil action, or asserting invalidity before the International Trade Commission (ITC). S. 3600 adopted different estoppel provisions for first-period and second-period proceedings. In the first period, estoppel would have extended to any ground petitioner actually raised during a first-period review and to any ground petitioner raised or could have raised during a second-period proceeding.\textsuperscript{58}

[E] Discovery

H.R. 2795 proposed allowing the patent owner and the petitioner
the right to depose each person submitting an affidavit or declaration,
and such additional discovery as “required in the interest of justice.” S. 3818, S. 3600, and S. 515 all limited discovery to evidence directly related to factual assertions advanced by either party in the proceedings. H.R. 1908 limited discovery to evidence directly related to factual assertions advanced by either party in the proceedings or as required in the interest of justice.

[F] Sanctions

The standard proposed by H.R. 2795 for sanctions was that if a
party fails to properly respond to discovery, “the panel may draw
appropriate adverse inferences and take other action permitted by
statute, rule, or regulation.” S. 3818 authorized sanctions “for abuse
of discovery or abuse of process to the extent authorized in U.S.
district courts by rules 11 and 37 of the Federal Rules of Civil
Procedure.” H.R. 1908’s proposal became law under the AIA,

\textsuperscript{55} S. 3818 § 323(a).
\textsuperscript{56} S. 3818 § 323(b).
\textsuperscript{57} H.R. 1908 § 335.
\textsuperscript{58} S. 3600 § 322(d).
\textsuperscript{59} H.R. 2795 § 328(a)–(b).
\textsuperscript{60} S. 3818 § 315(a)–(3); S. 3600 § 329(a)(5); S. 515 § 329(c).
\textsuperscript{61} H.R. 1908 § 329(a)(5).
\textsuperscript{62} Id. § 329(b)(2).
\textsuperscript{63} H.R. 2795 § 328(d).
\textsuperscript{64} S. 3818 § 315(b)(3).
allowing sanctions “for abuse of discovery, abuse of process, or any other improper use of the proceeding, such as to harass or to cause unnecessary delay or unnecessary increase in the cost of the proceedings.”

§ 1:3 New Post-Grant Patent Procedures Under the AIA

The AIA converts inter partes reexamination from an examination-based proceeding to an adjudicative proceeding before the Board, renamed “inter partes review” (IPR), adds a new PTO “post-grant review” (PGR) proceeding, and adds an uncodified Transitional Program for Covered Business Methods (TPCBM) (which expires after eight years).

§ 1:3.1 Overview of Inter Partes Review, Post-Grant Review, and Transitional Program for Covered Business Methods

IPR, PGR, and TPCBM share many similarities, but also differ in some aspects. Below is a brief discussion of the procedures. These differences, as well as the similarities, are discussed in fuller detail in the IPR, PGR, and TPCBM chapters.

[A] Threshold

IPR: The threshold for instituting an inter partes review is a “reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” The threshold for initiating an IPR is elevated from “substantial new question of patentability”—a standard that allowed about 95% of all reexamination requests to be granted—to a standard requiring petitioners to present information showing that their challenge has a reasonable likelihood of success. Under the old inter partes reexamination standard, it was possible that a “substantial new question of patentability” could be present without a prima facie case of unpatentability existing. The new threshold requires that the petition demonstrate a persuasive showing of unpatentability taking into account any patent owner’s preliminary response.

65. H.R. 1908 § 329(b)(3).
65.1 See section 15:8 for a discussion of parallel USPTO proceedings and a fourth patentability determination proceeding—Supplemental Examination (SE)—in which a patent owner may request supplemental examination of a patent in the Office in order to consider, reconsider, or correct information believed to be relevant to the patent.
66. 35 U.S.C. § 314(a) [effective Sept. 16, 2012].
PGR: A petitioner must demonstrate it is “more likely than not that at least 1 of the claims challenged in the petition is unpatentable” or, alternatively, a showing there is a “novel or unsettled legal question that is important to other patents or patent applications.” 68

TPCBM: The same standards as post-grant review, plus petitioner must have been sued for infringement or charged with infringement with respect to a covered business method.

[B] Effective Date

IPR: The statute took effect on September 16, 2012, and applies to any patent issued before, on, or after that effective date. The limit on challenging patents issued from applications filed before November 29, 1999, which existed in inter partes reexamination, is eliminated.

PGR: A petition for PGR may only be filed as to patents described in section 3(n)(1) of the AIA, 69 that is, patents having an effective date on or after March 16, 2013, namely first-inventor-to-file patents.

TPCBM: Regulations issued to implement the TPCBM took effect on September 16, 2012, and apply to any covered business methods patent issued before, on, or after that effective date, except that the regulations shall not apply to a patent during the period in which it is subject to PGR. 70

[C] Scope

IPR: A ground that could be raised under 35 U.S.C. § 102 or § 103 on the basis of prior art consisting of patents and printed publication.

PGR: Any ground that could be raised under 35 U.S.C. § 282[b][2] or [3] (relating to the invalidity of the patent or any claim). 71

[D] Timing of Filing

IPR: An IPR cannot be filed until after the later of either nine months after the grant of a patent or issuance of a reissue of the patent or the termination of a PGR. 72 Parties who want to use IPR during litigation are required to obtain a filing date for their petition within one year after being served with a complaint alleging infringement of the patent. 73 Also, parties are barred from seeking or maintaining an

68. 35 U.S.C. § 324(a), [b].
69. AIA § 6(f)(2)[A].
70. AIA § 18(a)(2).
71. 35 U.S.C. § 321[b].
72. 35 U.S.C. § 311[e].
73. 35 U.S.C. § 315[b].
IPR if they have already filed an action for a declaratory judgment that the patent is invalid, but this bar does not apply to a declaratory judgment counterclaim.

**PGR:** A PGR petition must be filed no later than nine months after grant of the patent or the issuance of a broadened reissue patent.  

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### [E] Estoppel

**IPR and PGR:** A petitioner in an IPR or PGR proceeding is estopped from requesting or maintaining a proceeding before the PTO (such as an *ex parte* reexamination) with respect to that claim on “any ground that the petitioner raised or could have raised” during that proceeding.  

Similarly, the petitioner in an IPR or PGR proceeding is estopped from asserting in a civil action or ITC proceeding that the claim is invalid on “any ground that the petitioner raised or could have raised” during that proceeding.

**TPCBM:** A challenging party is only estopped in later litigation from raising issues that were actually raised. This estoppel, as with IPR and PGR, applies to both district court actions and proceedings before the ITC. The estoppel before later PTO proceedings extends to any issues that reasonably could have been raised.

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### [F] Procedures

**[F][1] Discovery**

**IPR:** Discovery shall be limited to “[A] the deposition of witnesses submitting affidavits or declarations; and [B] what is otherwise necessary in the interest of justice.”

**PGR:** Discovery “shall be limited to evidence directly related to factual assertions advanced by either party in the proceeding.”

**[F][2] Sanctions**

The AIA authorizes the Director to “prescrib[e] sanctions for abuse of discovery, abuse of process, or any other improper use of the proceeding, such as to harass or to cause unnecessary delay or an unnecessary increase in the cost of the proceeding.” Sanctions are uniform for all three proceedings. A variety of remedies are available, up to and including terminating sanctions.

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74. 35 U.S.C. § 321(c).
75. 35 U.S.C. §§ 315[e][1], 325[e][1].
76. 35 U.S.C. §§ 315[e][2], 325[e][2].
77. 35 U.S.C. § 316[a][5].
78. 35 U.S.C. § 326[a][5].
79. 37 C.F.R. § 42.12.
The default evidentiary standard is preponderance of the evidence.\footnote{35 U.S.C. §§ 316(e), 326(e).}

Each party has the right to an oral hearing.\footnote{35 U.S.C. §§ 316(a)(10), 326(a)(10).}

IPR, PGR, and TPCBM will be conducted before a panel of at least three Administrative Patent Judges of the Patent Trial and Appeal Board. Decisions may be appealed directly to the Federal Circuit. There is no judicial review of a PTAB final written decision by civil action in a federal district court.


In particular, a “dissent in the denial of institution based on the sufficiency of the evidence presented in the Petition, by itself, is not a reason to expand the panel.”\footnote{AOL Inc., IPR2014-00771 at 3.}

Once a petition for IPR or PGR has been filed by a third party, the patent owner has the right to file a preliminary response that sets forth reasons why no IPR or PGR should be instituted.\footnote{35 U.S.C. §§ 313, 323.}

In the old inter partes reexamination proceedings, the patent owner did not have the right to file a preliminary response.

IPR, PGR, and TPCBM must be completed by the PTO within one year of when the proceeding is instituted, except that the PTO can extend this deadline by six months for good cause or in the case of joinder. As shown in Figure 1-1 below, while the AIA requires that the PTAB complete the proceedings in twelve to eighteen months, there is up to a six-month “front end” before the PTO initiates the proceeding.
§ 1:3.2 Example of Post-Grant Proceedings Timeline

Upon filing a request for IPR (September 17, 2012, in the example), the patentee has a right to file a preliminary response within three months. Once the preliminary response period ends, the PTO has three months to make a determination whether or not to proceed.\(^{83}\) So, if the PTAB takes the entire three months, there will be a six-month delay from the time of filing to an actual determination.

Once the request is granted, the PTAB has twelve months to conclude the proceeding with a written decision. Figure 1-1 indicates some estimated times of the various discovery, amendment, and oral proceeding milestones. As previously mentioned, the Director can extend the twelve-month deadline by six months upon a showing of good cause or in the case of joinder. Thus, from start to finish (accounting for a front end of three to five months and an extension of up to six months), the proceeding will take from seventeen to twenty-three months. Thereafter, the written decision can be appealed to the Federal Circuit.

Even with an appeal to the Federal Circuit, the complete duration should not exceed three years—a significant improvement over the previous procedure’s six- to eight-year total timeline for inter partes reexamination and the associated appeals.\(^{84}\)

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83. 35 U.S.C. § 314(b).

84. The timing and duration of reexamination proceedings are often important factors considered by judges when responding to requests to stay litigation. See section 2:2.2[D], infra.
§ 1:4 History and Structure of the Board

The Board of Patent Appeals and Interferences (BPAI) became the Patent Trial and Appeal Board (PTAB or “Board”) on September 16, 2012. The name change reflects the change in its duties to conduct post-grant proceedings (trials) and to continue to decide appeals from examiners on applications for patents and ex parte reexamination proceedings. It also reflects the phasing out of interferences. The Board’s 150-year longevity reflects the importance of the role it has played in the patent system.

§ 1:4.1 Organizational History

[A] Names and Designations

The first appellate body, formed in 1861, consisted of three “examiners-in-chief,” but was not called a “board” or a “board of appeals.” The name changed to a “board of examiners-in-chief” in 1870, and to a “board of appeals” in 1927, when the requirement was also added that each appeal be heard by at least three members of the board of appeals. The examiners-in-chief and the board of appeals heard appeals from decisions of the primary examiner in applications, reissue applications, and interferences. In 1939, interferences were assigned to a separate “board of three examiners of interference,” and the “Board of Appeals” continued to decide appeals in applications. An applicant or any party to an interference could appeal or file a bill in equity from a decision of the Board of Appeals or the “Board of Interference Examiners.” In 1952, the “Board of Interference Examiners” became the “Board of Interferences.” The “Board of Appeals” and “Board of Interferences” were reunited in 1984 to become the “Board of Patent Appeals and Interferences.” The title of “Examiner-in-Chief” was changed to “Administrative Patent Judge” in 1999.

[B] Examiners/Judges

The number of examiners-in-chief was three from 1861 until 1916, when it was increased to five. The number was raised to six in


86. See AIA § 7 (codified at 35 U.S.C. § 6).

1927,\textsuperscript{88} to nine in 1930,\textsuperscript{89} and to “not more than fifteen” in 1958.\textsuperscript{90} The restriction on numbers was finally eliminated in 1982.\textsuperscript{91} The Commissioner was authorized to appoint examiners-in-chief on a temporary basis of ninety days in 1946. This authority was made permanent in 1950 for periods not exceeding six months; the provision for appointing acting examiners-in-chief was removed in 1999. The temporary acting examiners-in-chief did not count toward the limits in the statute. The present number of administrative patent judges stands at more than 140, with a goal of 200 judges.

Examiners-in-chief were “appointed by the President, by and with the advice and consent of the Senate” from 1861 until 1975. While Commissioners usually changed with each change in administration, examiners-in-chief generally remained in place. In 1975, the authority to appoint the examiners-in-chief was delegated to the Secretary of Commerce, and examiners-in-chief were “appointed under the classified civil service.” In 1984, examiners-in-chief were “appointed to the competitive service.” The title of “examiner-in-chief” was changed to “administrative patent judge” in 1999, and the statute provided that administrative patent judges are “appointed by the Director.” Because of possible constitutional challenges, this was changed to “appointed by the Secretary of Commerce, in consultation with the Director” in 2008.

[C] Board Duties and Responsibilities

The main functions of the Board since 1861 have been to decide appeals from adverse decisions in applications (including reissue applications) and to decide priority of invention in interferences between two applications or an application and an unexpired patent. In 1999, the Board also acquired jurisdiction over appeals in \textit{inter partes} reexamination proceedings. With the AIA, the Board retained its duty to decide appeals in applications and reexaminations, and assumes additional duties of conducting derivation proceedings and conducting \textit{inter partes} reviews, post-grant reviews, and covered business methods proceedings.

\textbf{§ 1:4.2 \hspace{1em} Historical Timeline}

\textbf{1790:} The Patent Act of 1790 provided for the “Secretary of State, the Secretary for the department of war, and the Attorney General, or any two of them, if they shall deem the invention or discovery sufficiently useful and important, to cause the letters patent to be made out” for a term not exceeding

\textsuperscript{88} Pub. L. No. 621, ch. 139, § 1, 44 Stat. 1098–99 [Feb. 14, 1927].
\textsuperscript{89} Pub. L. No. 112, § 1, 46 Stat. 155 [Apr. 11, 1930].
\textsuperscript{90} Pub. L. No. 85-933, § 1, 72 Stat. 1793 [Sept. 6, 1958].
fourteen years.\textsuperscript{92} There was no provision for any appeal from their decision, perhaps because of the high position of the granting officials. “Thomas Jefferson, who as Secretary of State was a member of the group, was its moving spirit and might well be called the ‘First Administrator of our Patent System.’ . . . He was not only an administrator of the patent system under the 1790 Act, but was also the author of the 1793 Patent Act.”\textsuperscript{93}

\textbf{1793:} The Patent Act of 1793 created a registration system where patents were granted on demand to anyone who fulfilled the formal requirements; therefore, appeals were not necessary.\textsuperscript{94} From 1793 to 1836, patents were granted purely on a registration basis.

\textbf{1836:} Dissatisfaction with unrestricted granting of patents and the evils of interfering patents granted under the registration system eventually led to revising the system of granting patents and providing a way for patentees to file suit to have an interfering patent declared invalid. The Patent Act of 1836 repealed the previous acts, established the Patent Office and the position of Commissioner of Patents, and provided for an examination system. The act provided as follows:

\begin{quote}
[T]he Commissioner shall make or cause to be made an examination of the alleged new invention or discovery; and if, on any such examination, it shall not appear to the Commissioner that the same had been invented or discovered by any other person in this country prior to the alleged invention or discovery thereof by the applicant, or that it had been patented or described in any printed publication in this or any foreign country, or had been in public use or on sale with the applicant’s consent or allowance prior to the application, if the Commissioner shall deem it to be sufficiently useful and important, it shall be his duty to issue a patent therefor.\textsuperscript{95}
\end{quote}

To provide some review of the action of the Patent Office, section 7 of the act stated that the Commissioner could refuse a patent, but provided that an applicant dissatisfied with a decision of the Commissioner could appeal and “have the decision of a board of examiners, to be composed of three disinterested persons, who shall be appointed for that

\begin{footnotes}
\footnote{92. Patent Act of 1790, ch. 7, § 1, 1 Stat. 109, 110 [Apr. 10, 1790].}
\footnote{93. Graham v. John Deere Co., 383 U.S. 1, 7 [1966].}
\end{footnotes}
purpose by the Secretary of State." Section 8 of the act pro-
vided for an interference proceeding between an application
and another application or an unexpired patent and the same
procedure for appeal. The "board of examiners" was an external
reviewing group. The decision of the board of examiners was
final in *ex parte* cases and in cases of an interference between
two applications, but the act provided that in the case of an
interference between an application and a patent, the applicant
or patentee could have remedy by bill in equity.\(^{96}\)

1839: The appeal procedure to a board of examiners involved
considerable delay and trouble. Letters had to be written to
three persons by the Secretary of State requesting them to
serve, and if any declined, additional letters were written
until three were found. Members of the Board had to meet
and establish rules for testimony, depositions, and dates for
hearings. Several hearings were often necessary. Appellants
were notified of the meetings so "that they may have an
opportunity of furnishing them with such facts and evidence
as they may deem necessary to a just decision." The appeal
reopened the matter for the introduction of additional
evidence, so that the appeal could be in effect a new trial.
The rules and proceedings were unsettled because different
individuals were appointed in different cases. It also became
difficult to find qualified persons to serve because of the
modest compensation relative to that of those patent attor-
nies who appear before the Board to argue their cases.\(^{97}\)

The appeal procedure was revised in 1839, which was an
act in addition to the Act of 1836, in accordance with
recommendations by the Commissioner. The appeals to a
board of examiners was repealed\(^ {98}\) and replaced by an appeal
to the chief justice of the U.S. District Court for the District
of Columbia.\(^ {99}\) The appeal was to the chief justice in person,
not to the court. The chief justice was paid an annual salary
of $100.\(^ {100}\) The new appeal omitted the provision relating to
furnishing new facts and evidence and provided that the
chief justice will "hear and determine all such appeals . . . on
the evidence produced by the Commissioner."\(^ {101}\) In addition,
the act extended the review by bill in equity, which had been

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96. *Id.* § 16.
99. *Id.* § 11.
100. *Id.* § 13.
101. *Id.* § 11.
limited in section 16 of the 1836 act to two interfering patents or the refusal of an application by the board on the ground that it would interfere with an unexpired patent, “to all cases where patents are refused for any reason whatever, either by the Commissioner of Patents or the chief justice of the district court of the United States for the District of Columbia.”

1852: The chief justice of the D.C. district court was Judge William Cranch. For thirteen years he was the sole judge to hear appeals from the Patent Office. However, in 1850 Judge Cranch was eighty years old, and because of age and infirmities, he ceased hearing and deciding patent cases. Since he was the only one authorized by law to decide an appeal, this created a problem. In 1852, Congress passed an act to remedy the situation by providing “that appeals provided for in the eleventh section of the act [of March 3, 1839] . . . may also be made to either of the assistant judges of the Circuit Court of the District of Columbia.” The provision for a $100 annual salary to the chief justice was repealed, and judges were paid $25 per appeal.

The new appeal procedure did not work well in practice because some applicants gamed the system—they refused to transfer their cases from Judge Cranch to one of the other judges as a delay tactic.

1861: The Patent Act of 1861 was the beginning of the present Board. The act created a system of two internal appeals within the Patent Office—one from examiners to three examiners-in-chief, and another from their decision to the Commissioner of Patents, in person:

That, for the purposes of securing greater uniformity of action in the grant and refusal of letters-patent, there shall be appointed by the President, by and with the advice and consent of the Senate, three examiners-in-chief. . . to be composed of persons of compotent [sic] legal knowledge and scientific ability, whose duty it shall be, on the written petition of the applicant for that purpose being

102. Id. § 10.
103. See Federico, supra note 85, 22 J. PAT. OFF. SOC’Y at 848–50.
104. Ch. 107, § 1, 10 Stat. 75 (Aug. 30, 1852).
105. Id. § 3.
106. Id. § 2.
filed, to revise and determine upon the validity of decisions made by examiners when adverse to the grant of letters-patent; and also to revise and determine in like manner upon the validity of decisions of examiners in interference cases . . .; that from their decisions appeals may be taken to the Commissioner of Patents in person, upon payment of the fee hereinafter prescribed. . . .

This was the first Board of Appeals, although the three examiners-in-chief were not referred to as a “board” or a “board of appeals.” The act did not require at least three examiners-in-chief to decide an appeal. The examiners-in-chief decided petitions from adverse decisions of examiners in applications and interference cases. No fee was required for an appeal, but a fee of $10 on an appeal was added in 1866 to discourage frivolous appeals.109

As P.J. Federico notes, “this statute merely enacted into law and further developed a practice which had grown up, through necessity, over a period of years. There was an appeal to the Commissioner, and also a board of examiners for some time before they appear in the law.”110 The system of two appeals within the Patent Office, to the three examiners-in-chief and to the Commissioner of Patents in person, remained in effect until 1927.

1863: In 1863, the circuit court was abolished and the Supreme Court of the District of Columbia was substituted. The new court had a chief justice and three associate justices. The court held General Terms (with the court sitting en banc or with at least three justices) and Special Terms (before a single justice). “[T]he individual justices of the new court succeeded to the jurisdiction to hear appeals from the Patent Office held by the judges of the abolished Circuit Court.”111 Appeals from the Commissioner were heard by the judges of the Supreme Court of the District of Columbia until 1870.

The system of appeal from 1852 to 1870 to one of three or four judges had a number of defects and abuses. Each judge could make his own rules of procedure and had different opinions on points of law; the manner of compensating judges for each appeal meant that the judges’ compensation depended

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110. Federico, supra note 85, 22 J. PAT. OFF. SOC’Y at 853.
111. Id. at 858.
on the number of cases, and which judge was selected was influenced by the judges’ decisions. By 1870, there was a strong movement for abolishing the appeal to the individual judges.

### 1870:

The patent laws underwent a general revision in 1870. The examiners-in-chief determined “the validity of the adverse decisions of examiners upon applications for patents, and for reissue of patents, and in interference cases.” The statute also stated that “every applicant for a patent or the reissue of a patent . . . and every party to an interference, may appeal from the decision of the primary examiner, or of the examiner in charge of interference[s], in such case to the board of examiners-in-chief.” Note the reference to a “board of examiners-in-chief,” instead of just “examiners-in-chief.” This is because the statute allowed a party dissatisfied with the examiner-in-chief’s decision to “appeal to the commissioner in person,” provided he paid the proper fee.

That statute provided that if “such party, except a party in interference, is dissatisfied with the decision of the commissioner, he may appeal to the supreme court of the District of Columbia, sitting in banc.” Thus the act abolished the appeal from the Commissioner for interference cases, but maintained it for ex parte cases. The important change was that the appeal was to the Supreme Court of the District of Columbia, sitting en banc (General Term), instead of to the individual judges. “With this change in the law the appeal from the Patent Office assumed a dignity and importance maintained to this day.”

The Patent Act of 1870 also provides for a bill in equity in ex parte cases: “That whenever a patent on application is refused, for any reason whatever, either by the commissioner or by the supreme court of the District of Columbia upon appeal from the commissioner, the applicant may have remedy by bill in equity.” The “either . . . or” language is discussed in connection with the Patent Act of 1927, below.

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112. See id. at 858–64.
114. Id. § 46.
115. Id. § 47.
116. Id. § 48.
117. Federico, supra note 85, 22 J. PAT. OFF. SOC’Y at 922.
The Revised Statutes of 1874 codified the general and permanent laws of the United States on December 1, 1873. The 1870 act was codified in sections 475–496 and 4883–4936 along with various other sections.\textsuperscript{119}

\textbf{1893:} The Judiciary Act of 1893 established the Court of Appeals of the District of Columbia, consisting of one chief justice and two associate justices.\textsuperscript{120} Appeals from the decision of the Commissioner of Patents, vested in the General Term of the Supreme Court of the District of Columbia, were vested in the new court of appeals.\textsuperscript{121} The act also reinstated the appeal in interference cases that had been abolished in 1870.\textsuperscript{122} This court heard appeals from the Commissioner of Patents from 1893 to 1929.

\textbf{1927:} Prior to 1927, the system of judicial review due to the “either . . . or” language proceeded along the following path:

\begin{quote}


\textsuperscript{120} Judiciary Act of 1893, ch. 74, § 1, 27 Stat. 434 [Feb. 9, 1893].

\textsuperscript{121} \textit{Id.} § 9.

\textsuperscript{122} \textit{Id.}.
\end{quote}
The Patent Act of 1927 made two important changes to simplify the review. First, it eliminated the appeal to the Commissioner of Patents and provided that “[t]he board of appeals shall have the sole power to grant rehearings.” There was a single appeal to a “board of appeals” (changed from “board of examiners-in-chief”) comprising the Commissioner, the assistant commissioners, and the examiners-in-chief, who decided appeals from “adverse decisions of examiners upon applications for patents and for reissues of patents and in interference cases.” The act also provided that “[e]ach appeal shall be heard by at least three members of the board of appeals.” Second, the act abolished the successive appeals to the

124. Id. § 3.
125. Id.
126. Id.; McCrady, supra note 85, § 230 (before 1927, decisions signed by two examiners-in-chief had the force of the whole Board).
court and the equity suit, and required the applicant or party to the interference dissatisfied with a decision of the board of appeals to choose. Under amended Revised Statute (R.S.) 4911 (35 U.S.C. § 59a), for appeal from the board, if the applicant appealed to the court, he or she waived the right to file a bill in equity under R.S. 4915 (35 U.S.C. § 63). A party to an interference who appealed could be forced into an equity suit if the opposing party elected.\textsuperscript{128}

The system of review after the 1927 act proceeded as follows:

\textbf{Figure 1-3}

\textbf{Review in Patent Appeals After 1927}

Examiner

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Appeal to the Board of Appeals

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Suit in equity

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Appeal to the Court of Appeals of the District of Columbia

\textbf{1929:} In 1929, the title of the U.S. Court of Customs Appeals was changed to the U.S. Court of Customs and Patent Appeals\textsuperscript{129} and jurisdiction vested in the Court of Appeals of the District of Columbia in respect of appeals from the Patent Office in patent and trademark cases vested in the U.S. Court of Customs and Patent Appeals.\textsuperscript{130}

\begin{itemize}
  \item \textsuperscript{127} Patent Act of 1927 § 8.
  \item \textsuperscript{128} Id.
  \item \textsuperscript{129} Pub. L. No. 914, ch. 488, § 1, 45 Stat. 1475–1476 (Mar. 2, 1929).
  \item \textsuperscript{130} Id. § 2.
\end{itemize}
1939: In 1939, 35 U.S.C. § 52\textsuperscript{131} (R.S. 4904) for interferences was amended to assign responsibility for determining priority of invention to a “board of three examiners of interference,”\textsuperscript{132} instead of a single primary examiner, and to eliminate the appeal from the primary examiner to the Board of Appeals in an interference.\textsuperscript{133} As before, an applicant for a patent dissatisfied with the decision of the Board of Appeals could elect to appeal the U.S. Court of Customs and Patent Appeals, in which case he or she waived the right to file a bill in equity under 35 U.S.C. § 63 (R.S. 4915). A party to an interference dissatisfied with the decision of the board of interference examiners could appeal to the U.S. Court of Customs and Patent Appeals, but such appeal would be dismissed if any adverse party elected to have further proceedings under 35 U.S.C. § 63.\textsuperscript{134} Thus, there were two separate boards within the Patent Office, a Board of Appeals and a board of interference examiners.

1952: The Patent Act of 1952 made major changes to the patent law, including the statutory formulation of nonobviousness as set out in 35 U.S.C. § 103. An excellent description of the act is provided by Federico, one of the drafters of the Patent Act of 1952.\textsuperscript{135} Of relevance to the Board, 35 U.S.C. § 135 provided that “[t]he question of priority of invention shall be determined by a board of patent interferences [consisting of three examiners of interference].” Note the change in title from a “board of interference examiners” to a “board of patent interferences.” The 1952 act also bifurcated the suit in equity under R.S. 4915 into two provisions that provided for a separate civil action\textsuperscript{136} under 35 U.S.C. § 145 for an “applicant dissatisfied with the decision of the Board of Appeals,” and a civil action under 35 U.S.C. § 146 for any “party to an interference dissatisfied with the decision of the board of patent interferences on the question of priority.”\textsuperscript{137}
Civil actions under section 145 and section 146 are historically based on “equity,” to authorize the Commissioner (now the Director) to issue a patent, and thus there is no right to a jury trial.

1958: The number of examiners-in-chief was changed from “nine” to “not more than fifteen.”

1975: The “Patent Office” was changed to the “Patent and Trademark Office,” and the “Commissioner of Patents” was changed to the “Commissioner of Patents and Trademarks.” The authority to appoint the examiners-in-chief in 35 U.S.C. § 3[a] was given to the Secretary of Commerce instead of the President. Examiners-in-chief were “appointed under the classified civil service.”

1980: The Board of Appeals acquired jurisdiction over appeals in (ex parte) reexamination proceedings when reexamination was enacted in 1980. In 1980, these were simply referred to as reexaminations. They did not acquire the name “ex parte” reexamination until 1999 when it was necessary to distinguish them from the new inter partes reexaminations.

1982: The U.S. Court of Appeals for the Federal Circuit was established in 1982. The statutes were amended by striking out “Court of Customs and Patent Appeals” and inserting “Court of Appeals for the Federal Circuit” in 35 U.S.C. §§ 141–146. Also, 35 U.S.C. § 3[a] was amended (1) to lift the restriction on the number of examiners-in-chief by deleting the phrase “not more than fifteen,” and (2) by indicating examiners-in-chief are appointed under the classified civil service.

1984: The separate “Board of Appeals” and “Board of Patent Interferences” were reunited in 1984 to become the “Board of Patent Appeals and Interferences,” who “shall, upon written appeal of an applicant, review adverse decisions of examiners upon applications for patents and shall determine priority and patentability of invention in interferences declared under

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141. Id.
section 135(a) of this title.”145 The language in 35 U.S.C. §§ 7, 134, 135a, 141, 145, 146, and 305 was amended to reflect the change.146 Section 7 of title 35 was amended to recite that the “examiners-in-chief shall be persons of competent legal knowledge and scientific ability, who shall be appointed to the competitive service.”147

Previously, the “Board of Patent Interferences” could only decide issues of “priority” and “matters ancillary thereto.” Patentability over the prior art was not considered “ancillary,” and the inability of the board of patent interferences to address patentability issues led to complications. This prompted Congress to combine the interference board with the Board of Appeals and give the combined Board jurisdiction over both priority and patentability.148

1999: The Intellectual Property and Communications Omnibus Reform Act of 1999 added inter partes reexamination procedures.149 Section 134 of title 35 of the U.S. Code was amended to provide separate paragraphs for appeals to the Board by a patent applicant, the patent owner, and the third-party requester in an inter partes reexamination.150 Judicial review in reexaminations was intended to be limited to appeals to the Federal Circuit. Conforming amendments were made to 35 U.S.C. § 141 to recite, “[a] patent owner in any reexamination proceeding dissatisfied with the final decision in an appeal to the Board of Patent Appeals and Interferences under section 134 may appeal the decision only to the United States Court of Appeals for the Federal Circuit,” and to section 145, which provides for a civil action, to change section 134 to “section 134[a]” (referring only to an appeal by a patent applicant).151 However, the amendments overlooked that 35 U.S.C. § 306 provided that the patent owner “may seek court review under the provisions of sections 141

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146. Id. §§ 202–03.
147. Id. § 201.
148. This change is discussed in In re Van Geuns, 946 F.2d 845, 846–48 [Fed. Cir. 1991] (under “History of Interference Practice”).
150. Id. § 4605[b]. Each paragraph mistakenly provided for an appeal from the decision of the “administrative patent judge” to the Board of Patent Appeals and Interferences. “Administrative patent judge” was corrected to be “primary examiner” in Pub. L. No. 107-273 § 13201[b], 116 Stat. 1901 [Nov. 2, 2002].
151. Pub. L. No. 106-113, § 4605[c], [e].
to 145 of this title.” This oversight was corrected by the AIA.\footnote{152}{Teles AG v. Kappos, 846 F. Supp. 2d 102 (D.D.C. 2012).}

The title of “Commissioner of Patents and Trademarks” was changed to “Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office” \footnote{153}{Pub. L. No. 106-113 § 4613.}{mercifully referred to as the more manageable title “Director”\footnote{154}{Id. § 4617. This provision also changed the section for the Board of Patent Appeals and Interferences from 35 U.S.C. § 7 to § 6.}}.\footnote{155}{See John F. Duffy, Are Administrative Patent Judges Constitutional!, 2007 PATENTLY-O PATENT L.J. 21, 21 [2007].}{155}

In the section for the Board of Patent Appeals and Interferences, the title “examiner-in-chief” was changed to “administrative patent judge.”\footnote{156}{See In re DBC, 545 F.3d 1373 (Fed. Cir. 2008).}{156} The provision for temporary appointments of members of the Board was abolished. In what turned out to be a problem, the section provided: “The administrative patent judges shall be persons of competent legal knowledge and scientific ability who are appointed by the Director,” instead of the Secretary of Commerce. The power of the Director to appoint administrative patent judges was questioned in a 2007 article by Professor John F. Duffy of the George Washington University Law School.\footnote{157}{Pub. L. No. 110-313, § 1, 122 Stat. 3014 (Aug. 12, 2008).}{157}

\begin{itemize}
\item **2008:** The potential problem with the appointment language in 35 U.S.C. § 6(a) was fixed in 2008 when Congress changed the appointment power from “Director” to “Secretary of Commerce, in consultation with the Director.” In order to validate the previous appointments made by the Director prior to the change in law, paragraph [c] was added to allow the Secretary of Commerce to deem the appointment of an administrative patent judge appointed by the Director to take effect on the date on which the Director initially appointed the administrative patent judge.\footnote{157}{Pub. L. No. 110-313, § 1, 122 Stat. 3014 (Aug. 12, 2008).}

\item **2012:** The “Board of Patent Appeals and Interferences” becomes the “Patent Trial and Appeal Board” on September 16, 2012. Under the AIA, the duties of the PTAB are to \{1\} review adverse decisions of examiners upon applications for patents
pursuant to 35 U.S.C. § 134(a); (2) review appeals of reexaminations pursuant to 35 U.S.C. § 134(b); (3) conduct derivation proceedings; and (4) conduct inter partes reviews, post-grant reviews, and covered business methods proceedings. The duty to decide priority of invention in an interference proceeding was abolished.

§ 1:4.3 Current Structure of the Patent Trial and Appeal Board (PTAB)

The Office of the Solicitor, the Board of Patent Appeals and Interferences (BPAI), the Trademark Trial and Appeal Board (TTAB), the Office of General Law, and the Office of Enrollment and Discipline (OED) report to the Office of the General Counsel (OGC). The OGC, in turn, reports to the Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the U.S. Patent and Trademark Office (Deputy Director). The Deputy Director reports to the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office (Director).

The Board consists of the Director, the Deputy Director, the Commissioner for Patents, the Commissioner forTrademarks, and the administrative patent judges. The Board is actively recruiting new administrative patent judges to meet the demand for the new AIA proceedings. As of September 8, 2014, there were 213 administrative patent judges, and the PTAB has a goal of adding twenty more by October 2014. Occasionally, the Director or one of the other USPTO officials will sit on a panel.

§ 1:5 PTAB Has Become the Busiest Patent Court in the United States

As of September 2014, over 1,900 IPR and TPCBM petitions have been filed with the PTAB. The filings have increased from just over twenty in September 2012 to over 170 in August 2014. If only half of filings filed to date proceed through to a written decision (that is, complete trial), the PTAB will be conducting approximately 800 trials—just for filings during the first two years the proceedings have been available. Although these proceedings were envisioned to be an

alternative to costly district court litigation, IPRs most commonly serve as an adjunct to district court litigation, and approximately 80% of patents involved in an IPR are involved in a co-pending patent infringement suit. Accordingly, the PTAB is expected to be handling at least about twice as many patent trials as the second most popular patent jurisdiction in the United States, the now infamous Eastern District of Texas (EDTX). If the statistics are adjusted to account for the fact that many district court filings are split among multiple defendants [as a result of the AIA joinder provision], the PTAB is the busiest patent court in the United States by an even wider margin.


163. *Id.*