UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SMARTFLASH, LLC, Plaintiff, v. U.S. PATENT AND TRADEMARK OFFICE, Defendant.	)	Civil Action No. 22-1123 (BAH)

SECOND DECLARATION OF MICHAEL R. CASEY

I, Michael R. Casey, pursuant to 28 U.S.C. § 1746, do hereby declare and state:

1. I am a Partner at Maier and Maier, PLLC in Alexandria, VA. I am a member of the bars of Virginia and Maryland. I am also a patent attorney registered with the USPTO. I represent Plaintiff Smartflash, LLC ("Smartflash") in the instant litigation.

2. I previously filed the Declaration of Michael R. Casey in this matter on December 21, 2022.

DOCUMENTS AT-ISSUE

3. Defendant has now produced an unredacted copy of the one email that remained at issue in Plaintiff's Cross-Motion. Exhibit A.

4. The previous redaction on that email that has now been removed states "After our institution decisions, J.Powell was taken off of the panels for these Apple cases because the two petitions that he handled resulted in denials of institution." *Id.* at 1 (labeled USPTO0006).

DOCUMENTS AT-ISSUE

5. Defendant has now produced an unredacted copy of the one email that remained at issue in Plaintiff's Cross-Motion. Exhibit A.

6. One of the previous redactions that has now been removed states "After our institution decisions, J.Powell was taken off of the panels for these Apple cases because the two petitions that he handled resulted in denials of institution." *Id.* at 1 (labeled USPTO0006).

EXHIBITS

7. A true and accurate copy of the unredacted email at issue in this litigation as produced by Defendant is attached hereto as Exhibit A.

8. A true and accurate copy the GAO Report number GAO-23-105336 dated December 2022 is attached hereto as Exhibit B.

9. Exhibit C is a true and accurate excerpt from a spreadsheet produced by Defendant in this litigation which has been filtered to show only the cases related to Smartflash. Cells K248, K249, K252-K255, K258, and K259 of Exhibit C has been highlighted to ease the Court in reviewing this information cited in the Reply.

10. Exhibit D is a true and accurate copy of an email from Defendant's counsel indicating that Defendant does not intend to produce in this litigation underacted versions of the emails produced in its Opposition to Plaintiff's Cross-Motion.

Dated: February 15, 2023

/s/ Michael R. Casey

Michael R. Casey, Ph.D.

EXHIBIT A

From: Elluru, Rama
Sent: 5 Nov 2014 13:54:05 -0500
To: Jordan, Kimberly R. (PTAB)
Cc: Quinn, Miriam;Benoit, Barbara;Boalick, Scott
Subject: RE: Smartflash cases

Thanks Kimberly.
To clarify, the panel in CBM2104-000102–113*, Apple v. Smartflash*, is Elluru/Bisk/Clements/Plenzler/Powel. We instituted on 8 cases (4 cases after consolidation) and all 5 Judges' names were on the decisions. J.White was not on any of the panels. (I don't remember the genesis, but we received emails indicating the new panel of 5 Judges) After our institution decisions, J.Powell was taken off the panels for these Apple cases because the two petitions he handled resulted in denials of institution.
Is there any objection for me handling the *Samsung v. Smartflash* family of cases in a similar manner, i.e., having all 5 panel members participate in each case for efficiency purposes? If need be, we can put only three names on each decision, as specified in the Arrow spreadsheet.
Also, for the unassigned Smartflash cases, I have the following recommendations:
CBM2015-00015 (Patent No. 8,118,221): **Judge Bisk**. J. Bisk handled the two petitions challenging the '221 patent in the Apple family. The -15 Apple petition will likely be joined/consolidated with those already consolidated cases.
CBM2015-00016 (Patent No. 8,033,458): **Judge Plenzler**. J. Plenzler handled the two petitions challenging the '458 patent in the Apple family. The -16 Apple petition will likely be joined/consolidated with those already consolidated cases.
CBM2015-00016 (Patent No. 8,061,598): **Judge Clements**. J. Clements handled the two petitions challenging the '598 patent in the Apple family. The -17 Apple petition will likely be joined/consolidated with those already consolidated cases.
CBM2015-00018 (Patent No. 7,942,317): **Judge Elluru**. J.Elluru Clements handled the two petitions challenging the '317 patent in the Apple family. The -18 Apple petition will likely be joined/consolidated with those already consolidated cases.
I am available to discuss further.
Thanks,
Rama.

From: Jordan, Kimberly R. (PTAB)
Sent: Wednesday, November 05, 2014 10:24 AM
To: Elluru, Rama
Cc: Quinn, Miriam; Benoit, Barbara; Boalick, Scott
Subject: Smartflash cases
Rama,
To aid you in managing the Smartflash family of cases, attached is a list of cases with that Patent Owner filed through November 4. Four of the petitions have yet to be assigned panels.

Kimberly R. Jordan
Senior Administrator
Patent Trial and Appeal Board
USPTO
(571) 272-9797

EXHIBIT B

United States Government Accountability Office

Report to the Subcommittee on Courts, Intellectual Property, and the Internet, Committee on the Judiciary, House of Representatives

December 2022

PATENT TRIAL AND APPEAL BOARD

Increased Transparency Needed in Oversight of Judicial Decision-Making

GAO-23-105336

December 2022

PATENT TRIAL AND APPEAL BOARD

Increased Transparency Needed in Oversight of Judicial Decision-Making

GAO Highlights

Highlights of GAO-23-105336, a report to the Subcommittee on Courts, Intellectual Property, and the Internet, Committee on the Judiciary, House of Representatives

Why GAO Did This Study

Since its creation in 2012 by the AIA, PTAB, an adjudicative body within the USPTO, has offered an alternative to the federal courts for settling certain patentability disputes. However, some participants in PTAB proceedings have raised concerns about whether PTAB management or the USPTO Director have used their oversight authority to influence judges' decision-making. The Supreme Court ruled in 2021 that the Director should have the ability to review judges' final decisions in certain proceedings.

This report examines, among other things, (1) PTAB judges' perspectives on PTAB oversight practices, including the effects on their deliberations and decisions, and (2) selected stakeholders' and judges' perspectives on the public transparency of PTAB proceedings. GAO conducted a survey of all non-management and lead PTAB judges and received 204 responses, for an 87 percent response rate. GAO also interviewed PTAB officials and stakeholders—including parties to PTAB proceedings, and current and former judges.

What GAO Recommends

GAO is making four recommendations to USPTO to increase transparency—including specifying in finalized policies PTAB management and USPTO Director roles in internal oversight processes and circumstances in which judges are required to incorporate management comments. GAO is also recommending that PTAB take additional steps to improve stakeholder awareness of oversight practices. USPTO concurred with these recommendations and is planning or taking actions to implement them.

View GAO-23-105336. For more information, contact Candice Wright at (202) 512-6888 or wrightc@gao.gov.

What GAO Found

In a GAO survey of Patent Trial and Appeal Board (PTAB) judges conducted from January to February 2022, the majority of judges (75 percent) responded that oversight practiced by U.S. Patent and Trademark Office (USPTO) directors and PTAB management has affected their independence. Of those who reported working on America Invents Act (AIA) proceedings, the majority of judges (67 percent) GAO surveyed reported feeling pressure to change or modify an aspect of their decision in an AIA proceeding based on Management Review. On the other hand, some judges we interviewed stated that management did not get involved in most cases, and when they did they primarily focused on certain issues, such as eligibility for an AIA proceeding. Such involvement may have limited the number of AIA proceedings initiated. Some judges also noted it was not always clear who in management reviewed draft decisions and whether comments were mandatory.

In May 2022, PTAB implemented new interim oversight procedures, which made Management Review optional, and clarified that the USPTO Director would not be involved in decision-making prior to issuance. These changes could help alleviate judges' concerns, if finalized and clearly communicated in accordance with USPTO strategic plan goals and federal internal control standards.

Selected Practices to Oversee or Review Patent Trial and Appeal Board (PTAB) Decisions

America Invents Act (AIA) Review Committee (ARC)	A group of volunteer judges conducted pre-issuance peer review of AIA draft decisions and identified decisions needing Management Review. ARC was replaced in May 2022 by a new interim review procedure in which the USPTO director and PTAB management are not involved.
Management Review	PTAB management conducted pre-issuance review of selected draft decisions. These reviews were required for draft decisions on important issues of interest, such as certain new legal or policy areas that were inconsistent with other PTAB decisions or USPTO guidance. This review now only takes place at judges' request.
Interim Director Review	These reviews were created in 2021 to formalize the USPTO Director's authority to review PTAB decisions. They allow the director to reconsider already issued decisions.

Source: GAO analysis of information from the U.S Patent and Trademark Office (USPTO). | GAO-23-105336

Stakeholders GAO spoke with were generally unaware of the methods USPTO and PTAB management uses to oversee judges' decisions. Some former judges who currently represent parties before the PTAB suggested that outside stakeholders—including parties to the cases—would not likely know the extent to which directors or PTAB management had influenced or changed aspects of an AIA proceeding, particularly if it had been through Management Review. In addition, some judges noted that management guidance sometimes affected an aspect of their decision, but that was not always transparent to the public or parties to the case. According to one judge, insight into the differing views and legal reasoning on a case can help parties decide whether to appeal or to request Interim Director Review.

PTAB's May 2022 interim review procedures could improve transparency about its oversight practices if finalized and procedures are made publicly available, helping to meet USPTO's strategic goal of improving stakeholder engagement.

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Abbreviations

ARC	AIA Review Committee
AIA	Leahy-Smith America Invents Act
CJP	Circulation Judge Pool
POP	Precedential Opinion Panel
PTAB	Patent Trial and Appeal Board
USPTO	U.S. Patent and Trademark Office

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U.S. GOVERNMENT ACCOUNTABILITY OFFICE
441 G St. N.W.
Washington, DC 20548

December 22, 2022

The Honorable Hank Johnson
Chairman
The Honorable Darrell E. Issa
Ranking Member
Subcommittee on Courts, Intellectual Property, and the Internet, House of Representatives
Committee on the Judiciary

The Patent Trial and Appeal Board (PTAB), an adjudicative body within the U.S. Patent and Trademark Office (USPTO), offers an alternative to the federal courts for settling certain patent disputes.[1] Since PTAB's formation in 2012, USPTO directors—in conjunction with PTAB management—have introduced a number of oversight practices to ensure quality and consistency in judicial decision-making. In 2021, a ruling by the U.S. Supreme Court (*United States v. Arthrex, Inc.)* clarified that a Senate-confirmed political appointee—namely a USPTO director—must be able to review certain final decisions rendered by the administrative patent judges.[2]

Further, the plurality opinion in *Arthrex* was critical of USPTO directors' use of oversight practices that exist outside of the evidentiary record, stating that their use leaves the parties "with neither an impartial decision by a panel of experts nor a transparent decision for which a politically accountable officer must take responsibility." According to reports by the Congressional Research Service, the ability to protect valid patents and

[1]Congress created PTAB within USPTO under the 2011 Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, § 7, 125 Stat. 284, 313-15 (2011). Section 7(e) set the effective date for the establishment of PTAB as 1 year after enactment of the act (enactment was Sept. 16, 2011). PTAB replaced the Board of Patent Appeals and Interferences, which had been the adjudicative body in USPTO for patent appeals and interferences. Interference proceedings determine which of two or more competing applications claiming the same invention should be awarded a patent by establishing which applicant was the first to invent the claimed subject matter.

[2]Inferior officers' work is directed and supervised at some level by others appointed by Presidential nomination with the advice and consent of the Senate. In *United States v. Arthrex, Inc.*, the Supreme Court ruled that directors of the USPTO could review judges' decisions unilaterally and severed a statutory provision of the AIA to the extent that it prevents Director Review of certain final decisions. *United States v. Arthrex, Inc.*, 141 S. Ct. 1970 (2021). Note that we are referring to the USPTO director generally and not referring to the current sitting director unless otherwise stated.

challenge or reverse invalid patents is critical to fostering innovation.[3] Without protection of ideas, businesses and individuals would not reap the full benefits of their inventions and could focus less on research and development.[4] A 2021 Congressional Research Service report noted that because of the economic importance of patent rights, millions or even billions of dollars may be at stake in proceedings heard by PTAB.[5]

You asked us to review practices used to oversee decision-making at PTAB. This report examines (1) practices used to oversee the decision-making process at PTAB, (2) PTAB judges' perspectives on how, if at all, oversight practices have affected their deliberations and decisions, and (3) the perspectives of selected stakeholders and judges regarding the external transparency of oversight practices.

To address our objectives, we obtained and analyzed agency policies, procedures, and guidance, and also reviewed applicable laws and regulations. Within the USPTO, we interviewed the current Director and PTAB management officials, namely the Chief Judge, Deputy Chief Judge, vice chief judges, senior lead judges, and lead judges, as well as non-management judges.[6] We also interviewed various stakeholders, including former PTAB judges and former management officials, representatives of patent owners, petitioners, and patent applicants,

[3]Richards, Kevin T. "Patent Law: A Handbook for Congress." Congressional Research Service: Report, (September 2020): 1–30.

Thomas, John R. "*Inter Partes* Review of Patents: Innovation Issues." Congressional Research Service: Report (July 2017): 1- 25. https://crsreports.congress.gov/product/pdf/R/R44905.

[4]"Why is Intellectual Property Important?," STOPfakes.gov, The International Trade Administration (ITA), U.S. Department of Commerce, accessed June 28, 2022, https://www.stopfakes.gov/article?id=Why-is-Intellectual-Property-Important.

[5]Hickey, K. J. and Killion, V. L. "Supreme Court Preserves Patent Trial and Appeal Board, but with Greater Executive Oversight." Congressional Research Service: Legal Side Bar (June 2021).

[6]We interviewed 12 judges who were either non-management or lead judges. In this report, we use "some" to mean two to five judges we interviewed supported the statement, "many" to mean six to seven judges, and "most" to mean more than eight judges. In cases where one judge we interviewed supported the statement we say one judge we interviewed. In cases where we use multiple data sources (e.g., interviews and survey data), we do not use a modifier and indicate the sources used to support the statement. In such instances, we say, for example, "judges we surveyed and interviewed stated."

professional associations, and intellectual property experts.[7] We also conducted a web-based survey of PTAB judges from January 18, 2022 through February 23, 2022, soliciting their perspectives on and experiences with oversight practices exercised by PTAB management and USPTO directors. We sent the survey to all 234 judges serving as non-management judges or lead judges as of September 2021, and 204 (87 percent) of them responded.[8] The survey results provide the perspectives of the judges who responded to the survey and may not be representative of those who did not respond.[9] Of the four open-ended questions from our survey on which we conducted content analysis, more than 70 percent of judges provided responses to at least one. We analyzed the comments judges provided to specific questions to identify key themes using two independent coders. We did this by placing similar comments into one or more categories. We report results from our analysis by counting the number of comments assigned to each category, after identifying and resolving differences between coders.[10] Views expressed in the survey are those of the judges at the time of the survey

[7]We interviewed 23 stakeholder individuals or groups. In this report, we use "some" to mean fewer than nine but more than one stakeholder supported the statement, "many" to mean nine to 13 stakeholders, and "most" to mean more than 13 stakeholders. The petitioner is the party filing a petition requesting that an AIA trial be instituted to hear challenges to issued patents.

[8]Judges who serve as PTAB's executive management—the Chief Judge, Deputy Chief Judge, vice chief judges, and senior lead judges—were not included in this survey, as the survey focused on management oversight. Because we surveyed all judges and lead judges, the survey did not involve sampling errors. To minimize errors arising from differences in how questions might be interpreted and to reduce variability in responses that should be qualitatively the same, we sent our survey to two subject matter experts for review and conducted pretests with six judges. An independent survey specialist within GAO also reviewed a draft of the survey prior to its administration. We conducted an analysis of our survey results to identify potential sources of nonresponse bias by examining the percentage of judges who did and did not respond to our survey by various characteristics—including time at PTAB, location, and content specialization. There was no discernable gap for these characteristics between judges who did or did not respond.

[9]When reporting survey data from closed-ended questions in this report, we use "some" to mean fewer than 40 percent of judges who responded to that question support the statement, "many" to mean 40 to 60 percent, and "most" to mean more than 60 percent. Of note, each question in the survey had a different number of respondents due to skip patterns. When calculating the denominator, we included those who responded and those who saw the question but chose not to respond. We excluded those who did not see the question at all due to the skip pattern.

[10]When reporting results from one of the four open-ended survey questions we analyzed, we use "some" to indicate fewer than 40 percent of judges who responded to the question supported the statement, "many" to mean 40-60 percent, and "most" to indicate more than 60 percent of judges who responded supported the statement.

and may not be representative of all judges' views on given topics. See appendix I for more detailed information on our scope and methodology. In addition, see appendix II for our survey questions and results for closed-ended survey questions, and appendix III for selected responses to open-ended survey questions that touched upon issues we reviewed.

We conducted this performance audit from July 2021 through December 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Patent System and Litigation

The USPTO is the federal agency tasked with reviewing applications and granting patents in the United States. A patent for an invention is the grant of a property right to the inventor. The right conferred is to "exclude others from making, using, offering for sale, or selling the invention throughout the United States, or importing the invention into the United States."[11] Before issuing a patent, patent examiners at USPTO determine whether the inventions claimed in the application meet certain requirements for patentability, such as subject matter eligibility, novelty, non-obviousness, and clarity—grounds for patentability that are established by statute.[12]

Issued patents can be challenged and subsequently invalidated or cancelled through two primary avenues: district court litigation or

[11]35 U.S.C. § 154(a)(1).

[12]35 U.S.C. §§ 101, 102, 103, 112(a), 131.

administrative proceedings before the USPTO.[13] For their part, patent owners can bring infringement lawsuits in district court against anyone who uses, makes, sells, offers to sell, or imports the patented invention without authorization. Only a small percentage of patents in force are ever litigated, but some scholars believe that low-quality patents can make such litigation not only more complex and expensive but also more frequent.[14] During an infringement case, the accused infringer may seek to have the lawsuit dismissed by showing the patent is invalid.[15] In those infringement cases in which a court makes a ruling on a patent's validity, courts have generally invalidated almost half of those patents, according to academic research.[16]

Exactly what a patent covers and whether another product infringes on the patent's claims are complex questions that take time and resources to resolve in litigation. Also, defending a patent infringement lawsuit in district court can take years and cost millions of dollars, not including

[13]Certain patent infringement litigation may also be conducted by the U.S. International Trade Commission (ITC). This independent federal agency administers section 337 of the Tariff Act of 1930 (section 337), among other statutes, which allows it to "investigate and issue decisions on unfair methods of competition and unfair acts in the importation and/or sale of imported articles." William P. Atkins & Justin A. Pan, *An Updated Primer on Procedures and Rules in 337 Investigations at the U.S. International Trade Commission*, 18 U. BALT. INTELL. PROP. L.J. 105, 106-07 (2010)., Section 337 establishes that the importation into, or sale within the United States, of articles that infringe a valid U.S. patent, copyright, or trademark are unlawful actions the ITC may address. 19 U.S.C. § 1337(a).

[14]Low-quality patents may be issued patents that are unclear and overly broad—which can lead to an increase in patent infringement suits and hinder innovation by blocking new ideas from entering the marketplace.

[15]In patent infringement lawsuits, the accused infringer often challenges the patent's validity as an "affirmative defense," meaning that even if the infringement allegations are true, the would-be infringer is not liable because the patent is invalid. Parties that might be accused of infringement can also file a lawsuit for declaratory judgment to preemptively obtain a court decision that the patent is not valid or is unenforceable.

[16]For example, see J. Allison, M. Lemley, and D. Schwartz. *Understanding the Realities of Modern Patent Litigation.* Hoover Institution Working Group Paper (2014).

damages if infringement is found.[17] Whatever the outcome, costly litigation can leave defendants with fewer resources for innovation. Consequently, patent infringement defendants often find it in their best interest to settle lawsuits quickly, as we reported in August 2013.[18]

Patent Trial and Appeal Board

Within the USPTO, PTAB is the adjudicative body that conducts trials that permit parties to administratively challenge the patentability of issued patent claims. It also hears appeals from patent applicants who received adverse decisions from patent examiners (called ex parte appeals).[19] PTAB was established by the Leahy-Smith America Invents Act (AIA), passed on September 16, 2011.[20] The structure and processes at PTAB for AIA proceedings are intended to allow parties to resolve patent disputes in a manner that is more timely and less expensive than through the federal courts. PTAB is largely composed of administrative patent judges, who are required by statute to have competent legal and scientific expertise. In practice, PTAB judges have expertise in various patent technology areas, expertise that judges in the federal court system may not have. PTAB executive management consists of the Chief Judge, the Deputy Chief Judge, five vice chief judges, and two senior lead judges. Reporting to the vice chief judges are 29 lead judges who work on cases and supervise the 200 non-management judges (see fig. 1). The non-

[17]Bringing a patent infringement lawsuit can also be costly but is generally less costly than defending one. In civil lawsuits, the parties must exchange certain information relevant to the litigation, a process known as discovery. Discovery costs in complex litigation, including patent infringement litigation, can run into the millions of dollars. In many cases, patent owners have less information to disclose and thus have lower discovery costs. They also cannot be countersued for patent infringement. See GAO, *Intellectual Property: Assessing Factors That Affect Patent Infringement Litigation Could Help Improve Patent Quality*, GAO-13-465 (Washington, D.C.: Aug. 22, 2013).

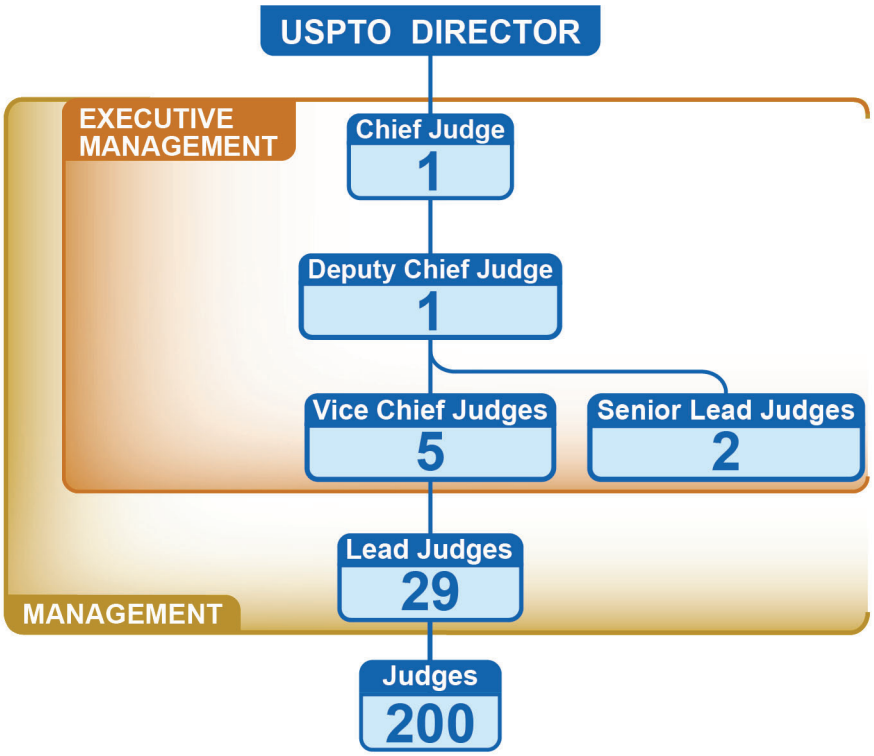
[18]GAO-13-465.

[19]If an applicant for a patent has their patent application rejected twice, or the patent examiner has issued a final rejection, the applicant can appeal and seek review of the rejection by PTAB. PTAB reviews the appeal and issues a decision, and will either affirm or reverse, in part or whole, the patent examiner's rejection.

[20]PTAB replaced the Board of Patent Appeals and Interferences, which was composed of about 80 administrative patent judges. In addition to hearing ex parte appeals from patent applicants, the Board of Patent Appeals and Interferences also handled interference proceedings. Interference proceedings determine which of two or more competing applications claiming the same invention should be awarded a patent by establishing which applicant was the first to invent the claimed subject matter. Following its establishment, PTAB inherited the existing docket of the Board of Patent Appeals and Interferences, but interference proceedings are not available for patents with an effective filing date on or after March 16, 2013. Congress also tasked PTAB with the additional responsibilities of administering AIA proceedings.

management judges perform the majority of case management and write decisions.

Figure 1: Patent Trial and Appeal Board Organization Structure



Source: GAO analysis of U.S. Patent and Trademark Office (USPTO) data. | GAO−23−105336

Note: These numbers were provided by USPTO as of June 21, 2022. According to PTAB management officials, the Chief Judge reports to the Deputy Director, but the USPTO Director has the authority to oversee PTAB activities and delegate oversight to PTAB management.

In addition to establishing PTAB, the AIA established new proceedings to be administered by PTAB, referred to as AIA proceedings (or AIA trials), that allow individuals or parties to challenge the patentability of issued

patent claims. There are currently two main types of AIA proceedings—post-grant review and *inter partes* review:[21]

- Post-grant reviews must be filed within 9 months of the grant or reissuance of a patent. A third party can file a petition to challenge a the patentability of an issued patent claim on several statutory grounds including subject matter eligibility, novelty, non-obviousness, and clarity.[22]
- *Inter partes* review, which is the most common AIA proceeding, can be filed to challenge a patent 9 months after the issue date and for the life of the patent. However, the challenge is limited to a set of grounds (novelty or non-obviousness), and on a limited set of acceptable prior art (previously issued patents and printed publications).

When a petition to challenge a patent is submitted, the Chief Judge or their delegate assigns a panel of judges to the case. The panel then decides whether the petition has met the standard for instituting a trial, referred to as a decision on institution.[23] Following a decision to grant institution, the panel proceeds to the trial phase, reviews the case, and

[21]Other types of AIA proceedings include covered business method patent reviews and derivations. Covered business method patent reviews were phased out on September 16, 2020, but pending cases may still be reviewed under the Interim Director Review process. We previously reported on covered business methods patent reviews; see GAO, *U.S. Patent and Trademark Office: Assessment of the Covered Business Method Patent Review Program*, GAO-18-320 Washington, D.C.: Mar. 13, 2018).

[22]35 U.S.C. § 321(b) permits a petitioner to request post-grant review on any ground that could be raised under 35 U.S.C. § 282(b)(2) or (3). This includes a failure to meet the conditions necessary for patentability, codified in 35 U.S.C. §§ 101-03, as well as a failure to comply with certain requirements of 35 U.S.C. §112, related to the patent specification. For more information, see GAO-18-320.

[23]The USPTO director has statutory authority to designate panels, which is delegated to the PTAB Chief Judge 35 U.S.C. § 6(c). The policy for paneling is available publicly on the USPTO's website as Standard Operating Procedure 1 (SOP 1), Revision 15, published in September 2018.

Inter partes review has a lower standard for initiating review—"reasonable likelihood that the petitioner would prevail"—than post-grant review, where the standard is "more likely than not that the petitioner would prevail." The deadline for the institution decision is 3 months from the filing of the patent owner's preliminary response.

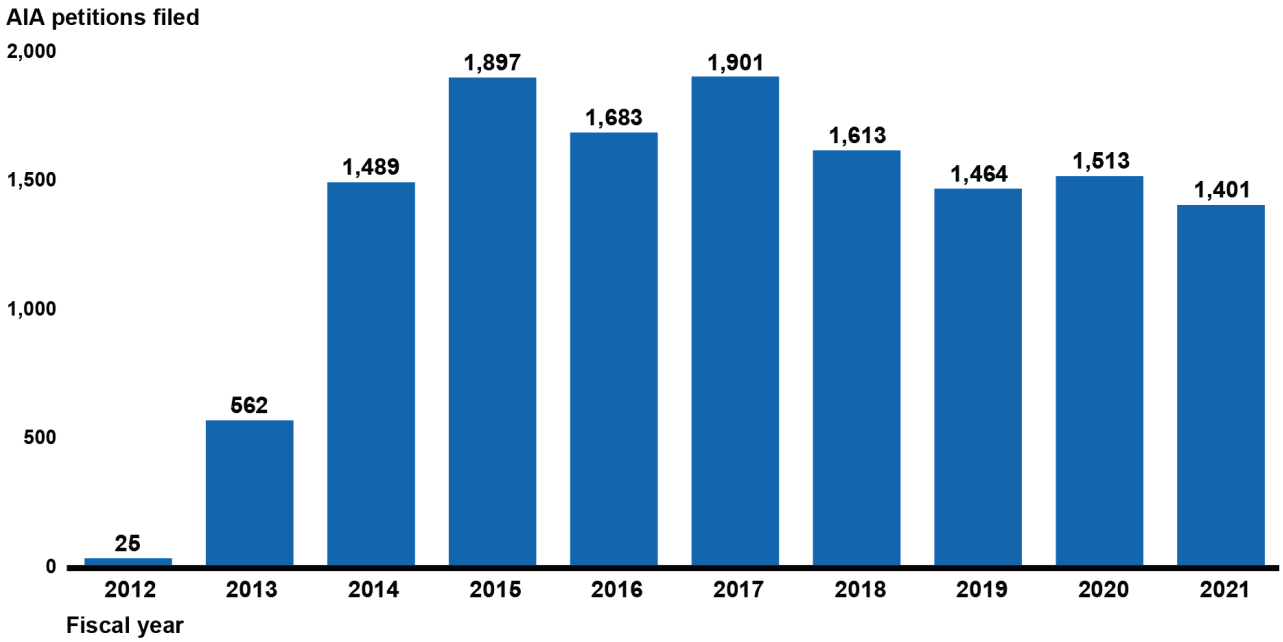
ultimately issues a final decision on the case.[24] Any judge on a panel may provide a written dissent or concurrence to accompany a final majority decision.[25] PTAB is generally required to issue final written decisions on AIA proceedings within 1 year of the date that the trial is instituted.[26] Following its establishment in 2012, PTAB already had a backlog of pending ex parte appeals of rejected patent applications transferred by the former appeal board, the Board of Patent Appeals and Interferences, and it experienced a rise in AIA proceedings. According to PTAB data, the number of AIA petitions filed rose from 562 in fiscal year 2013 to 1,489 in fiscal year 2014, and has remained above 1,400 per year through fiscal year 2021 (see fig. 2).

[24]In most cases, three administrative patent judges are assigned to a panel. Typically one judge is primarily responsible for the case and will do a significant portion of the writing and case management, in consultation with the other two judges. Any of the three judges may draft written work, and in all circumstances all judges on the panel provide input on written products, except in rare circumstances where fewer than all three judges are available and there is no statutory requirement for a three-judge panel.

[25]A concurrence is a separate opinion written by a judge who agrees with the final decision made by the majority of panel members, but may have a different rationale for the decision. A dissent is a separate opinion written by a judge who disagrees with the final decision made by the majority of panel members, and explains the disagreement. As of May 7, 2009, PTAB judges were no longer automatically awarded work credit for authoring dissents or concurrences. Instead, judges must request credit for time spent authoring dissents or concurrences. According to PTAB management officials, the policy change was implemented due to the variability in time spent on concurrences and dissents and not to dissuade judges from authoring separate opinions.

[26]In some cases, the timeline for an AIA trial may be extended up to 6 months for good cause.

Figure 2: America Invents Act (AIA) Petitions Filed at the Patent Trial and Appeal Board (PTAB), Fiscal Year 2012 to 2021

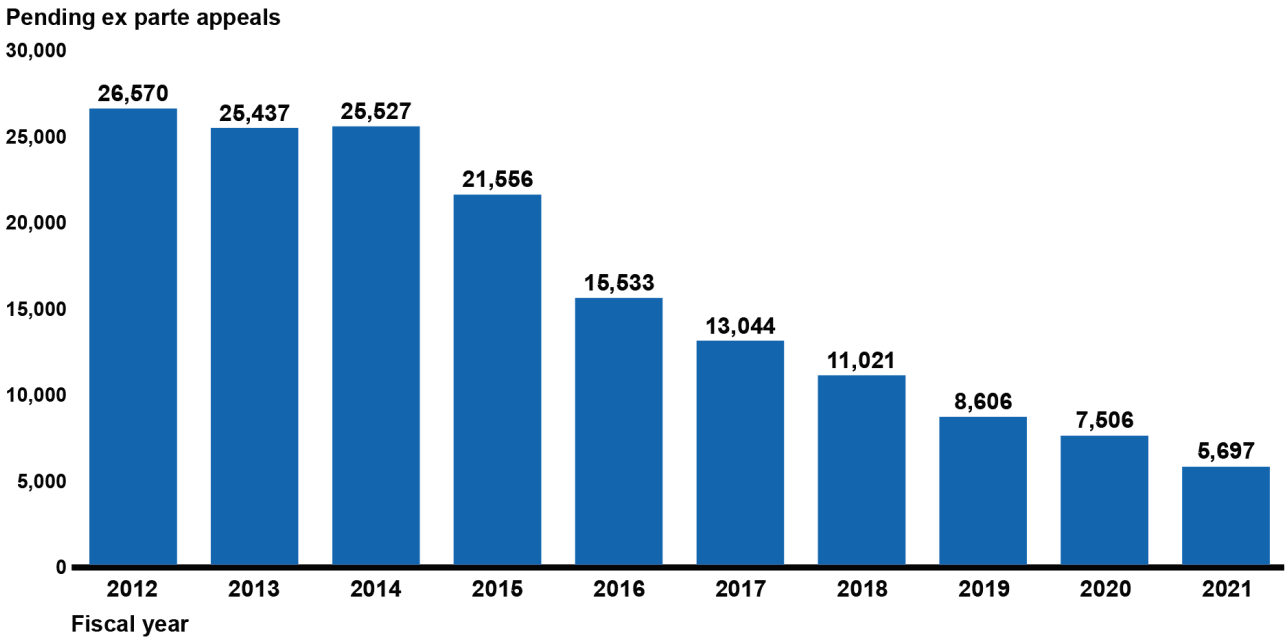


Source: GAO analysis of PTAB data. | GAO−23−105336

Note: PTAB was established in September 2012. The total number of AIA petitions includes petitions for *Inter Partes* Review, Post Grant Review, and Covered Business Method Review but does not include Derivations.

According to PTAB data, the inventory of pending ex parte appeals was very high at the time PTAB was established, as it inherited a backlog of ex parte appeals cases from its predecessor, Board of Patent Appeals and Interferences (see fig. 3).

Figure 3: Inventory of Pending Ex Parte Appeals Cases at the Patent Trial and Appeal Board (PTAB), Fiscal Year 2012 to 2021

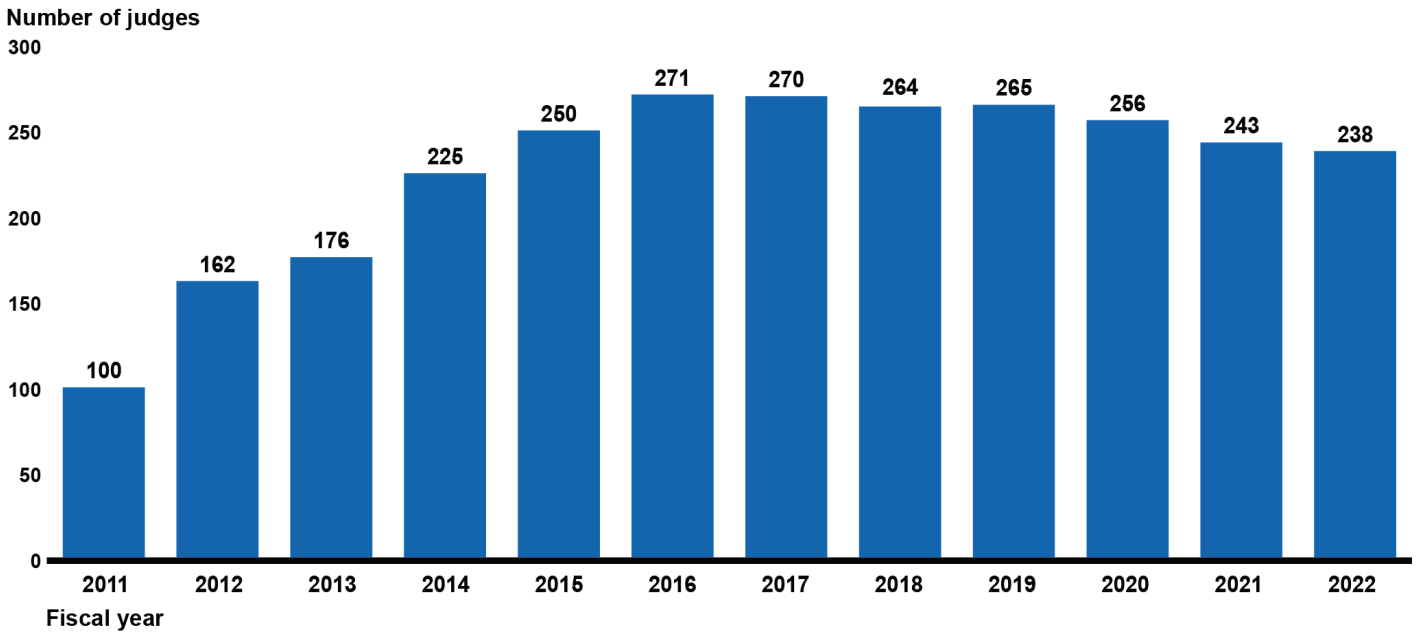


Source: GAO analysis of PTAB data. | GAO−23−105336

Note: PTAB was established in September 2012.

This rise in AIA caseloads and the inventory of pending ex parte appeals cases required PTAB to conduct large hiring initiatives to bring on more administrative patent judges, according to PTAB management officials (see fig. 4).

Figure 4: Number of Patent Trial and Appeal Board (PTAB) Administrative Patent Judges, 2011 to 2022



Source: GAO analysis of PTAB data. | GAO−23−105336

Note: PTAB was established in 2012. The number of judges in 2011 reflects those in the former appeal board, the Board of Patent Appeals and Interferences.

Cases and Pending Legislation

On June 21, 2021, the Supreme Court issued *United States v. Arthrex, Inc.*, which addressed whether the decisional authority exercised by the administrative patent judges was consistent with the Appointments Clause of the U.S. Constitution. The court considered whether these judges should be considered "principal officers" who must be appointed by the President with the Senate's advice and consent, or, as the U.S. government argued, whether they are "inferior officers" who can be appointed by the Secretary of Commerce. The court held that the unreviewable authority wielded by judges during the *inter partes* review process is incompatible with their appointment by the Secretary to an inferior office.[27] To remedy this problem, the court provided that the USPTO director may review final written decisions and, upon review, issue the agency's final decision. In response, USPTO established an

[27]This decision specifically only applied to *inter partes* review proceedings and did not address other types of post-issuance proceedings.

Interim Director Review process consistent with *Arthrex*.[28] This process, as discussed in this report, allows the USPTO Director to review and potentially overrule the decisions issued by judge panels. Recent proposed legislation would codify Director Review.[29]

PTAB Has Used Various Practices to Oversee or Review Decisions

Since PTAB began, USPTO directors, in consultation with PTAB management, created a number of processes to oversee judges' work and to review decisions both before and after they are issued. USPTO has recently made changes to clarify the oversight role of both the director and PTAB management that includes a new interim internal review process.

PTAB Developed Practices for Oversight and Review of Decisions

Since PTAB's creation in 2012, USPTO directors, in consultation with PTAB management, have introduced various oversight practices to manage the increasing number of judges and the evolving nature of patent law and policy (see fig. 5).[30] These practices have included review of the judges' work during the decision process, as well as review of decisions after decisions are issued.[31] In the past, PTAB had not made information about some of these practices publicly available.

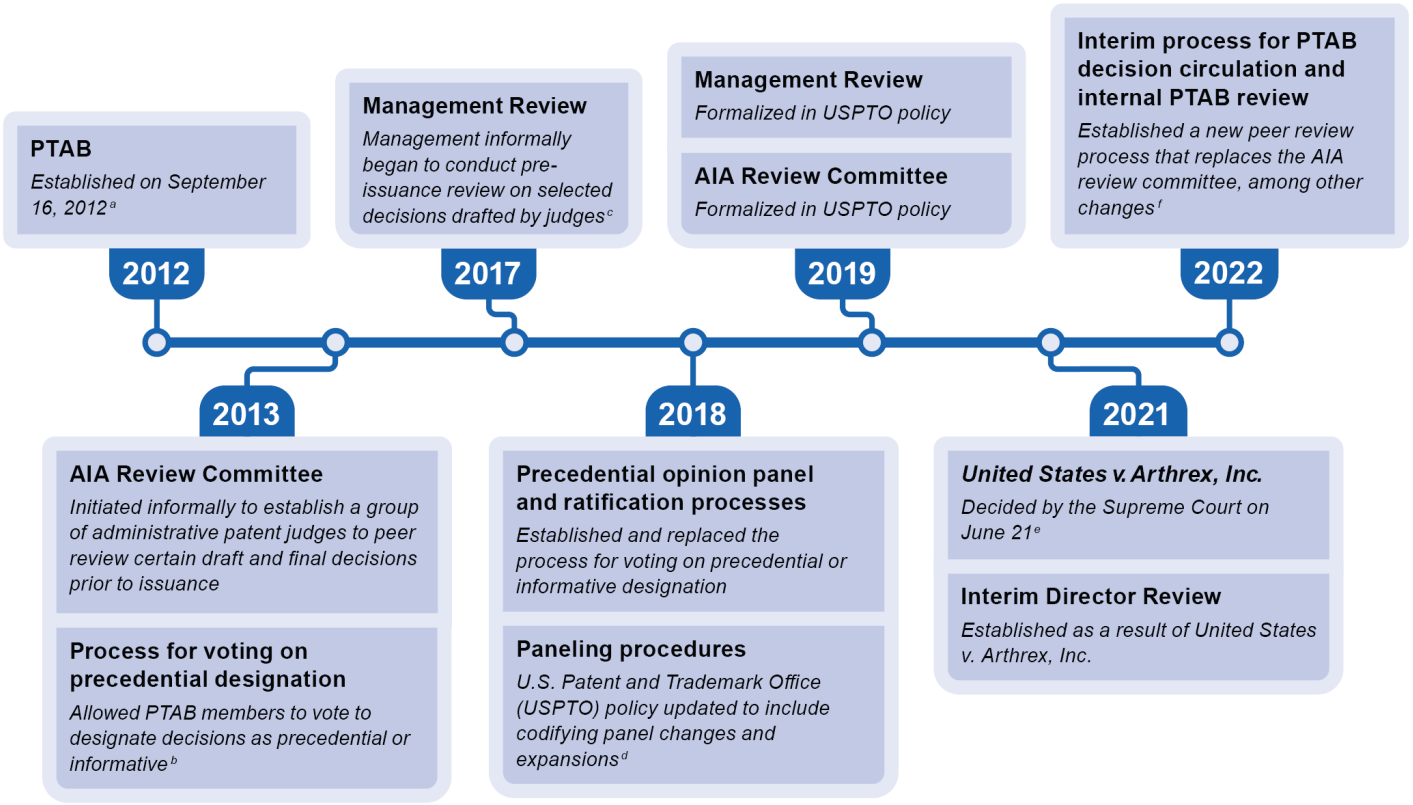
[28]Prior to this decision, it was unclear to USPTO whether under the AIA any presidentially appointed officer—such as a USPTO director—had sufficient power to unilaterally review PTAB final written decisions.

[29]Restoring the America Invents Act, S. 2891 117th Cong. (2021). Additionally, this proposed legislation would, among other things, require that changes to a panel made after its designation be noted in the record, and limit certain ex parte communications between panel members and those in supervisory roles.

[30]Since the establishment of PTAB in 2012, its growth has posed a challenge to maintaining quality and consistency across issued decisions. USPTO undertook large hiring initiatives for judges to respond to a rise in case numbers due to the introduction of AIA trial proceedings and a backlog of pending ex parte appeals of rejected patent applications. Current and former PTAB management officials told us that the introduction of AIA proceedings introduced areas of law and policy that PTAB had not previously addressed, as well as challenges in maintaining consistency across decisions issued by judge panels on similar legal issues.

[31]These practices may be executed by the USPTO director or a delegate, which may include members of PTAB management, USPTO management officials such as the Deputy Director, or other members of PTAB.

Figure 5: Timeline of Patent Trial and Appeal Board (PTAB) Oversight Mechanisms and Significant Events



Source: GAO analysis. | GAO-23-105336.

[a]The PTAB was established by the 2011 Leahy-Smith America Invents Act (AIA).

[b]This process was carried over from the previous Board of Patent Appeals and Interferences and was used for the first time in PTAB in 2013.

[c]According to PTAB management officials, the Chief Judge began reviewing AIA decisions prior to 2017, but the process of Management Review as we describe it was not in place until 2017.

[d]Panel changes allowed judges on a panel to be replaced or switched, and panel expansions permitted more than the three judges originally assigned to sit on a panel.

[e]In June 2021, the Supreme Court decided via *United States v. Arthrex, Inc*., that the director of the USPTO–a Senate-confirmed political appointee–must be able to review certain final decisions rendered by the judges.

[f]When creating this process, PTAB also removed the requirement for judge panels to submit certain draft decisions for management review and announced that the USPTO director will not be involved in decisions pre-issuance.

Below is a description of oversight practices in place prior to changes announced in May 2022 by the USPTO Director. Three of these practices involved oversight of the judges' pre-issuance decision-making process, and two could be exercised following the issuance of a decision to review

decisions or effectuate policy. Along with these practices, USPTO directors have exercised oversight through agency policy, memos, and other written guidance by which the USPTO director, via PTAB management, can provide direction on how to interpret certain areas of law, policy, or precedent that judge panels are required to follow.[32]

The following four practices provide oversight of the judicial decision-making process:

- AIA Review Committee (ARC): ARC was a group of volunteer judges who conducted pre-issuance peer review of all AIA draft institution and final written decisions.[33] ARC judges provided comments and edits that were optional for judge panels to consider, and addressed substantive issues such as inconsistencies with USPTO policy and precedent, statutes, and case law, and editorial issues such as spelling, grammar, and structure. ARC could also consult with PTAB management while conducting a review, and could flag decisions for further pre-issuance review by management. ARC review was initiated informally in 2013 and was documented in internal written agency policy in 2019, which was not publicly available.[34]
- Management Review: PTAB management conducted pre-issuance review and provided comments on select decisions drafted by judge panels, known as Management Review.[35] According to PTAB management officials, prior to May 2022, this review was required for PTAB decisions that contain important issues of interest such as new legal or policy areas and areas of inconsistency with other PTAB decisions or USPTO guidance.[36] PTAB management provided an

[32]The director is responsible for providing policy direction and management supervision for the agency pursuant to 35 U.S.C. § 3(a)(2)(A).

[33]ARC applied only to AIA decisions whereas ex parte appeals were not subject to review by ARC. PTAB executive management selected judges to serve as committee members in consultation with the lead judges of the volunteers. Each ARC member served a 1-year term.

[34]The internal USPTO policy document for ARC was created in response to a recommendation from GAO-18-320.

[35]Any PTAB decision can undergo Management Review, including AIA proceedings and ex parte appeals.

[36]Judges may also submit other draft decisions for Management Review that are not related to identified issues of interest. According to PTAB management officials, under the new interim practice for PTAB decision circulation and internal PTAB review, Management Review is no longer required and is only conducted at the request of a panel member.

"issues of interest" checklist to all judges that identified current legal or policy issues that were important to internal or external stakeholders, including the USPTO director at the time.[37] During Management Review, PTAB management could consult with the director, the director's delegate, or senior management in USPTO—such as the Solicitor's Office—for guidance, according to policy. Management Review began informally in 2017. Like ARC review, it was documented in internal written agency policy in 2019, which was not publicly available.[38]

According to PTAB management officials, generally it was optional for judges to accept comments provided during Management Review. However, in certain cases in the past, it may have been mandatory for judges to adopt comments relating to binding law or agency policy. For example, if a draft decision did not follow USPTO policy or guidance issued by the director on how to interpret a certain legal issue or precedent, PTAB management would provide feedback to the panel to incorporate this guidance.

- Panel changes and expansions: USPTO directors, via PTAB management, have exercised oversight at PTAB by making changes to and expanding the three judge panels.[39] The Chief Judge, or a delegate, may make changes to a panel for a variety of reasons before or during a case. USPTO standard operating procedures state that panel changes may be made at the request of a judge, or at the

[37]This checklist was used as an optional tool for judges to notify management of an upcoming decision. PTAB management provided updates to this checklist as needed, in consultation with the USPTO director.

[38]According to PTAB management officials, the Chief Judge began reviewing AIA decisions prior to 2017, but the process of Management Review as we describe it was not in place until 2017. The policy document for Management Review was created in response to a recommendation from GAO-18-320.

[39]The USPTO director has statutory authority to designate judge panels, 35 U.S.C. § 6(c), which is delegated to the PTAB Chief Judge. The policy for paneling is available publicly on the USPTO's website as Standard Operating Procedure 1 (SOP 1), Revision 15, published in September 2018.

discretion of PTAB management.[40] According to PTAB management officials, panel changes were rarely used for oversight. In rare cases in the past, management officials reported having used them to remove judges who had decided not to follow agency policy, statutes, or case law.[41] PTAB management also noted that if a judge did not agree with mandatory Management Review edits related to binding agency policy, they could ask to be removed from the case. In the past, PTAB management had also expanded panels by assigning more than three judges to a single case, which management officials told us was done in order to establish binding agency authority and maintain uniformity across decisions that addressed similar policy or procedural issues.[42] According to PTAB management officials, panel expansions were rare and have not been used since 2018.

- Performance reviews: Although performance reviews are not a formal oversight practice, judges' responses to other forms of oversight that management conducts during the judges' decision-making can have an effect on their performance reviews. USPTO conducts annual performance reviews for each judge. Lead judges, who are first-line supervisors, rate judges on four elements of a performance appraisal plan: quality, production, supporting the mission of PTAB, and

[40]As discussed in SOP 1, when panel changes are conducted during a case, parties to the proceeding are notified of the change by a panel change order, which identifies the new panel member(s), as well as one of three categories to indicate why the change was made. These categories are recusal, unavailability, and deadlines. Recusal is when a judge recuses themselves from a case when they identify potential conflicts of interest. Unavailability may include situations where a judge has leave or a personal emergency, has a detail assignment inside or outside USPTO, is reassigned to a different case, or has departed from the agency. Deadlines may be used when a judge is reassigned when they have a workload that renders them unable to complete work products by required deadlines.

[41]In these situations, PTAB management told us that parties in the proceedings would be informed that the reason for the panel change was because the judge was unavailable.

[42]35 U.S.C. §6(c) requires at least three members on a panel. A former member of PTAB told us that panel expansions were previously used to address issues like same-party joinder, which was a recurring issue in PTAB cases and allowed an individual or party to file a second *inter partes* review petition and join it with another previously submitted petition. PTAB expanded panels because, according to the former member, it would ensure that all panels consistently addressed whether same-party joinder was allowed to occur.

professional interactions.[43] PTAB management noted that performance review documentation requires judges to follow pertinent laws, regulation, binding case law, and written guidance applicable to PTAB proceedings, including those issued by the USPTO director or the director's delegate. PTAB management also noted that judges' performance review ratings could be affected in circumstances where a decision did not follow applicable USPTO policy and precedent, statutes, regulations, or binding case law, or in instances where judges refused to adopt mandatory Management Review comments regarding these requirements. [44] USPTO policy stated that comments provided during ARC review did not have an impact on judges' performance reviews, but the policy did not address the potential effect of comments provided during Management Review on judges' performance reviews.[45]

The following four practices provide post-issuance review and policy setting:

- Interim Director Review: Interim Director Review was established to formalize the USPTO director's authority to review PTAB decisions, consistent with the *Arthrex* Supreme Court decision. Interim Director Review initiates post-issuance review and rehearing from the USPTO director on final PTAB decisions that may contain errors of fact or law, new legal or policy issues, or inconsistencies with PTAB procedures, guidance, or decisions. Interim Director Review was first initiated on June 29, 2021, and information on the interim process is publicly

[43]Established pursuant to 5 U.S.C. Ch. 43 and the USPTO's performance appraisal system, judges receive yearly performance reviews. Each judge is given a rating score between 1 and 5, with 1 being unacceptable/unsatisfactory and 5 being outstanding. Lead judges base these ratings on a variety of methods, including sitting on panels with the judge under review, reviewing samples of their work, and talking with peers who sit on panels with them. As part of the review process, lead judges may conduct peer review surveys and interviews with judges who have served on panels with the judge under review. The lead judge decides the appropriate weight to give to peer reviews in light of all information gathered during the review process.

Performance reviews were carried over from the previous Board of Patent Appeals and Interferences and updated following the establishment of PTAB. These reviews have evolved, but the rating elements have remained similar since 2012.

[44]The quality element requires that judges follow all applicable USPTO issued policy and precedent, statutes, and case law when deciding cases, according to PTAB documentation.

[45]According to PTAB management officials, no judge received a low rating in their performance review based on their response to ARC or Management Review comments.

available on the USPTO website. The director can choose to initiate a review of any final written decision or any decision on whether to institute an AIA trial. In addition, a party to a PTAB proceeding can request review of any final written decision. Only parties to AIA proceedings, including *inter partes* and post-grant review cases, are eligible to request review.[46] The director makes the final decision on whether to initiate review. For this review, the director rehears the case without deference to the panel decision and issues a final decision to resolve any legal, policy, or factual issues.

- Precedential and informative decisions: To establish consistency and create norms across cases, some decisions issued by the PTAB are designated as precedential or informative with the approval of the USPTO director. Precedential decisions have binding authority in subsequent matters involving similar facts, policy, or issues, that PTAB judges are required to apply when deciding cases. Informative decisions set norms that should be followed in most cases, absent justification by a panel, but are not binding on PTAB judges.[47] USPTO has two practices for designating decisions as precedential or informative: (1) Precedential Opinion Panel (POP) review and (2) ratification. [48] The USPTO director may also designate any director review decision precedential upon issuance. According to PTAB

[46]According to PTAB management, the USPTO is currently not accepting party requests for interim Director Review of ex parte appeals.

[47]Decisions may be designated as informative to provide PTAB norms on recurring issues, to provide guidance on board rules and practices, and to provide guidance on issues that the board has not yet addressed, among other reasons. For example, in 2020 PTAB designated *Curt G. Joa, Inc. v. Fameccanica.data S.P.A.*, as informative to provide guidance to judges on how to address the use of confidential information during oral hearings.

[48]These practices were established on September 20, 2018 and are detailed publicly on USPTO's website in Standard Operating Procedure 2 (SOP 2). The POP and ratification practices were a significant change to PTAB procedures for precedential and informative designation. Prior to these practices, decisions were considered for designation by a majority vote of all PTAB members. PTAB management said the voting process had become too complex and time consuming as the size of PTAB increased over time. Moreover, they stated that the former process could hinder the ability of the director to set policy direction for the agency if PTAB failed to reach a voting consensus.

USPTO policy states that the USPTO director has an interest in creating binding norms for fair and efficient PTAB proceedings, and to establish consistency across decision makers under the AIA. Precedential decisions are designated to establish binding agency authority concerning major policy or procedural issues, such as addressing constitutional questions, issues regarding statutes, rules, and regulations, or binding or precedential case law.

management officials, only decisions that are still eligible for rehearing may be nominated for POP review.[49] PTAB policy states that a screening committee, composed of the members of the POP committee—the Director, the Commissioner for Patents, and the Chief Judge—reviews requests for POP review and, if granted, conducts a rehearing of the case and issues a final determination.[50]

According to PTAB management officials, only issued decisions may be nominated for consideration under the ratification process. The same screening committee used for POP review screens cases for ratification.[51] PTAB policy states that the PTAB Executive Judges Committee reviews nominated decisions.[52] Following review, PTAB executive management makes a recommendation to the USPTO director on whether a decision should receive designation as precedential or informative, and the director makes the final determination.[53]

PTAB Modified Certain Oversight Practices in 2022

PTAB recently modified certain oversight practices and clarified the oversight roles of both the USPTO director and PTAB management in relation to pending decisions. On May 26, 2022, the newly appointed USPTO Director established a new process for pre-issuance review

[49]A request for a POP review may be initiated by a party to a proceeding, the Commissioner for Patents, the Chief Judge, or any other member of the Board, or *sua sponte* by the USPTO director.

[50]Any default member can choose to delegate their authority, and the director may choose to replace one of the default members with the deputy director, the Deputy Chief Judge, or a Vice Chief Judge. The director, or the director's delegate, may determine if more than three members is appropriate in certain cases. Rehearing may be initiated by the director or at the request of the Commissioner for Patents, any member of PTAB, or any party to the initial case.

[51]The ratification process allows PTAB members, other USPTO employees, or members of the public to nominate decisions previously issued by PTAB to be considered for precedential or informative designation.

[52]The Executive Judge Committee is composed of five members including the Chief Judge, Deputy Chief Judge, and the Operational Vice Chief Judges, in order of seniority and based on availability.

[53]While the process to make a decision precedential or informative is not part of the oversight of judicial decision-making, once a decision is designated, it can inform or influence how judges make their decisions on related cases.

referred to as the interim process for PTAB decision circulation and internal PTAB review.

According to PTAB, this interim process is based on decision circulation processes used by the U.S. Court of Appeals for the Federal Circuit and represents an evolution of PTAB's prior process for pre-issuance review. The stated goal of the interim process is to promote innovation through consistent, clear, and open decision-making. Notably, the interim process, as described, states that the USPTO director is not involved pre-issuance, in directing or otherwise influencing panel decisions—and that the PTAB panel of judges has final authority and responsibility for the content of a decision.[54] This new interim process modifies or replaces some existing oversight practices (see table 1).[55]

Table 1: Changes in PTAB Oversight Practices

Oversight practice	Prior review process	Current interim review process (as of May 26, 2022)
AIA Review Committee (ARC)	Comprised of a group of volunteer judges who conducted pre-issuance peer review of AIA draft decisions. • It was optional for judge panels to incorporate ARC comments in their final decision. • ARC members could consult with PTAB management prior to issuance of a decision under review. • ARC members could instruct a panel to submit its decision for Management Review.	Replaced by the Circulation Judge Pool (CJP), whose composition and function are similar to ARC, with a few differences: • Peer review is extended from just AIA decisions to other PTAB decisions, including some ex parte appeals. • Unless requested by a panel member, PTAB management does not make suggestions to the panel on any pre-issuance decisions, either directly or indirectly through the CJP. • CJP members may suggest that a judge panel submit its decision for Management Review, but the panel is not required to do so.

[54]See USPTO, "Interim process for PTAB decision circulation and internal PTAB review," accessed July 15, 2022 https://www.uspto.gov/interim-process-ptab-decision-circulation-and-internal-ptab-review.

[55]Oversight practices not included in this table did not change as a result of the interim process established on May 26, 2022.

Oversight practice	Prior review process	Current interim review process (as of May 26, 2022)
Management Review	PTAB management conducted pre-issuance review on select draft decisions. • Pre-issuance review was required for certain decisions such as certain new legal or policy areas, issues that risk inconsistency with other PTAB decisions or USPTO guidance, and interpretation of statutes or case law. • According to PTAB management officials, comments were mostly optional for the judge panel to incorporate in its decision, but some were mandatory if they were related to USPTO policy, statutes, or case law. • PTAB management could consult with the director or other USPTO management about a decision prior to issuance.	PTAB management may conduct pre-issuance review only at the request of a judge panel member. • Review is voluntary and all comments are optional. • PTAB management will not consult with the director about a decision prior to issuance. • PTAB management may conduct post-issuance review to discuss certain decisions with the USPTO director for potential consideration for Interim Director Review, Precedential Opinion Panel review, or issuance of new policy or policy clarification.
Panel changes and expansions	PTAB management officials told us that in rare cases, they have used panel changes to remove judges who had decided not to follow agency policy (e.g., as flagged during mandatory Management Review). Prior to 2018, on occasion panels could be expanded to more than three judges to maintain uniformity across decisions that would address similar legal, policy, or procedural issues.	According to PTAB officials, under the new interim process, PTAB does not plan on using paneling as a form of oversight.[a]

Source: GAO analysis of PTAB information. | GAO-23-105336

[a]Although PTAB officials told us they no longer plan on using panel changes and expansions for oversight, they are still included in Standard Operating Procedure 1.

On July 20, 2022, USPTO issued a Request for Comment to obtain stakeholder feedback on the interim process and begin formalizing the process.[56] According to PTAB management officials, the procedures and policies for the interim process supersedes the existing documentation for the affected oversight practices—such as Management Review. They stated that, as the policies and procedures for the interim process are formalized, any required updates to documentation for affected oversight practices will be updated accordingly.

[56]87 Fed. Reg. 43249 (July 20, 2022). See USPTO's announcement at: https://www.uspto.gov/about-us/news-updates/uspto-seeks-public-input-through-request-comments-director-review-0. In addition to comments on the interim internal review process, USPTO is also seeking comments on the interim Director Review process and the POP process. None of the aforementioned formal oversight practices have undergone notice-and-comment rulemaking at the time of this report.

Judges Stated That Oversight Affected Their Independence and Reported Pressure to Change or Modify Aspects of Their Decisions

Most judges we surveyed stated that there has been a general increase in oversight at PTAB. This oversight has come in the form of an increased number of policies or guidance documents that judges are required to follow, as well as increased managerial oversight with unclear communication. According to some judges we interviewed and surveyed, this has led to a culture of uncertainty and a sense of pressure among the judges to change or modify aspects of their decisions.

Agency Policies and Internal Review Processes Influenced Decision-Making, According to Judges

Most judges we surveyed noted that oversight from previous USPTO directors and PTAB management has generally increased over time, with some variation in the level of oversight under different directors.[57] Judges we interviewed and surveyed asserted that some prior USPTO directors—and subsequently PTAB management—have been hands-off while others have been very involved in oversight of PTAB decisions.[58] While some judges we interviewed acknowledged the need for some oversight to promote consistency across decisions, judges we interviewed and surveyed maintained that the increased use of oversight practices—such as Management Review—has had an effect on their decision-making.

The majority of judges (75 percent) we surveyed responded that the oversight practiced by USPTO directors and PTAB management has had an effect on their independence, with nearly a quarter of these respondents reporting that these practices have had a large effect on their independence (see table 2).

[57]Survey responses from judges reflect their perspectives as of February 2022 and are not inclusive of changes in agency procedure or policy that have since occurred. Of the 143 judges who provided written responses in the survey about how, if at all, their experience with or perception of USPTO director and PTAB Management oversight changed in their time at PTAB, 84 judges (59 percent) noted oversight had increased. The average tenure of judges who completed our survey is 10 years.

[58]Many of the central oversight practices—including the introduction and formalization of Management Review, the updated precedential decision process for designating decisions as precedential, the codification of panel changes and expansions, the formalization of ARC review, and the creation of interim procedures for Director Review and the process for PTAB decision circulation and internal PTAB review, which includes the Circulation Judge Pool —were created, formalized, or both, in the last 5 years, according to PTAB documentation and interviews with PTAB management officials.

Table 2: How much of an effect, if at all, do the oversight practices used by US Patent and Trademark Office directors and Patent Trial and Appeal Board (PTAB) management have on your independence as a judge?

Effect size	Number of judges	Percent
A large effect	48	24
A moderate effect	39	19
A small effect	66	32
No effect at all	31	15
Unsure	20	10
Total	**204**	**100**

Source: GAO survey of PTAB judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

U.S. Patent and Trade Office (USPTO) Subject Matter Eligibility Guidance

35 U.S.C. § 101 provides the statutory foundation for the types of inventions that are eligible to be patented. In 2019, the USPTO issued Revised Patent Subject Matter Eligibility Guidance, which provides the USPTO's interpretation of this statute and revises the procedures examiners and Patent Trial and Appeal Board (PTAB) judges use for determining patent eligibility. This guidance is intended to provide additional clarity on relevant case law but possibly broadens the types of inventions that are patentable beyond the case law, according to some judges we surveyed.

Source: GAO analysis. | GAO 23 105336

Many judges we surveyed said director-created policy and guidance had an effect on their ability to decide cases independently.[59] While one purpose of Management Review is to enforce the use of the director-created policy or guidance, many judges we interviewed noted that policy based on the director's interpretation of case law sometimes differed from the interpretations of PTAB judges. For example, some judges thought USPTO's guidance on subject matter eligibility was inconsistent with relevant case law (see sidebar). Sixty judges (30 percent) we surveyed responded that, in their opinion, the PTAB 2019 Revised Patent Subject Matter Eligibility Guidance creates new tests for evaluating whether an invention is eligible that are not supported or established by the applicable case law. Sixty-three judges (31 percent) responded that it did not create new tests and 80 judges (39 percent) had no opinion. One judge stated that, "the guidance memos from the director, the precedential decisions, the Management Review process, and the AIA review process [ARC Review] significantly limit the panel to write as we see fit. We are obliged to follow the guidance memos as if they are

[59]Of the 119 judges who provided written responses in the survey about what factors, if any, affects their ability to decide cases based solely on the facts of the case and applicable laws, 30 judges (25 percent) identified director-created policies, 31 judges (26 percent) identified precedential or POP decisions, 32 judges (27 percent) identified management review as factors affecting their independence. Judges could identify multiple factors affecting their ability to decide cases. According to the USPTO website, there are over 100 precedential decisions (https://www.uspto.gov/patents/ptab/decisions-and-opinions/precedential) and almost 200 informative decisions (https://www.uspto.gov/patents/ptab/decisions-and-opinions/informative-opinions-0) that guide judges' decision-making. The director is responsible for providing policy direction and management supervision for the agency. 35 U.S.C. § 3(a)(2)(A).

applicable law," while another judge stated that "Management Review is by far the most significant factor" affecting their independence.

Some judges we interviewed pointed to the increased amount of oversight and guidance as contributing to a sense of pressure that has extended beyond the cases in which USPTO directors or PTAB management have exercised a direct role. We found that the majority of judges we surveyed who reported working on AIA proceedings indicated they have felt pressure to change or modify an aspect of their decision in an AIA proceeding based upon the Management Review process and about a third of judges we surveyed who reported working on ex parte appeals felt this pressure based upon Management Review for decisions in ex parte appeals (see table 3).[60]

Table 3: Have you ever felt any pressure to change or modify an aspect of your decision for America Invents Act (AIA) proceedings or ex parte appeals based upon Management Review or AIA Review Committee (ARC) Review?

	Management Review		ARC Review[a]
	AIA proceedings	Ex parte appeals	AIA proceedings
Yes	67% (95)	34% (42)	27% (42)
No	33% (47)	65% (81)	73% (112)
No response	0% (0)	1% (1)	0% (0)
Total	**100% (142)**	**100% (124)**	**100% (154)**

Source: GAO survey of PTAB judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent. The number of judges for each response is included in parentheses.

[a]ARC Review only applies to AIA proceedings and does not occur for ex parte appeals.

[60]Aspects of one's decision may include the overall outcome of the decision, rationale for the decision, or a less substantial aspect (e.g., formatting or structure). Also, these survey questions ask if judges felt pressure to change or modify aspects of their decision and did not ask whether they in fact made the change as a result of that pressure. We heard anecdotally from judges who did and did not make changes as a result of the pressure they felt.

Example of Management Oversight Using Agency Guidance

A Patent Trial and Appeal Board (PTAB) decision designated precedential in 2020 outlines several factors that a PTAB judge should consider when deciding whether to deny institution of an AIA proceeding if there is a parallel court proceeding. However, some judges we interviewed told us that comments received during Management Review influenced or dictated which factors should be given more weight, thus driving the judges' decision on whether to institute an AIA proceeding.

Source: GAO analysis. | GAO 23 105336

Judges who responded they have felt pressure in AIA proceedings and/or ex parte appeals noted that they felt pressure in a variety of situations or from different individuals—including PTAB management, USPTO directors, and other judges, among others. Judges we surveyed and interviewed noted feeling pressure from fellow judges on their panel to follow comments from management or ARC members, as well as pressure not to file a dissent or concurrence. One judge noted that judges can be seen as "difficult" if they push back when panels are already on very tight statutory deadlines. Some judges we interviewed noted that they relent to the other panel members at times to prevent potentially poor ratings from their peers in their performance review.[61]

Some judges we interviewed told us that while such oversight typically has not influenced the merits of the case (i.e., issues of a patent's novelty for example), there can be pressure on discretionary areas driven by agency policy or guidance—and this can affect the judges' decision to institute an AIA trial (see sidebar).[62] Moreover, some judges we interviewed clarified that USPTO directors or PTAB management only intercede in cases with high visibility or cases in which a director has issued guidance or policy. For example, one judge stated that, "if the case involves an issue that the public is interested in ... then the case is scrutinized by management and the panel has very little, if any, freedom to make decisions."

On the other hand, some judges we interviewed noted lasting effects on the culture of PTAB from former directors or PTAB management, who have at times interceded or applied pressure to judges. Some judges we interviewed noted that while they personally have not been on a case in which management or a director directly interfered, they have heard about certain cases that were alleged to have negative consequences for judges who pushed back on management's revisions. They stated that they have, therefore, then felt pressure as to how they render their own

[61]As part of the performance appraisal review process for judges, lead judges may survey other judges about their experiences while paneled with the judge being reviewed. Such information from peers may be used as a part of the judge's rating, although according to PTAB management officials, peer feedback alone does not dictate a particular rating.

[62]According to a 2022 PTAB study, the vast majority of petitioners have been sued by patent owners in another venue prior to filing their petitions with PTAB. According to PTAB documentation, discretionary denials guidance can result in cases not being able to proceed before PTAB if there is parallel district court litigation. In June 2022, the USPTO director updated guidance to state that PTAB will not rely on the factors such as existence of parallel district court litigation to discretionarily deny institution where a petition presents compelling evidence of unpatentability.

decisions, irrespective of management's involvement. Some judges we interviewed responded that to avoid attention from management, they self-edit their decisions prior to review. A judge stated that, "[Management Review's] very existence ... creates a preemptive chilling effect: consideration of management's wishes is at least a factor in all panel deliberations, and is sometimes the dominant factor." Another judge noted that while director-created policy or management's enforcement of policy may only affect, for example, one out of every 15 cases, the pressure from those interactions leaves a "bad taste" that permeates into decision-making on other cases.

Judges Reported Feeling Obligated to Accept Comments from Internal Review Processes

According to judges we surveyed and interviewed, Management Review was a key source of pressure for judges and ARC Review contributed to a sense of pressure as well. Sixty-three percent of judges who reported working on AIA proceedings indicated they felt obligated at least half of the time to follow or accept substantive comments or suggestions that ensue from the Management Review process in AIA proceedings. Fifty percent of judges who reported working on ex parte appeals indicated they felt similarly obligated (see table 4).[63]

[63]According to PTAB management officials, Management Review comments are discretionary for both draft AIA and ex parte appeal decisions, except in the unusual situation where comments indicate that a draft decision fails to follow applicable USPTO policy. They added that if management comments are to be treated as mandatory, they will be explicitly stated as such in management's response. However, prior to May 2022, there was no written documentation specifying which comments were mandatory.

Table 4: How often, if at all, do you feel obligated to follow or accept the substantive comments or suggestions received for America Invents Act (AIA) proceedings or ex parte appeals via Management Review or AIA Review Committee (ARC) Review?

	Management Review		ARC Review[a]
	AIA proceedings	Ex parte appeals	AIA Proceedings
All of the time	41% (58)	32% (39)	8% (12)
More than half of the time	21% (30)	15% (18)	12% (19)
About half of the time	1% (2)	3% (4)	6% (9)
Less than half of the time	10% (14)	7% (9)	19% (29)
Never	13% (19)	31% (38)	51% (78)
Unsure	13% (19)	13% (16)	5% (7)
Total	**99% (142)**	**101% (124)**	**101% (154)**

Source: GAO survey of PTAB judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent. The number of judges for each response is included in parentheses.

[a]ARC Review only applies to AIA proceedings and does not occur for ex parte appeals.

While many judges we interviewed attributed their sense of obligation to a need to follow directives from their superiors, some reported through interviews that management had occasionally contacted the panel members directly to mandate a change to some aspect of the draft decision, and indicated, at times, that the panel could be changed to replace the judge that did not make the desired changes.[64] For example, some judges we interviewed reported a fellow judge was removed from a panel for disagreeing with the intended outcome of the decision, and the decision was issued with two judges instead of three. Some judges we interviewed thought that management had removed a number of judges from AIA proceedings for reported noncompliance and that this made judges feel that they must follow management directives or their careers could be affected. There was little distinction among judges as to the potential effect on their performance review for not adhering to Management Review comments on draft decisions for AIA proceedings, with some noting a large or moderate effect on their performance review

[64]The U.S. Court of Appeals for the Federal Circuit decision, *Arthrex, Inc. v. Smith & Nephew, Inc.,* in place between October 2019 and July 2021, removed federal employment protections available under Title 5 of the U.S. Code for PTAB judges, making judges "at will" employees. PTAB management officials stated that while they never took any action under the "at will" regime, the removal of Title 5 protections by the Federal Circuit likely caused some additional perceived "coercion" or concerns from judges.

(33 percent), no effect (27 percent), or some unsure of the effect (31 percent).[65]

Judges Reported Minimal Insight about Certain Oversight Practices

Some judges we interviewed also reported a lack of clarity about the inner workings of the oversight practices and decision-making within PTAB. While the general process for Management Review was documented in an internal procedural document, some judges described Management Review as a "black box" with little transparency into what happens between the time they submit their draft decision for review and when they receive comments. Many judges we interviewed expressed uncertainty, for example, as to who in management is reviewing the decisions, the timing of reviews, the extent to which judges can converse with management about their comments, what criteria management use in reviews, and what role, if any, USPTO directors play in approving these comments. One judge stated that, "during the Management Review process, several members of the Management Review 'team' extensively revised my dissenting opinion, which resulted in a dramatic rewriting, including a wholesale deletion of about the half of the decision. The revisions and/or rewritings were all substantive in nature. Due to the lack of transparency of the process, I never knew who was responsible for the revisions and/or rewritings."[66] Additionally, some judges we interviewed were unsure of the extent to which they could have conversations with management about comments deemed "mandatory" or whether they

[65]Comparative analysis was not completed between responses for AIA proceedings and ex parte appeals and therefore no statement can be made about whether these differences are statistically significant. A total of 142 judges responded to this question, with 47 judges (33 percent) responding not following Management Review comments in AIA proceedings had a large or moderate effect on their performance review, 12 judges (9 percent) a small effect, 38 judges (27 percent) no effect, 44 judges (31 percent) were unsure, and one judge (1 percent) did not respond. There was also a lack of clarity for judges as to the potential effect of not following ARC comments on their performance review. A total of 154 judges responded to this question, with 18 judges (12 percent) responding not following ARC comments had a large or moderate effect on their performance review, 19 judges (12 percent) a small effect, 87 judges (57 percent) no effect, and 30 judges (20 percent) were unsure, Note, percentages were rounded to the nearest percent. According to PTAB management officials, in no cases did PTAB management factor into a judge's performance rating a judge's failure to adhere to Management Review comments or ARC comments. However, PTAB management officials stated that not following Management Review comments regarding binding case law or written agency guidance could have an effect. There is no written documentation outlining what, if any, relationship exists between management review comments and judges' performance reviews.

[66]As this was a written response in the survey, there are no further details available on the contents of the deletion or the specifics of the revisions.

should inform management as to how they are responding to the comments. Some judges we interviewed noted that management comments—including substantive comments—often come shortly before the statutory deadline, which limits time to discuss and negotiate comments.[67]

Some judges we interviewed considered the now defunct ARC review as another oversight process that lacked clarity, particularly in regards to management's role in ARC review. PTAB documents indicate that ARC review was a peer-review process intended to improve the quality of draft decisions, with any resulting comments being optional for judges to adopt. Some judges we interviewed, however, expressed concern or uncertainty surrounding the extent to which management was involved in ARC review. One such judge we interviewed stated that ARC review can yield comments that go beyond editorial comments by offering substantive comments on interpretation of law or agency policy. Another judge noted that ARC reviewers, themselves, have received guidance at times as to which issues management wants the ARC members to pay attention to and management may include specific language they want provided to judges as ARC comments. According to this judge, this guidance and language is only provided to ARC members and is not permitted to be shared with non-ARC judges. Some judges we interviewed described a seemingly hidden or secretive style of oversight practice within PTAB which they said results in a culture of pressure when judges cannot be sure what is expected of them.

Some judges we surveyed and interviewed were unclear as to how the internal review processes function and were also uncertain about whether they should treat reviewer comments as mandatory. Further, some judges we interviewed noted uncertainty as to whether their response to reviewer comments would negatively affect their performance reviews. Some judges we interviewed asserted that the Circulation Judge Pool within the new interim review process is highly similar to the ARC peer review process making it potentially susceptible to the same issues described above. For example, some judges we interviewed expressed concern that the new interim process for reviewing decisions may not, in practice,

[67]For the purposes of this report, substantive comments are those that have an effect on a decision's outcome or rationale for the outcome. Less substantial comments would be comments regarding grammar or formatting which do not have substantial effects on the decision. According to PTAB management officials, judges frequently submit decisions to Management Review close to the statutory deadline.

follow policy as written. They added that it could still provide a way for management to influence or oversee judges' decisions.

USPTO's Strategic Plan for 2018-2022 calls for enhancing PTAB operations through increasing internal engagement and also ensuring employees (e.g., judges) understand how their work relates to the USPTO mission. Furthermore, federal internal control standards state that agency management should design control activities and internally communicate the necessary quality information to achieve the entity's objectives.[68] Without quality information that clearly outlines in written policy when judges must adopt comments provided as part of internal review processes, judges may perceive that they do not have the ability to negotiate or refuse comments without fear of reprisal. They may adopt comments they perceive to be mandatory including those they do not agree with. This, in turn, may affect judges' ability to rely entirely on their professional judgment when applying the relevant laws and policies to the facts of the case.

Judges Reported Limited Transparency and Communication from PTAB Management

Some judges attributed feelings of pressure and uncertainty to a lack of communication and transparency from PTAB management—including the USPTO director. Some judges we interviewed said it was not always clear who was behind an instruction when it comes without a corresponding formal or written announcement or policy statement.[69] For example, some judges we interviewed said that a variety of judges—including ARC members and lead judges—might attribute a needed change to management or the director without clear evidence of the fact, either in writing or through official channels. Other judges we interviewed said instructions are often funneled down through the ranks and only vaguely attributed to the director—a pattern, according to one judge, that has led to confusion and the spread of misinformation.

In response to a 2020 internal PTAB survey, judges provided to PTAB management several suggestions for how management could improve overall communication and transparency. These recommendations called for management to differentiate between suggestions and requirements

[68]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 10, 2014), principles 10 and 14.

[69]For example, some judges we interviewed noted that they were told to weigh factors that a PTAB judge should consider when deciding whether to deny institution of an AIA proceeding differently than outlined in the associated precedential opinion. However, this information was not provided in writing, only orally so it was not clear who wanted this change, according to one judge we interviewed.

by providing the latter in writing whenever possible. They also recommended clear and consistent policy statements and guidance. Moreover, judges said more advance notice and explanation of changes could improve transparency of the decision-making process and improve trust between judge and management according to the internal survey.

An additional concern some judges expressed—both in interviews with GAO and in the 2020 internal PTAB survey—was a lack of a centralized and up-to-date repository for information they need to do their work, in particular, PTAB policies and other key documents. Some judges we interviewed noted that there is no PTAB-specific page on the USPTO internal website and that key information—including announcements, policy documents, and information on changes—is not always easily accessible or timely. For example, one judge stated that if a judge cannot attend management meetings due to a conflict, presentation slides or information shared in that meeting may not be available for weeks after the meeting, making it challenging to stay abreast of changes. Moreover, another judge stated that the website containing agency policy and directives is not kept up-to-date and includes documents from the agency pre-dating PTAB.

PTAB management has established several channels to facilitate communication and information sharing between management and judges (see sidebar). PTAB management officials subsequently acknowledged ongoing communication concerns within the agency and, in April 2022, formed a communication committee to provide specific recommendations to management on improving and enhancing communications with judges.[70]

USPTO's Strategic Plan for 2018-2022 included goals of enhancing PTAB operations through increasing internal engagement and optimizing performance culture by improving employee engagement, culture, and environment.

Further, federal internal control standards call for management to demonstrate a commitment to integrity and ethical values—including

Examples of PTAB Internal Communication Practices

PTAB has several avenues for communication between judges and PTAB management—including:

- Weekly Training Tuesday meetings, in which USPTO policy is discussed and judges can provide feedback.
- Bi-monthly meetings with the Judge Advisory Committee, where the committee brings anonymous questions or concerns from judges to PTAB management.
- Periodic small group roundtables with the Chief Judge.
- The USPTO's "Office of the Ombudsman," which allows judges to anonymously or confidentially bring forth any workplace concerns and receive assistance with possible options for addressing concerns.
- Annual workplace surveys.

Source: Interviews and PTAB documentation. | GAO 23 105336

[70]According to PTAB management officials, this committee will be conducting listening tours at each of the 27 judge section meetings to obtain input and ideas from judges that will inform recommendations. Judges will also be invited to provide input through the Judge Advisory Committee and a short optional survey used to elicit any additional input judges may not wish to share in a section meeting.

demonstrating the organization's values, philosophy, and operating style—and to internally communicate the necessary quality information needed to achieve the entity's objectives.[71] Without clear communication, quality information sharing by PTAB management and its director, and accessibility of this information, there may continue to be misinformation and uncertainty as to the official position of the director and agency.

Stakeholders and Judges Had Concerns about External Transparency of Judicial Decision-Making and Feedback Channels

Many stakeholders we interviewed conveyed concerns about the lack of transparency into PTAB decision-making. Some stakeholders were generally unaware of how, if at all, the USPTO director and PTAB management are involved in reviewing and providing input on judges' draft and final written decisions. Some stakeholders expressed concern about how such practices may influence the outcome and final decision of a case. Some sitting PTAB judges echoed stakeholder concerns and noted that parties with cases before PTAB may not be aware of the possible involvement of the USPTO director or PTAB management in deciding a case. Many stakeholders we spoke with also lacked clarity on what opportunities exist for external parties to provide feedback to PTAB on major policy decisions—specifically those that are determined to be precedential decisions.

Most Stakeholders and Some Judges Expressed Concerns about External Transparency of PTAB Decision-Making

Many stakeholders we spoke with generally valued PTAB's ability to resolve patent disputes with specialized patent judges with less time and money than would be required in the federal courts.[72] While some stakeholders had heard about PTAB oversight practices anecdotally, others were generally unaware of them, particularly the Management Review and ARC processes for which policies had not previously been made publicly available prior to May 2022.[73] Most stakeholders we interviewed were concerned about what they regarded as a lack of external transparency about how judicial decisions are made within

[71]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 10, 2014), principles 10 and 14.

[72]Stakeholders we interviewed included representatives for patent owners, petitioners and patent applicants, as well as intellectual property experts, professional associations, and former PTAB judges who now bring cases before PTAB.

[73]Stakeholders we interviewed varied in their awareness of the use of panel changes and the interim Director Review process as oversight practices for USPTO directors and/or PTAB management. Some stakeholders were aware of the POP process and saw this as a main mechanism for oversight on behalf of USPTO directors.

PTAB included a brief description of past oversight practices—including ARC review—in its May 2022 announcement of the new interim review processes.

PTAB, such that some were concerned over the integrity of the process. Some stakeholders questioned the extent to which judge panels could be pressured to reach a particular outcome on a case. Many stakeholders also expressed concern regarding the nature and degree of influence that USPTO directors had on panel decisions. For example, some stakeholders said they were concerned about the extent to which certain decisions were solely those of the three-judge panel or whether USPTO directors played a role in those decisions.[74] Some former PTAB judges who were currently representing parties before PTAB, suggested that outside stakeholders—including parties to a case—would be unaware of the Management Review process, for example, and therefore are not likely to know the extent to which directors or PTAB management may have influenced or changed proceedings. One former judge said that when a decision is issued, it is only under the judges' names without any indication of management's involvement, such that any influence outside of the panel remains hidden from the parties and the public. Yet, according to some stakeholders, any divergent views between the panel and PTAB management or the director, would be a valuable consideration for whether to appeal.

Some of the sitting judges we surveyed echoed stakeholder concern over the lack of transparency of PTAB oversight practices outside of the agency.[75] For example, some judges stated that on at least one occasion within their own cases, the parties were not notified when a director or PTAB management had directly influenced the outcome of a particular AIA proceeding or ex parte appeal (see table 5).

[74]Some stakeholders we interviewed were concerned about PTAB oversight practices that are no longer in practice. For example, some were concerned that PTAB management engaged in "panel stacking"—an expansion of the original three-judge panel to include additional panel members—to influence the outcome of a decision. According to PTAB management officials, however, panel expansions have not occurred since before September 2018.

[75]Survey responses from judges reflect their perspectives as of February 2022 and are not inclusive of changes in agency procedure or policy that occurred after this date.

Table 5: Based on your own cases at the Patent Trial and Appeal Board (PTAB), how often, if at all, have US Patent and Trademark Office (USPTO) Directors or PTAB Management directly influenced the outcome of a particular proceeding without notice to the parties?

	USPTO Directors		PTAB Management	
	AIA proceedings	Ex parte appeals	AIA proceedings	Ex parte appeals
On at least one occasion	20% (32)	6% (12)	33% (52)	14% (28)
Never	55% (86)	76% (154)	48% (76)	71% (145)
Unsure	25% (39)	18% (37)	19% (29)	15% (30)
Total	**100% (157)**	**100% (203)**	**100% (157)**	**100% (203)**

Source: GAO survey of PTAB judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent. The number of judges for each response is included in parentheses.

Some of the sitting judges we interviewed also echoed stakeholder concern that when PTAB management influenced a decision, there would be no indication of such involvement to the relevant parties. Many judges we interviewed noted that in cases where there is pressure from PTAB management to change or modify an aspect of their decision, or when management rewrites parts of a decision for the panel, there would be no record that an issued opinion was management's rather than that of the three-judge panel. One judge we interviewed noted that some of the guidance judges are required to follow is not public and therefore cannot be cited in a decision as a rationale.[76] A judge we interviewed supported some stakeholders' view that knowing whether the judges on the panel have disagreed with a director or with PTAB management provides valuable insight for the public into differing views and the rationales for those views. Another judge noted that seeing the differing views with supporting legal reasoning can prompt public debate about which

[76]In such cases, according to the judge, a judge would have to find a work around with another rationale or draft the decision as if it was the judge's opinion, not required internal guidance.

rationale is the most compelling and can help parties decide whether to appeal or to request Director Review.[77]

Further, many current judges also noted that without notice to the parties involved, PTAB management can potentially influence outcomes of AIA cases and ex parte appeals by changing the composition of the three-judge panel.[78] Over 80 percent of judges we surveyed reported having experienced a panel change or expansion, or both, in their time at PTAB for AIA proceedings.[79] Although management officials told us that fewer than 1 percent of panel changes were used as an oversight practice, of those judges who had experienced a panel change or expansion for AIA proceedings, 20 percent felt the modifications were made to alter or influence the overall outcome of or rationale for the decision in an AIA proceeding (see table 6).[80]

[77]Many judges we interviewed noted there are procedural questions where there might be differing interpretations of law or precedent between the USPTO director or PTAB management and that of PTAB judges—such as when to institute a proceeding when there is parallel district court litigation. A judge also noted potential differing interpretations of what constitutes available prior art (previously issued patents and printed publications) for *inter partes* review.

[78]PTAB management officials stated that it is exceptionally rare to use paneling as a vehicle for oversight, and that the Chief Judge had not expanded a panel "to secure and maintain uniformity of PTAB's decisions" since before September 2018, when SOP 1, Revision 15 was issued. Moreover, officials stated that panel expansions have not been used for ex parte appeals since fiscal year 2015.

[79]Eighty-one percent (127) of 157 judges who responded to this survey question noted this experience for AIA proceedings. For ex parte appeals, 73 percent (148) of 203 judges who responded to this survey question noted this experience as well. (Note that these percentages are rounded to the nearest percent.) According to PTAB management officials, panel changes occur regularly for reasons outside of oversight including conflicts, workload issues, and judge unavailability.

[80]Of the 127 judges who have experienced a panel change or expansion, 25 (20 percent) felt the modifications were made to alter or influence the overall outcome or rationale for AIA proceedings. Of the 148 judges who have experience a panel change or expansion, eight (5 percent) felt the modifications were made to alter or influence the overall outcome or rationale for ex parte appeals. (Note that these percentages are rounded to the nearest percent.)

Table 6: Do you believe any of those changes and/or expansions of a panel were ever made to alter or influence the overall outcome of or rationale for the decision?

	AIA proceedings	Ex parte appeals
Yes	20% (25)	5% (8)
No	72% (91)	87% (129)
Unsure	9% (11)	7% (11)
Total	**101% (127)**	**99% (148)**

Source: GAO survey of PTAB judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent. The number of judges for each response is included in parentheses.

Nor would parties know whether management had removed a judge from a panel because of the judge's refusal to make changes aligned with agency policy or position, according to some judges we interviewed.[81] One judge we spoke with described a situation wherein management had expanded a panel to include members of PTAB executive management, without the knowledge of the parties or the names of the management officials appearing on the final decision. A former judge recounted being replaced on a panel, presumably because management wanted a unanimous decision, and this judge was not aware of the replacement until the decision was issued.

Examples of PTAB External Communication Practices

- Over the last 5 years, PTAB has held "Boardside Chat" webinars nearly every month featuring a different topic related to PTAB practice.
- When PTAB seeks to change a policy or procedure, the USPTO may publish a notice in the Federal Register seeking public comment. Such notices may be in the form of Requests for Comments or Notices of Proposed Rulemaking, for example.
- PTAB has met with numerous stakeholder groups over the years to hear feedback and answer questions. These include large bar and small special interest organizations.

Source: Information from PTAB management officials. | GAO 23 105336

While the USPTO director and PTAB management have established numerous avenues for communicating information to and receiving information from stakeholders and the public—including webinars, notices in the Federal Register and meetings with stakeholder groups (see sidebar)—PTAB communication typically discusses PTAB processes and procedures—such as the interim Director Review process—and decisions designated as precedential, according to PTAB management officials. PTAB communication with stakeholders does not typically include discussion of decision-making within PTAB or internal review processes, according to PTAB management officials. Prior to May 2022, when modified procedures were announced, there had been no publicly available documentation or information on management review or ARC review, according to PTAB management officials.

[81]According to PTAB management officials, panel changes for these reasons are rare, and the reason for the panel change would be explained to the parties in the proceeding in panel change orders as "unavailability."

Federal internal control standards call for management to externally communicate the necessary quality information to achieve the entity's objectives.[82] Additionally, USPTO's Strategic Plan for 2018-2022 includes a goal to enhance PTAB operations through increasing external engagement. Without clear and transparent communication between PTAB and parties as to how decisions are made within the agency, what policies or guidance judges are required to follow, and when, if at all, policies, guidance, and individuals outside of the three-judge panel affect a substantial aspect of the decision, there will be continued uncertainty about the internal review and decision-making process among stakeholders and the risk of misinformation.

Some Stakeholders Were Unclear about Processes to Provide Feedback on Requests to Designate Precedential or Informative Decisions

While PTAB at times affords opportunities to external parties to provide feedback on requested or granted POP cases, where determinations of precedential or informative decisions are made, stakeholders varied in their understanding of whether they could provide feedback or when, according to interviews. For example, some stakeholders felt that these overarching decisions are made with little to no feedback from stakeholders, whereas some stakeholders were aware of options to provide feedback about proposed or granted POP cases. However, those aware of these options were unsure if the options still exist or how to take advantage of them. They also expressed uncertainty as to how, if at all, PTAB uses the feedback once submitted. For example, one stakeholder who had provided comments to PTAB in the past described an increasing lack of response from the agency.

Several former judges we spoke with questioned whether the POP process is appropriate for the magnitude of policy change it could bring about, and suggested that formal rulemaking would be more appropriate with its formal notice and comment period. They cited, for example, policies related to denial of institution of an AIA trial, in particular, as better suited to rulemaking because those policies affect so many cases.[83]

[82]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 10, 2014), principle 15.

[83]Based upon comments received from USPTO's request for comments in 2020, the USPTO is considering potential rulemaking on proposed approaches to this procedure through an Advanced Notice of Proposed Rulemaking.

According to PTAB officials, stakeholders can provide feedback when PTAB is considering whether to grant a POP request and again if the request is granted (see table 7).

Table 7: Options for Providing Stakeholder Feedback on Requested and Granted Precedential Opinion Panel (POP) Requests

Stage of POP process	Feedback opportunity	How opportunity is communicated
POP request under consideration	If PTAB is considering whether to grant a POP request, stakeholders can use an online amicus form to argue for or against granting the request. Any stakeholder who wishes to file a form must do so within 7 business days of when the request is submitted to PTAB.	POP requests are published in PTAB's online database[a]
POP request granted	If a POP request is granted, stakeholders may file amicus briefs to provide feedback on issues already granted a POP review when authorized by PTAB, according to PTAB documentation. The POP grant order specifies the POP review schedule, including whether amicus briefs are authorized, the due date for amicus briefs, the page limits, and where to send them.	Stakeholders are notified of PTAB's decision to grant a POP review via email to those who have subscribed to receive notification emails from the USPTO, according to PTAB officials. Moreover, the amicus briefing due dates are also posted on the PTAB's website[b]

Source: Interviews with PTAB management officials. | GAO-23-105336

[a]The PTAB database is referred to as the Patent Trial and Appeal Case Tracking System (P-TACTS), https://developer.uspto.gov/ptab-web/#/search/documents. Amicus briefs are documents typically filed by those outside of the case that offers additional, relevant information or arguments the PTAB may want to consider before making their ruling and can show PTAB how its final decision may impact people other than the parties. PTAB's amicus form can be found at: https://www.uspto.gov/patents/ptab/precedential-opinion-panel-pop-amicus.

[b]A list of cases is available at https://www.uspto.gov/patents/ptab/decisions/precedential-opinion-panel.

While there is some public notice of these feedback opportunities, stakeholders who are not a party to the requested case would not necessarily be aware of the opportunity or have time to prepare and file such a brief, according to some stakeholders. For example, one stakeholder noted that unless one is monitoring cases in the PTAB database daily, it would be almost impossible to be aware of the POP request, especially in time to draft an amicus brief within 7 business days. Moreover, while the PTAB website may be useful to identify cases undergoing POP review, stakeholders may not be aware of their ability to provide feedback and the manner in which they can provide it in order to take advantage of this process, according to some stakeholders.[84] The lack of a comprehensive, written policy outlining when and how

[84]As previously mentioned, as of July 2022, USPTO currently has a pending request for comment on POP review—among other processes (87 Fed. Reg. 43249 (Jul. 20, 2022). At the time of this report, none of the aforementioned formal oversight practices have undergone notice-and-comment rulemaking.

stakeholders can take advantage of these two opportunities may create barriers to use of these processes.[85]

USPTO's Strategic Plan for 2018-2022 includes a goal to enhance PTAB operations through increasing external engagement. In addition, federal internal control standards state that management should externally communicate the necessary quality information to achieve the entity's objectives.[86] Without clear guidance and communication on when and how stakeholders can provide feedback, however, USPTO may be missing an opportunity to increase external engagement regarding PTAB decisions.

Conclusions

Patents create incentives for innovation that lead to billions of dollars of economic activity. The process of affirming or rescinding patents is key to ensuring that these incentives work properly, and PTAB has a fundamental role in this process. Given judges' designation as inferior officers, the decisions of these judges are shaped by guidance from USPTO directors. Therefore, it essential that PTAB's internal review processes be as transparent as possible to assure fair adjudication.

While the Director and PTAB management have recently taken steps—including the introduction of several interim processes and formation of a communication committee—that might address the judges' feelings of pressure and lack of independence they reported in our survey, it is too early to know how they will work in practice. However, there are opportunities for near term steps to bolster PTAB's desire for openness and clarity for judges, stakeholders, and the public about the decision-making within the agency.

Although the new interim changes have removed the requirement for Management Review, it remains a practice insofar as judges can request such reviews of their draft decisions. In addition, while management was not supposed to influence the now-defunct ARC peer review process, judges told us that it sometimes did. Given the similarities between the ARC and the new interim circulation judge pool, the potential for problems may persist, as several judges have noted, if there continues to be a lack of clarity in written policies for internal review. Clarity in such policies—

[85]PTAB's Standard Operating Procedure 2 § II.D identifies that PTAB may authorize amicus briefing in cases where POP review was ordered.

[86]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: Sept. 10, 2014), principle 15.

including whether accepting comments is mandatory and whether there is any impact on judges' performance review for not doing so—is essential for judges to decide cases based on their professional judgment. Similarly, increased clarity in how these internal processes function—including who reviews the draft decisions and what, if any, role PTAB management or the director has in these processes— could bolster judges' trust in management and understanding of their obligations.

In addition, improved and clear communication within PTAB—including clear messages from management and the USPTO Director and accessible, up-to-date information—would offer judges a better understanding of the positions taken by the director, expectations for interactions between judges and management, and a better flow of information within PTAB. The pressure and uncertainty among PTAB judges potentially limits the effectiveness of the recent changes made by the Director and PTAB management, and judges may continue to feel limits on their independence, ultimately affecting stakeholder trust in the fairness and impartiality of PTAB proceedings.

The recent public announcement of several interim processes and request for comment on these processes is a step toward transparency for stakeholders who were unaware of oversight practices within PTAB. Continued communication and transparency will be necessary to address the perceptions and uncertainties they expressed. Clarification of procedures on how to provide feedback and comment on proposed and granted POP proceedings may also improve relationships between stakeholders and PTAB by allowing greater ability to weigh-in on potential policy changes at PTAB.

Finally, given that each new USPTO director can create or modify agency policy and practice oversight of PTAB judges, it may be important to institutionalize the recent reforms. Monitoring the internal and external transparency of changes and processes within PTAB will be essential to maintaining its credibility and safeguarding these processes from potential misuse.

Recommendations

We are making a total of four recommendations to the Director of the USPTO.

When finalizing policy for all internal review processes—such as Management Review and the interim process for internal review and decision circulation— the USPTO Director should clarify these policies, including specifying:

1. what, if any, role PTAB management and/or the Director has in these processes—including who reviews the draft decisions and provides comments;
2. the circumstances in which comments would be optional or mandatory for a panel to incorporate; and
3. the extent to which, if at all, following or not following comments may have an effect on a judge's performance review (Recommendation 1)

The USPTO Director—in coordination with PTAB management—should take steps to improve internal communication with judges to promote transparency and openness by:

1. Increasing direct communication between the USPTO Director and PTAB judges regarding USPTO/PTAB policies, expectations, and operations;
2. Committing to providing, when applicable, written documentation to accompany verbal communication of a desired change or action; and
3. Creating a central repository—such as a PTAB-specific intranet page—for all important information judges need to perform their duties—including up-to-date written documentation of all policy documents, directives, announcements, information on changes, upcoming deadlines and requirements (Recommendation 2).

The USPTO Director—in coordination with PTAB management—should take additional steps to improve communication of the oversight practices used within PTAB with stakeholders and parties—including making public any policies, directives, or guidance judges are required to follow that may have a substantive effect on the decision-making process (Recommendation 3).

The USPTO Director should create written guidance that outlines when and how stakeholders provide feedback on POP decisions and communicate this externally (Recommendation 4).

Agency Comments and Our Evaluation

We provided a draft of this report to the Department of Commerce for review and comment. Commerce concurred with our recommendations, and USPTO also provided technical comments, which we incorporated as appropriate. In its comments, reproduced in appendix IV, the department stated that USPTO has already begun to address the recommendations.

In response to the first recommendation on finalizing policies for internal reviews, USPTO said that its new interim process for PTAB decision

circulation and internal PTAB review clarifies management's involvement in judges' decisions. The letter noted that as PTAB moves forward with notice-and-comment rulemaking USPTO is "*committed to ensuring that the policy remains clear (a) on the role of the Director and PTAB management in pre-issuance decisions, (b) that the PTAB panel has final authority and responsibility for the content of a decision, and (c) that any suggestions provided to the panel pre-issuance are optional, and only for the panel's consideration.*"

In response to the second recommendation on better communication with judges, Commerce noted that the USPTO Director has been conducting small group listening tours with judges and that USPTO has clarified that there will not be any required unwritten guidance to judges.

In response to the third recommendation on transparency to stakeholders, USPTO noted, among other things, that it publicly posted details of its new interim process and will continue efforts to ensure that stakeholders are aware of policies, directives, and guidance that judges need to follow.

In response to the fourth recommendation on how stakeholders can provide feedback, USPTO noted that it will continue to investigate new avenues for stakeholders to provide feedback on POP and precedential decisions.

Further, in its written response, USPTO emphasized the significant effects of the *Arthrex* decision and that "*the Director has the ability to review final PTAB decisions and issue decisions herself, which provides a direct avenue for review of PTAB decisions by the Director on rehearing, thereby reducing the need for oversight prior to issuance of panel decisions.*" Nonetheless, USPTO still noted the importance of agency guidance to judges for ensuring consistency and adherence to agency policy in judges' decisions.

While USPTO noted in their comments that some survey responses we collected from judges were "perceptions," the judges' views measured by our survey instrument are based on their real-world experiences with management oversight and are an important influence on their behavior. As a result, judges' views provided valuable insight into the working environment within PTAB and were appropriate evidence for answering our research objectives. PTAB's ongoing or planned actions to implement our recommendations are a good first step to address the concerns judges expressed.

Finally, USPTO stressed that they had begun to implement many changes. We agree that these are positive initial steps and support USPTO's efforts to finalize these changes through notice-and-comment rulemaking so that future USPTO Directors will not be able to undo them.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Commerce, and other interested parties. In addition, the report will be available at no charge on the GAO website at https://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-6888 or wrightc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix V.

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Director
Science, Technology Assessment, and Analytics

Appendix I: Objectives, Scope, and Methodology

This report examines (1) practices used to oversee the decision-making process at the Patent Trial and Appeal Board (PTAB), (2) the judges' perspectives on how, if at all, oversight practices have affected their deliberations and decisions, and (3) the perspectives of selected stakeholders and judges regarding the external transparency of oversight practices.

To understand the flow of cases through PTAB and how this had an effect on their staffing, we reviewed PTAB-provided data on the number of America Invents Act (AIA) petitions filed with PTAB, the inventory of pending ex parte appeal cases, and the number of judges employed at PTAB since its establishment. To assess the reliability of these data, we reviewed the data for inconsistencies or obvious errors and interviewed knowledgeable officials about the origin of the data and how they were compiled. We determined these data were sufficiently reliable for our purposes.

For all three objectives, we obtained and analyzed agency policies, procedures, and guidance, and also reviewed applicable laws and regulations. Within the U.S. Patent and Trademark Office (USPTO) we interviewed the current Director and PTAB management officials, namely the Chief Judge, Deputy Chief Judge, vice chief judges, senior lead judges, and lead judges, as well as non-management judges.

We also conducted a web-based survey of PTAB judges from January 18, 2022 through February 23, 2022, soliciting their perspectives on and experiences with oversight practices exercised by PTAB management and USPTO Directors. We sent the survey to all 234 judges serving as non-management judges or lead judges as of September 2021, 204 (87 percent) of whom responded.[1] The survey results provide the perspectives of the judges who responded to the survey and may not be representative of those who did not respond. The results of our survey provide measures of judges' views at the time they completed the survey in January and February 2022.

Because we surveyed all judges and lead judges, the survey did not involve sampling errors. To minimize nonsampling errors, and to enhance

[1]Judges who serve as PTAB's executive management team—the Chief Judge, Deputy Chief Judge, vice chief judges, and senior lead judges—were not included in this survey as the survey focused on management oversight. Also, responses for judges who did not complete the survey in its entirety were not included in the analysis and are not among the 204 we count as respondents.

data quality, we employed recognized survey design practices in the development of the questionnaire and in the collection, processing, and analysis of the survey data. To minimize errors arising from differences in how questions might be interpreted and to reduce variability in responses that should be qualitatively the same, we sent our survey to two subject matter experts for review and conducted pretests with six judges. To ensure that we obtained a variety of perspectives on our survey, we randomly selected at least one judge from each of the following categories to pretest the survey: non-management judge, lead judge, located at PTAB's headquarters office, located in field offices, at least 5 years of experience, at least 10 years of experience, AIA proceedings, and ex parte appeals. Based on feedback from these pretests and expert review, we revised the survey in order to improve the clarity of the questions. An independent survey specialist within GAO also reviewed a draft of the survey prior to its administration. To reduce nonresponse, another source of nonsampling error, we followed up by phone and/or e-mail with judges who had not responded to the survey to encourage them to complete it.

We conducted an analysis of our survey results to identify potential sources of nonresponse bias by examining the percentage of judges who did and did not respond to our survey by various characteristics. The characteristics available to us for this analysis were: 1) position (i.e., lead judge or non-management judge), 2) location, 3) years at PTAB, 4) assignment status for AIA proceedings, 5) assignment status for ex parte appeals, and 6) content specialization(s). There was no discernable gap found between judges who did and did not respond for these characteristics.

Our survey contained a mixture of closed-ended and open-ended questions. Our survey included skip patterns to ensure judges only responded to questions associated with the type of work they do at PTAB. For example, if a judge indicated in a screening question that they have never worked on an AIA proceeding while at PTAB, questions about AIA proceedings would not be visible to that judge. Due to our embedded skip patterns, the number of responses for each question varied. Responses from judges who saw the question but chose to not respond were included in frequency calculations, however non-response from judges who did not see the question as a result of the skip pattern were not included.

Over 70 percent of judges provided responses to at least one of the four open-ended questions we conducted content analysis on from our

survey.[2] To analyze these open-ended comments, we conducted a content analysis in two steps. In the first step, two analysts independently reviewed the four selected open-ended survey responses to develop an initial codebook. Both analysts then used this initial codebook to independently code the responses before jointly discussing any issues that arose during coding and comparing codes on a number of randomly selected responses across each of the four questions. Based upon this comparison and any identified issues, the initial codebook was updated to add/delete codes to better address the responses and refine existing codes with examples, and parameters to bound when the code is applicable. In the second step, each open-ended response was coded independently by the two analysts again, and then those codes were compared for a second time. Any coding discrepancies were resolved by the analysts agreeing on what the codes should be. Inter-coder agreement levels were above 80% for each question we analyzed and for each code—with ranges from 88% to 100%. We analyzed the results of this coding and have included selected quotes from respondents for the top categories for each question. Views expressed in the survey may not be representative of all judges' views on or experiences with given topics.

In addition, to gain insight and context of judges' survey responses, we conducted confidential interviews with six judges who indicated in the survey that they were willing to be interviewed. We interviewed judges who had experience with both AIA proceeding and ex parte appeals and had also had draft decisions undergo management review and ARC review. Additionally, we ensured this selection of judges included at least one lead judge. Results from these interviews are not generalizable to other judges but provide some context for the quantitative and qualitative survey results.[3]

To identify stakeholder perspectives on PTAB oversight, we interviewed various stakeholders including former PTAB judges and former

[2]There were four additional open-ended questions we did not do content analysis for as they were general "catch-all" questions that simply asked if the respondent had anything else to add not covered in that section of the survey. Due to the non-specific nature of these questions, we used responses anecdotally.

[3]Post-issuance of the interim circulating judge pool process, we reached out via email to these judges we interviewed as well as a judge we conducted pre-testing with to obtain their perspectives on the new process. We also reached out to a few former judges and stakeholders to obtain their perspectives as well. These perspectives are not generalizable.

management officials, representatives of patent owners, petitioners, and patent applicants, professional associations, and intellectual property experts. We used USPTO's online warehouse of cases to identify patent applicants who had past or pending ex parte appeals in front of PTAB.[4] We searched ex parte appeal decisions and rehearings in two groups: from 2012-2016 and 2017-2021, narrowing our pool of eligible cases by only including cases for the top two technology centers per time period.[5] From this pool, we randomly selected a smaller pool of cases and contacted the patent applicant and/or the representing attorney(s) for interview. We used the Unified Patents online database to identify the top patent owners and petitioners with AIA proceedings before PTAB from 2012-2016 and 2017-2021, narrowing the pool by filtering by the top three technology centers for each time and petition and patent owner entity types to ensure a mix of large and small entities.[6] From this pool, we randomly selected a smaller pool of cases and contacted the petitioners, patent owners, and/or the representing attorney(s) for interview. We also used interviews to find other individuals, organizations, or companies our interviewees identified as having potentially relevant or useful perspectives related to our work. We interviewed more than 20 stakeholders in total. Results from these interviews are not generalizable, but they provide insight into a range of stakeholder experiences and perspectives.

We conducted this performance audit from July 2021 to December 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[4]PTAB's database is referred to as the Patent Trial and Appeal Case Tracking System (P-TACTS), https://developer.uspto.gov/ptab-web/#/search/decisions.

[5]We searched cases though October 21, 2021.

[6]*https://portal.unifiedpatents.com/ptab/analytics/case-level/top-parties.*

Appendix II: Output from Closed-Ended Questions in GAO's Survey of Patent Trial and Appeal Board (PTAB) Judges

Detailed methodology for this survey and analysis can be found in Appendix I.

Table 8: Have you ever been paneled on America Invents Act (AIA) proceedings during your time as a judge? (Question 1)

	Number of judges	Percent
Yes	157	77
No (if no, skip to Q33)	47	23
Total	**204**	**100**

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 9: Have any of the AIA proceedings decisions you have been paneled on been reviewed under the management review process (either as an authoring judge or panel member)? (Question 2)

	Number of judges	Percent
Yes	142	90
No (if no skip, to Q12)	10	6
Not applicable; the management review process was not in place when I was paneled on AIA proceedings.	5	3
Total	**157**	**99**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent.

Table 10: How often, if at all, do you feel obligated to follow or accept the substantive comments or suggestions received via the management review process in AIA proceedings? (Question 3)

	Number of judges	Percent
All of the time	58	41
More than half of the time	30	21
About half of the time	2	1
Less than half of the time	14	10
Never	19	13
Unsure	19	13
Total	**142**	**99**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent

Table 11: Have you ever felt any pressure to change or modify an aspect of your decision in an AIA proceeding based upon the management review process? (Question 4)

	Number of judges	Percent
Yes	95	67
No (if no, skip to Q9)	47	33
Total	**142**	**100**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 12: From whom have you ever felt this pressure to change or modify an aspect of your AIA proceeding decision as a result of the management review process? (Check all that apply.) (Question 5)

	Number of judges	Percent of 95 judges who responded
Director of the USPTO	29	30
PTAB management (Chief Judge, Deputy Chief Judge, vice chief judge, lead judge)	84	88
Another judge	19	20
Other (please specify below)	15	16
Unclear who the pressure was from	15	16

Legend: AIA= America Invents Act, USPTO= U.S. Patent and Trademark Office

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and the percentages will not add up to 100% because the question asked judges to select all that apply. Only judges who responded that they have felt pressure to change or modify an aspect of an AIA proceeding as a result of management review were able to respond to this question. 95 judges responded to this question.

Table 13: Which aspect(s) of your decision in an AIA proceeding have you ever felt pressure to change or modify as a result of the management review process? (Check all that apply.) (Question 6)

	Number of judges	Percent of 95 judges who responded
The overall outcome	52	55
Rationale for your decision	82	86
Less substantial aspect (e.g., grammar, structure)	44	46

	Number of judges	Percent of 95 judges who responded
Other (please specify below)	12	13

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note. Percentages in this table were rounded to the nearest whole percent and the percentages will not add up to 100% because the question asked judges to select all that apply Only judges who responded that they have felt pressure to change or modify an aspect of an AIA proceeding as a result of management review were able to respond to this question. 95 judges responded to this question.

Table 14: Which of the following modes have ever been used to communicate the request(s) to change or modify your decision(s) in AIA proceedings? (Check all that apply.) (Question 7)

	Number of judges	Percent of 95 judges who responded
Phone call	83	87
E-mail	77	81
In-person conversation	11	12
Other (please specify below)	14	15

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note. Percentages in this table were rounded to the nearest whole percent and the percentages will not add up to 100% because the question asked judges to select all that apply. Only judges who responded that they have felt pressure to change or modify an aspect of an AIA proceeding as a result of management review were able to respond to this question. 95 judges responded to this question.

Table 15: To your knowledge, does PTAB retain any record of the communication(s) of the requested change(s) in AIA proceedings? (Question 8)

	Number of judges	Percent
Yes	21	22
No	9	10
Unsure	65	68
Total	**95**	**100**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board (PTAB) judges. | GAO-23-105336

Note. Percentages in this table were rounded to the nearest whole percent. Only judges who responded that they have felt pressure to change or modify an aspect of an AIA proceeding as a result of management review were able to respond to this question.

Table 16: How much of an effect, if at all, do you believe following comments or suggestions from the management review process for AIA proceedings has on your performance appraisal? (Question 9)

	Number of judges	Percent
A large effect	28	20
A moderate effect	22	16
A small effect	10	7
No effect at all	43	30
Unsure	39	28
Total	**142**	**101**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent.

Table 17: How much of an effect, if at all, do you believe push back or not following comments or suggestions from the management review process for AIA proceedings has on your performance appraisal? (Question 10)

	Number of judges	Percent
A large effect	28	20
A moderate effect	19	13
A small effect	12	9
No effect at all	38	27
Unsure	44	31
No Response	1	1
Total	**142**	

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent.

Is there any other information regarding the management review process for America Invents Act (AIA) proceedings you would like share with us? (Question 11)

Open-ended survey responses are intentionally not reported in this appendix.

Table 18: Have any of the AIA proceeding decisions you have been paneled on been reviewed under the ARC review process (either as an authoring judge or panel member? (Question 12)

	Number of judges	Percent
Yes	154	98
No (if no skip, to Q26)	1	1
Not applicable; the ARC review process was not in place when I was paneled on AIA proceedings. (if no skip, to Q26)	2	1
Total	**157**	**100**

Legend: AIA= America Invents Act, ARC= AIA Review Committee

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 19: How often, if at all, do you feel obligated to follow or accept the substantive comments or suggestions received via the ARC review process for AIA proceedings? (Question 13)

	Number of judges	Percent
All of the time	12	8
More than half of the time	19	12
About half of the time	9	6
Less than half of the time	29	19
Never	78	51
Unsure	7	5
Total	**154**	**101**

Legend: AIA= America Invents Act, ARC=AIA Review Committee

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent.

Table 20: Have you ever felt any pressure to change or modify an aspect of your decision in an AIA proceeding based upon the ARC review process? (Question 14)

	Number of judges	Percent
Yes	42	27
No (if no, skip to Q19)	112	73
Total	**154**	**100**

Legend: AIA= America Invents Act, ARC=AIA Review Committee

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 21: From whom have you ever felt this pressure to change or modify an aspect of your AIA proceeding decision as a result of the ARC review process? (Check all that apply.) (Question 15)

	Number of judges	Percent of 42 judges who responded
Director of the USPTO	4	10
PTAB management (Chief Judge, Deputy Chief Judge, vice chief judge, lead judge)	19	45
ARC member(s)	31	74
Another judge	15	36
Other (please specify below)	6	14
Unclear who the pressure was from	7	17

Legend: AIA= America Invents Act, ARC=AIA Review Committee, USPTO= U.S. Patent and Trademark Office

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and the percentages will not add up to 100% because the question asked judges to select all that apply. Only judges who responded that they have felt pressure to change or modify an aspect of an AIA proceeding as a result of ARC review were able to respond to this question. 42 judges responded to this question.

Table 22: Which aspect(s) of your decision in an AIA proceeding have you ever felt pressure to change or modify as a result of the ARC review process? (Check all that apply.) (Question 16)

	Number of judges	Percent of 42 judges who responded
The overall outcome	9	21
Rationale for your decision	34	81
Less substantial aspect (e.g., grammar, structure)	36	86
Other (please specify below)	1	2

Legend: AIA= America Invents Act, ARC=AIA Review Committee

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and the percentages will not add up to 100% because the question asked judges to select all that apply. Only judges who responded that they have felt pressure to change or modify an aspect of an AIA proceeding as a result of ARC review were able to respond to this question. 42 judges responded to this question.

Table 23: Which of the following modes have ever been used to communicate the request(s) to change or modify your decision(s) from ARC Review in an AIA proceeding? (Check all that apply.) (Question 17)

	Number of judges	Percent of 42 judges who responded
Phone call	16	38
E-mail	38	91
In-person conversation	2	5
Other (please specify below)	6	14

Legend: AIA= America Invents Act, ARC=AIA Review Committee

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and the percentages will not add up to 100% because the question asked judges to select all that apply. Only judges who responded that they have felt pressure to change or modify an aspect of an AIA proceeding as a result of ARC review were able to respond to this question. 42 judges responded to this question.

Table 24: To your knowledge, does PTAB retain any record of the communication(s) of the requested change(s) from ARC Review in an AIA proceeding? (Question 18)

	Number of judges	Percent
Yes	10	24
No	3	7
Unsure	29	69
Total	**42**	**100**

Legend: AIA= America Invents Act, ARC=AIA Review Committee

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent. Only judges who responded that they have felt pressure to change or modify an aspect of an AIA proceeding as a result of ARC review were able to respond to this question.

Table 25: How much of an effect, if at all, do you believe following comments or suggestions from the ARC review process for AIA proceedings has on your performance appraisal? (Question 19)

	Number of judges	Percent
A large effect	8	5
A moderate effect	8	5
A small effect	21	14
No effect at all	91	59
Unsure	26	17
Total	**154**	**100**

Legend: AIA= America Invents Act, ARC=AIA Review Committee

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 26: How much of an effect, if at all, do you believe push back or not following comments or suggestions from the ARC review process for AIA proceedings has on your performance appraisal? (Question 20)

	Number of judges	Percent
A large effect	8	5
A moderate effect	10	7
A small effect	19	12
No effect at all	87	57
Unsure	30	20
Total	**154**	**101**

Legend: AIA= America Invents Act, ARC=AIA Review Committee

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent.

Table 27: Have you ever served on the AIA Review Committee? (Question 21)

	Number of judges	Percent
Yes	45	29
No (if no, skip to Q23)	109	71
Total	**154**	**100**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 28: While serving on the AIA Review Committee, did you ever feel any pressure to have a judge change or modify a decision for an AIA proceeding? (Question 22)

	Number of judges	Percent
Yes	12	27
No	31	69
Unsure	2	4
Total	**45**	**100**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Is there any other information regarding the America Invents Act (AIA) Review Committee process for AIA proceedings you would like share with us? (Question 23)

Open-ended survey responses are intentionally not reported in this appendix.

Table 29: Have you ever been removed from or have you ever requested to be removed from AIA proceedings all together, either temporarily or permanently? (Question 24)

	Number of judges	Percent
Yes	32	21
No (if no, skip to Q26)	122	79
Total	**154**	**100**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 30: Which of the following contributed to your removal from AIA proceedings, if any? (Check all that apply.) (Question 25)

	Number of judges	Percent of 32 judges who responded
I requested the move to ex parte appeals.	17	53
There was a difference of opinion with colleagues and/or PTAB management (Chief Judge, Deputy Chief Judge, vice chief judges or lead judges) during the management review process for AIA proceedings.	5	16
There was a difference of opinion with colleagues and/or PTAB management (Chief Judge, Deputy Chief Judge, vice chief judges, or lead judges) during the ARC process for AIA proceedings.	3	9
Other (please specify below)	15	47

Legend: AIA= America Invents Act, ARC=AIA Review Committee

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and the percentages will not add up to 100% because the question asked judges to select all that apply. Only judges who responded they have been removed from AIA proceedings were able to respond to this question. 32 judges responded to this question.

Table 31: In AIA proceedings you have been paneled on during your time as a judge, has there ever been a change of panel and/or expansion of a panel? (Question 26)

	Number of judges	Percent
Yes, a change of panel	106	68
Yes, a panel expansion	2	1
Yes, I have experienced both a panel expansion and a change of panel	19	12
No, I have experienced neither (if no, skip to Q28)	29	19
Unsure (if unsure, skip to Q28)	1	1
Total	**157**	**101**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent.

Table 32: Do you believe any of those changes and/or expansions of a panel were ever made to alter or influence the overall outcome of or rationale for the decision in an AIA proceeding? (Question 27)

	Number of judges	Percent
Yes	25	20
No	91	72
Unsure	11	9
Total	**127**	**101**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent. Only judges who responded they have experienced a panel change and/or expansion for an AIA proceeding were able to respond to this question.

Table 33: Based on your own cases at the PTAB, how often, if at all, have USPTO Directors directly influenced the outcome of a particular AIA proceeding without notice to the parties? (Question 28)

	Number of judges	Percent
All of the time	2	1
More than half of the time	3	2
About half of the time	1	1
Less than half of the time	26	17
Never	86	55

	Number of judges	Percent
Unsure	39	25
Total	**157**	**101**

Legend: AIA= America Invents Act, USPTO= U.S. Patent and Trademark Office

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent.

Table 34: Based on your own cases at the PTAB how often, if at all, has PTAB management (Chief Judge, Deputy Chief Judge, vice chief judges, or lead judges) directly influenced the outcome of a particular AIA proceeding without notice to the parties? (Question 29)

	Number of judges	Percent
All of the time	3	2
More than half of the time	2	1
About half of the time	4	3
Less than half of the time	43	27
Never (if never, skip to Q31)	76	48
Unsure if unsure, skip to Q31)	29	19
Total	**157**	**100**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 35: In your opinion, how often, if at all, has PTAB management's influence on the outcome of an AIA proceeding been inappropriate? (Question 30)

	Number of judges	Percent
All of the time	8	15
More than half of the time	3	6
About half of the time	5	10
Less than half of the time	21	40
Never	9	17
Unsure	6	12
Total	**52**	**100**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent. Only judges who responded that PTAB management has directly influenced an AIA proceeding without notice to the parties were able to respond to this question.

Table 36: Have you ever felt any pressure to not author or publish a dissenting or concurring opinion in an AIA proceeding? (Question 31)

	Number of judges	Percent
Yes	22	14
No (if no, skip to Q33)	135	86
Total	**157**	**100**

Legend: AIA= America Invents Act

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Please describe from where or from whom the pressure came to not author or publish a dissenting or concurring opinion in an America Invents Act (AIA) proceeding. (Question 32)

Open-ended survey responses are intentionally not reported in this appendix. See Appendix III for results for this question.

Table 37: Have you ever been paneled on ex parte appeals during your time as a judge? (Question 33)

	Number of judges	Percent
Yes	203	100
No (if no, skip to Q52)	1	1
Total	**204**	**101**

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent.

Table 38: Have any of the ex parte appeals you have been paneled on been reviewed under the management review process (either as an authoring judge or panel member)? (Question 34)

	Number of judges	Percent
Yes	124	61
No (if no skip, to Q44)	53	26
Not applicable; the management review process was not in place when I was paneled on ex parte appeals. (skip, to Q44)	26	13
Total	**203**	**100**

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 39: How often, if at all, do you feel obligated to follow or accept the substantive comments or suggestions received via the management review process for ex parte appeals? (Question 35)

	Number of judges	Percent
All of the time	39	32
More than half of the time	18	15
About half of the time	4	3
Less than half of the time	9	7
Never	38	31
Unsure	16	13
Total	**124**	**101**

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent.

Table 40: Have you ever felt any pressure to change or modify an aspect of your decision in an ex parte appeal based upon the management review process? (Question 36)

	Number of judges	Percent
Yes	42	34
No (if no, skip to Q41)	81	65
No Response	1	1
Total	**124**	**100**

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 41: From whom have you ever felt this pressure to change or modify an aspect of your ex parte appeal decision as a result of the management review process? (Check all that apply.) (Question 37)

	Number of judges	Percent of 42 judges who responded
Director of the USPTO	8	19
PTAB management (Chief Judge, Deputy Chief Judge, vice chief judge, lead judge)	32	74
Another judge	7	16
Other (please specify below)	8	19
Unclear who the pressure was from	6	14
No Response	1	2

Legend: USPTO= U.S. Patent and Trademark Office

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and the percentages will not add up to 100% because the question asked judges to select all that apply. Only judges who responded they have felt pressure to change or modify an aspect of their decision in an ex parte appeal based upon management review were able to respond to this question. 42 judges responded to this question.

Table 42: Which aspect(s) of your decision in an ex parte appeal have you ever felt pressure to change or modify as a result of the management review process? (Check all that apply.) (Question 38)

	Number of judges	Percent of 42 judges who responded
The overall outcome	13	30
Rationale for your decision	32	74
Less substantial aspect (e.g., grammar, structure)	19	44
Other (please specify below)	5	12
No Response	1	2

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and the percentages will not add up to 100% because the question asked judges to select all that apply. Only judges who responded they have felt pressure to change or modify an aspect of their decision in an ex parte appeal based upon management review were able to respond to this question. 42 judges responded to this question.

Table 43: Which of the following modes have ever been used to communicate the request(s) to change or modify your decision(s) for management review in ex parte appeals? (Check all that apply.) (Question 39)

	Number of judges	Percent of 42 judges who responded
Phone call	28	65
E-mail	29	67
In-person conversation	3	7
Other (please specify below)	4	9
No Response	1	2

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and the percentages will not add up to 100% because the question asked judges to select all that apply. Only judges who responded they have felt pressure to change or modify an aspect of their decision in an ex parte appeal based upon management review were able to respond to this question. 42 judges responded to this question.

Table 44: To your knowledge, does PTAB retain any record of the communication(s) of the requested change(s) from management review in ex parte appeals? (Question 40)

	Number of judges	Percent
Yes	6	14
No	10	23
Unsure	27	63
Total	**43**	**100**

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent. Only judges who responded they have felt pressure to change or modify an aspect of their decision in an ex parte appeal based upon management review were able to respond to this question.

Table 45: How much of an effect, if at all, do you believe following comments or suggestions from the management review process for ex parte appeals has on your performance appraisal? (Question 41)

	Number of judges	Percent
A large effect	18	15
A moderate effect	12	10
A small effect	16	13
No effect at all	46	37
Unsure	32	26
Total	**124**	**101**

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent.

Table 46: How much of an effect, if at all, do you believe push back or not following comments or suggestions from the management review process for ex parte appeals has on your performance appraisal? (Question 42)

	Number of judges	Percent
A large effect	24	19
A moderate effect	6	5
A small effect	17	14
No effect at all	42	34
Unsure	34	27
No Response	1	1
Total	**124**	**100**

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Is there any other information regarding the management review process for ex parte appeals you would like share with us? (Question 43)

Open-ended survey responses are intentionally not reported in this appendix.

Table 47: In ex parte appeals you have been paneled on during your time as a judge, has there ever been a change of panel and/or expansion of a panel? (Question 44)

	Number of judges	Percent
Yes, a change of panel	113	56
Yes, a panel expansion	6	3
Yes, I have experienced both a panel expansion and a change of panel	29	14
No, I have experienced neither (if no, skip to Q46)	49	24
Unsure (if unsure, skip to Q46)	6	3
Total	**203**	**100**

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 48: Do you believe any of those changes and/or expansions of a panel were ever made to alter or influence the overall outcome of or rationale for the decision for ex parte appeals? (Question 45)

	Number of judges	Percent
Yes	8	5
No	129	87
Unsure	11	7
Total	**148**	**99**

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent. Only judges who responded they have experienced a panel change and/or expansion for ex parte appeals were able to respond to this question.

Table 49: Based on your own cases at the PTAB, how often, if at all, have USPTO Directors directly influenced the outcome of a particular ex parte appeal without notice to the parties? (Question 46)

	Number of judges	Percent
All of the time	2	1
About half of the time	1	1
Less than half of the time	9	4
Never	154	76
Unsure	37	18
Total	**203**	**100**

Legend: USPTO= U.S. Patent and Trademark Office

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 50: Based on your own cases at the PTAB, how often, if at all, has PTAB management (Chief Judge, Deputy Chief Judge, vice chief judges, or lead judges) directly influenced the outcome of a particular ex parte appeal without notice to the parties? (Question 47)

	Number of judges	Percent
All of the time	2	1
About half of the time	1	1
Less than half of the time	25	12
Never (if never, skip to Q49)	145	71
Unsure	30	15
Total	**203**	**100**

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 51: In your opinion, how often, if at all, has PTAB management's influence on the outcome of an ex parte appeal been inappropriate? (Question 48)

	Number of judges	Percent
All of the time	5	18
More than half of the time	1	4
About half the time	1	4
Less than half of the time	7	25
Never	4	14
Unsure	10	36
Total	**28**	**101**

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent. Only judges who responded that PTAB management has directly influenced the outcome of an ex parte appeal without notice to the parties were able to respond to this question.

Table 52: Have you ever felt any pressure to not author or publish a dissenting or concurring opinion in an ex parte appeal? (Question 49)

	Number of judges	Percent
Yes	19	9
No if no, skip to Q51)	184	91
Total	**203**	

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Please describe from where or from whom the pressure came to not author or publish a dissenting or concurring opinion in an ex parte appeal. (Question 50)

Open-ended survey responses are intentionally not reported in this appendix. See Appendix III for results for this question.

Table 53: In your opinion, does the PTAB 2019 Revised Patent Subject Matter Eligibility Guidance create new tests for evaluating whether an invention is eligible that are not supported or established by the case law? (Question 51)

	Number of judges	Percent
Yes	60	30
No	63	31
No opinion	80	39
Total	**203**	**100**

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 54: How much of an effect, if at all, do the oversight mechanisms used by the USPTO Director and PTAB management have on your independence as a judge (e.g., ARC and management review processes, paneling, precedential opinion panel, performance appraisals, etc.)? (Question 52)

	Number of judges	Percent
A large effect	48	24
A moderate effect	39	19
A small effect	66	32

	Number of judges	Percent
No effect at all	31	15
Unsure	20	10
Total	**204**	**100**

Legend: USPTO= U.S. Patent and Trademark Office, ARC= America Invents Act (AIA) Review Committee

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 55: How much freedom do you feel you have to decide cases based solely on the facts of the case and applicable law(s) (with no pressure or influence from outside the panel assigned to the case)? (Question 53)

	Number of judges	Percent
A large amount of freedom	123	60
A moderate amount of freedom	55	27
A small amount of freedom	15	7
No freedom	7	3
Unsure	4	2
Total	**204**	**99**

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent and therefore the total does not add up to 100 percent.

What factors, if any, affect your freedom to decide cases based solely on the facts of the case and applicable law(s)? (Please describe.) (Question 54)

Open-ended survey responses are intentionally not reported in this appendix. See Appendix III for results for this question.

Table 56: How conducive is the culture or tone of PTAB in allowing the panel to freely decide a case based solely on the facts of the case and applicable law(s)? (Question 55)

	Number of judges	Percent
Very conducive	97	48
Mostly conducive	59	29
Somewhat conducive	28	14
Not at all conducive	13	6
Unsure	7	3
Total	**204**	**100**

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Table 57: How conducive is the culture or tone of PTAB in reaching decisions in a manner that is transparent to the involved parties? (Question 56)

	Number of judges	Percent
Very conducive	82	40
Mostly conducive	54	27
Somewhat conducive	33	16
Not at all conducive	19	9
Unsure	16	8
Total	**204**	**100**

Source: GAO survey of Patent Trial and Appeal Board judges (PTAB). | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

How, if at all, has your experience with or perception of U.S. Patent and Trademark Office Director and/or Patent Trial and Appeal Board (PTAB) management oversight changed over your time at the PTAB (e.g., change in frequency, scope, process, focus, etc.)? (Question 57)

Open-ended survey responses are intentionally not reported in this appendix. See Appendix III for results for this question.

Is there any other information regarding U.S. Patent and Trademark Office Director/Patent Trial and Appeal Board management oversight or influence you would like share with us? (Question 58)

Open-ended survey responses are intentionally not reported in this appendix.

Table 58: Would you be interested in being contacted by GAO for a follow-up interview based upon your responses to this survey? (Question 59)

	Number of judges	Percent
Yes	61	30
No	139	68
No Response	4	2
Total	**204**	**100**

Source: GAO survey of Patent Trial and Appeal Board judges. | GAO-23-105336

Note: Percentages in this table were rounded to the nearest whole percent.

Appendix III: Results from Selected Open-Ended Responses from Survey of Judges' Perspectives on PTAB Oversight Practices

Table 59: Results of Content Analysis for Questions 32 and 50: Sources of Pressure for Not Authoring or Publishing a Dissenting or Concurring Opinion, According to Responding Judges

Detailed methodology for this content analysis can be found in appendix I.

	Number and percent of judges who provided written responses	
Source of pressure	**AIA proceedings**	**Ex parte appeals**
Other judges	4 (21%)	7 (40%)
PTAB management	3 (16%)	2 (11%)
The Chief Judge	3 (16%)	0%
The deputy chief judges	1 (5%)	0%
The vice chief judges	4 (21%)	1 (6%)
The senior lead or lead judges	2 (11%)	0%
The USPTO Director	3 (16%)	1 (6%)
USPTO Director policies	1 (5%)	7 (40%)
PTAB culture	6 (32%)	2 (11%)
PTAB oversight practices	4 (21%)	3 (17%)
Other (relevant)	0%	1 (6%)
Other (not relevant)	0%	1 (6%)

Legend: AIA= America Invents Act, PTAB= Patent Trial and Appeal Board, USPTO= U.S. Patent and Trademark Office

Source: GAO analysis. | GAO-23-105336

Note: The denominator for AIA proceedings (Q32) is 19 and the denominator for Ex parte appeals (Q50) is 18. Additionally, the total percent will not equal 100% as judges had the option of listing multiple sources of pressure. All percentages were rounded to the nearest whole number.

Selected Survey Comments on the Top Four Most Cited Sources of Pressure Judges Reported for Not Authoring or Publishing a Dissenting or Concurring Opinion in AIA Proceedings:

Judges reported feeling pressure from the culture of PTAB to not author or publish a dissenting or concurring opinion in AIA proceedings.

- "I was asked to change reasoning in an opinion to something I did not agree with. I felt I could not write a concurrence saying that the logic was that of management and not the panel. In other words I could not tell the truth."
- "The pressure is to not include dissents and never address Board/Office policy."

Judges reported feeling pressure from PTAB's vice chief judge, a member of PTAB Management, to not author or publish a dissenting on concurring opinion in AIA proceedings.

- "The pressure came from [a former vice chief judge]. My understanding is that my dissent would have reflected poorly on the Director, so the case was re-paneled to the [Chief Judge] to issue a one judge order."
- "A panel member who had just been named to become an Acting Vice Chief."

Judges reported feeling pressure from PTAB oversight practices to not author or publish a dissenting or concurring opinion in AIA proceedings.

- "During the management review process, several members of the management review "team" extensively revised my dissenting opinion, which resulted in a dramatic rewriting, including a wholesale deletion of about the half of the decision. The revisions and/or rewritings were all substantive in nature. Due to the lack of transparency of the process, I never knew who were responsible for the revisions and/or rewritings. I, however, had a phone call with a Senior Lead Judge reporting directly to the Chief Judge, who "encouraged" me to accept the changes. This was during the time when the Director/management was empowered to fire [judges] at will and without cause, so I understood the whole process to be under a threat for removal."
- "PTAB's Performance Appraisal Plan (PAP) is entirely subjective... Because the PAP is subjective, PTAB management can control and manipulate any [judge] for any purpose.]

Judges reported feeling pressure from other judges to not author or publish a dissenting or concurring opinion in AIA proceedings.

- "The pressure does not come from management. It comes from the other panel members. You are seen as difficult if you seek to write separately."
- "[Judge] colleagues on the panel assigned to the case."

Legend: AIA= America Invents Act, PTAB= Patent Trial and Appeal Board USPTO= U.S. Patent and Trademark Office

Source: GAO analysis. | GAO-23-105336

Selected Survey Comments on the Top Five Most Cited Sources of Pressure Judges Reported for Not Authoring or Publishing a Dissenting or Concurring Opinion in Ex Parte Appeals:

Judges reported feeling pressure from other judges to not author or publish a dissenting or concurring opinion in ex parte appeals.

- "From a fellow [judge] panelist in each instance."
- "Other panel members. This was very early in my time as [a judge], and the other panel members did not agree with my view of the case. They persuaded me to join their view and write the decision. I regret that and should have maintained my view."

Judges reported feeling pressure from USPTO Director policies not author or publish a dissenting on concurring opinion in ex parte appeals.

- "The pressure came from management not awarding us production units for writing a dissenting or concurring opinion. That is, technically, I could write a dissenting opinion, but I would not receive any credit for doing so. I would have to write a dissent in my free time, without pay."
- "Discretionary crediting by lead or vice chief judges for dissenting or concurring opinions enables management to exert a quelling effect on separate opinions generally as well as those expressing a particular viewpoint."

Judges reported feeling pressure from PTAB oversight practices to not author or publish a dissenting or concurring opinion in ex parte appeals.

- "The pressure results from our Performance Appraisal Plan (PAP) … Also, our peer review system adds to the disincentive because disagreements and the added work caused by dissents and concurrences can cause [Judge1] to down rate the dissenting/concurring judge in the peer review. Peer review ratings are used in the Quality rating of the PAP."
- "Because certain types of dissents have to go through management review (and thus have higher visibility), that is a deterrent to writing a dissent."

Judges reported feeling pressure from PTAB Management to not author or publish a dissenting or concurring opinion in ex parte appeals.

- "One [judge] encountered years of difficulty with management due to a concurring opinion. I think this made many [judges] think twice about whether and how to file dissenting or concurring opinions."
- "PTAB management."

Judges reported feeling pressure from the culture of PTAB to not author or publish a dissenting or concurring opinion in ex parte appeals.

- "It is Board culture not to author dissents or concurrences in ex parte appeals."
- "You can be seen as difficult if you dissent."

Legend: PTAB= Patent Trial and Appeal Board, USPTO= U.S. Patent and Trademark Office

Source: GAO analysis. | GAO-23-105336

Note: Five sources of pressure were displayed as PTAB Management and PTAB Culture had the same percentage value of 11%.

Table 60: Results of Content Analysis for Question 54: Factors That Judges Reported Affect Their Freedom to Decide Cases Solely Based on the Facts of the Case and Applicable Laws

Factors	Percent of judges who provided written responses
PTAB management	7%
USPTO Director policies	25%
Oversight practice – Management Review	28%
Oversight practice – precedential decisions	27%
Oversight practice –ARC	7%
Oversight practice – performance review	3%
Other judges	2%
USPTO Director	5%
PTAB culture	7%
United States v. Arthrex, Inc.	1%
No factors/pressure	21%
Other (relevant)	7%
Other (not relevant)	3%

Legend: AIA= America Invents Act, ARC= AIA Review Committee, PTAB= Patent Trial and Appeal Board, USPTO= U.S. Patent and Trademark Office

Source: GAO analysis. | GAO-23-105336

Note: The denominator is 119. Additionally, the total percent will not equal 100% as judges had the option of listing multiple factors that affect their freedom. All percentages were rounded to the nearest whole number.

Selected Survey Questions of the Top Four Most Cited Factors That Affect Judges freedom to decide cases solely based on the facts of the case and applicable laws:

Judges reported that the oversight practice of management review affects their freedom to decide cases solely based on the facts of the case and applicable laws.

- "A big factor is the shifting standards management uses for certain issues, like discretionary denials under sections 325(d) and 314. The politics of how these standards are applied keeps changing and you get comments or edits back from management that reflects the politics and not the actual law. It is hard for a panel to keep up with the changes in politics. And, the edits are not always consistent because they have different reviewers. Also, management doesn't consult the panel at all on issues of concerns. It is unclear whether or in what depth they review the details and facts of the case before sending their edits to back to the panel. There is little to no discussion between the panel and the management reviewers. The panel doesn't even get told why the outcome is changes or the edits are made. It is like the panel sends the decision into a black box via the email address and edits are returned with no explanation. Panels have to accept the edits or suffer the consequences."
- "Management review is by far the most significant factor. Much like airport security screening, its very existence for all but the most routine decisions creates a preemptive chilling effect: consideration of management's wishes is at least a factor in all panel deliberations, and is sometimes the dominant factor. …"

Judges reported that the oversight practice of precedential decisions affects their freedom to decide cases solely based on the facts of the case and applicable laws.

- "In my view, my freedom and independence is limited with respect to whether or not to exercise discretion to deny institution in an AIA proceeding."
- "If the case presents a Fintiv factor analysis, then the decision outcome and analysis is constrained by whatever may be the current Director or management policy."[a]

Judges reported that the USPTO Director's policies affects their freedom to decide cases solely based on the facts of the case and applicable laws.

- "We are in the Administrative Branch and ultimately, the Director dictates what the policy will be. It can be frustrating when the policy is not clear (despite asking) and then, for example, Management uses the POP to change the decision outcome. I do not think management review is a recent thing - it has gone on in differing magnitudes since I joined. We have been told by the DOJ [Department of Justice] (in a presentation) that we have to follow policy or we can be fired. I understand that, because we are in the Administrative Branch. My frustration is that sometimes the policy is not clear."
- "Director policies tie my hands even if they are not laws."

Judges reported that was no factors/pressure that affects their freedom to decide cases solely based on the facts of the case and applicable laws.

- "I do not feel that there are any factors that affect my freedom to decide cases based on the facts of the case and applicable laws. I have never felt any pressure to decide a case in a certain way."
- "None. Management comments that I have received relative to eligibility issues in my decisions have been in line with the facts and applicable laws."

Legend: AIA= America Invents Act, PTAB= Patent Trial and Appeal Board, POP= precedential opinion panel

Source: GAO analysis. | GAO-23-105336

[a]*Apple Inc. v. Fintiv, Inc*. is a PTAB decision designated precedential in 2020, which outlines several factors that a PTAB judge should consider when deciding whether to deny institution of an AIA proceeding if there is a parallel court proceeding."

Table 61: Results of Content Analysis for Question 57: Judges' Perceptions of How, if at all, Their Experience or Perception of USPTO Director and/or PTAB Management Oversight Has Changed in Their Time at PTAB (e.g., frequency, scope, process, focus, etc.) and Why

Comments	Percent
How Management Oversight Has Changed Over Time	
Judges have reported that their experience/perception of USPTO Director and/or PTAB Management oversight has increased in their time at PTAB.	58%
Judges have reported that their experience/perception of USPTO Director and/or PTAB Management oversight has decreased in their time at PTAB.	2%
Judges have reported that their experience/perception USPTO Director and/or PTAB Management oversight has remained the same in their time at PTAB.	13%
Factors that Contributed to a Change in Judges Perceptions or Experience with USPTO Director and/or PTAB Management Oversight	
PTAB Culture	3%
USPTO Director Policies	8%
PTAB Management	12%
USPTO Director	26%

Comments	Percent
Oversight Practices	1%
Oversight Practice – Management Review	24%
Oversight Practice – Precedential Opinions	10%
Oversight Practice –ARC	4%
Oversight Practice – Performance Review	3%
Other (Relevant)	6%
Other (Not Relevant)	4%

Legend: AIA= America Invents Act, ARC= AIA Review Committee, PTAB= Patent Trial and Appeal Board, USPTO= U.S. Patent and Trademark Office

Source: GAO analysis. | GAO-23-105336

Note: The denominator is 144. Additionally, the total percent will not equal 100% as judges had the option of listing multiple ways oversight has changed over time. All percentages were rounded to the nearest whole number.

Selected Survey Comments of the Top Four Most Cited Ways Judges Have Reported Their Experience or Perception of USPTO Director and/or PTAB Management Oversight Has Changed in Their Time at PTAB (e.g., Frequency, Scope, Process, Focus, etc.) and Why:

Judges reported that their experience or perceptions of USPTO Director and/or PTAB Management oversight has increased in their time at PTAB.

- "It was almost nonexistent as the [Board of Patent Appeals and Interferences]. It has become pervasive in the PTAB."
- "Management oversight has become oppressive. I don't feel like anyone trusts me to do my job anymore."

Judges reported that the USPTO Director was a factor that contributed to their experience or perceptions with USPTO Director and/or PTAB Management oversight in their time at PTAB.

- "The amount of oversight by the Director (through the solicitor's office) has increased over time. The substance of the pressure changes depending on the politics of the Director at the time."
- "Under the last PTO director, we had a director who want[ed] to have direct influence over cases but he refused to put his name on the decisions. To me that violates the APA [Administrative Procedures Act] because there was no notice to the parties about who was making the decision or why."

Judges reported that the oversight practice of management review was a factor that contributed to their experience or perceptions with USPTO Director and/or PTAB Management oversight in their time at PTAB.

- "Under [the former Director] and [Chief Judge] "Management Review" was added above and beyond ARC Review. Panels were required to change decisions at the direction of Management, often for reasons unstated and unrelated to the case before the Panel (for example, apparently because of issues raised in the press, on blogs, or in unrelated court actions involving the Office), and with little or no input from the Panel. It was not conveyed to [judges] who made the changes or on what basis and the demands of Management were routinely conveyed in phone calls from Management or another [judge] designated by Management, rather than in writing to seemingly obfuscate both the demands and the involvement of Management and "the Tenth Floor," (i.e., [Director] and [their] staff). … To be clear, in the majority of cases Management involvement still has no effect on the outcome because the case does not raise an issue of particular interest to Management, however, in a small minority of cases the outcome is dictated by Management Review to the Panel, most notably in denials of institution under Fintiv, for example."
- "The management group under [the former Director] became extremely active in reviewing decisions and dictating outcomes. Before then, management review was rare and not very intrusive. Now, it is common (almost all decisions are reviewed) and very intrusive."

Judges reported that their experience or perception of USPTO Director and/or PTAB Management oversight has remained the same in their time at PTAB.

- "I think it has been fairly consistent."
- "It has not changed much although post-AIA did create more oversight to ensure uniformity in procedure."

Legend: AIA= America Invents Act, ARC= AIA Review Committee, PTAB= Patent Trial and Appeal Board, USPTO= U.S. Patent and Trademark Office

Source: GAO analysis. | GAO-23-105336

Appendix IV: Comments from the Department of Commerce

UNITED STATES DEPARTMENT OF COMMERCE
Office of the Acting Chief Financial Officer and
Assistant Secretary for Administration
Washington, D.C. 20230

December 12, 2022

Candice Wright
Director, Science Technology Assessment, and Analytics
U.S. Government Accountability Office
441 G Street NW Washington, DC20548

Dear Ms. Wright:

Thank you for the opportunity to review and comment on the Government Accountability Office's draft report issued in October 2022 entitled "Patent Trial and Appeal Board: Increased Transparency Needed in Oversight of Judicial Decision-making." We appreciate the effort you and your staff made in reviewing the United States Patent and Trademark Office's (USPTO) Patent Trial and Appeal Board (PTAB) independence.

On behalf of the Department of Commerce, I have enclosed our comments on the draft report. We have carefully considered and concur with the actions recommended in the report. We note that the majority of the report, including the survey of judge perceptions, focused on prior processes that were superseded when the USPTO issued the "Interim process for PTAB decision circulation and internal PTAB review" in May 2022. The USPTO subsequently issued a Request for Comment (RFC) on July 20, 2022 to receive stakeholder feedback on the new processes. After considering the comments, the Office intends to formalize the processes through notice-and-comment rulemaking.

Accordingly, many of the actions recommended in the report were already well underway, or have been completed. In view of the findings, we will continue to focus our actions taken to promote innovation through consistent, clear, and open PTAB decision-making.

Our response to each recommendation is discussed in detail below and in the accompanying USPTO technical comments. We have also provided some additional remarks to provide further context to the report and its conclusions.

If you have any questions, please contact MaryAnn Mausser, Department GAO Audit Liaison, at (202) 482-8120 or mmausser@doc.gov.

Sincerely,

JEREMY PELTER Digitally signed by JEREMY PELTER Date: 2022.12.12 14:41:29 -05'00'

Jeremy Pelter
Acting Chief Financial Officer and
Assistant Secretary for Administration

Response to Recommendations

GAO Recommendation that the Under Secretary of Commerce and Director of the U.S. Patent and Trademark Office take the following action (1):

When finalizing policy for all internal review processes—such as management review and the interim process for internal review and decision circulation—the USPTO Director should clarify these policies including specifying:

a. what, if any, role PTAB management and/or the Director has in these processes—including who reviews the draft decisions and provides comments;

b. the circumstances in which comments would be optional or mandatory for a panel to incorporate; and

c. the extent to which, if at all, following or not following comments may have an effect on a judge's performance review.

USPTO response:
The USPTO concurs with this recommendation to finalize policy for all internal reviews and to provide clarity and transparency on these processes.

The current interim process for PTAB decision circulation and internal PTAB review provides that "the Director is not involved, pre-issuance, in directing or otherwise influencing panel decisions, and the PTAB panel has final authority and responsibility for the content of a decision." Under the interim process, any panel member, at their sole discretion, may optionally consult with one or more members of PTAB management, who themselves are Administrative Patent Judges (APJs). Adoption of any suggestions provided by PTAB management based on such consultation is optional. The process also establishes that PTAB management does not make suggestions to the panel, either directly or indirectly through the Circulation Judge Pool, on any pre-issuance decisions unless requested by a panel member. While there is no impact now or in the past, on an APJ's performance review based on management review suggestions, APJs are required by their Performance Appraisal Plan (PAP) to apply pertinent statutes, regulations, binding case law, and written guidance issued by the Director or the Director's delegate that is applicable to PTAB proceedings. As made clear in the interim process, there is no unwritten guidance applicable to PTAB proceedings that APJs are required to apply.

As the USPTO moves forward with notice-and-comment rulemaking, we are committed to ensuring that the policy remains clear (a) on the role of the Director and PTAB management in pre-issuance decisions, (b) that the PTAB panel has final authority and responsibility for the content of a decision, and (c) that any suggestions provided to the panel pre-issuance are optional, and only for the panel's consideration.

GAO Recommendation that the Undersecretary of Commerce and Director of the U.S. Patent and Trademark Office take the following action (2): *The USPTO Director—in coordination with PTAB management—should take steps to improve internal communication with judges to promote transparency and openness by:*

a. *Increasing direct communication between the USPTO Director and PTAB judges regarding USPTO/PTAB policies, expectations, and operations;*
b. *Committing to providing, when applicable, written documentation to accompany verbal communication of a desired change or action; and*
c. *Creating a central repository—such as a PTAB-specific intranet page—for all important information judge's [sic] need to perform their duties—including up-to-date written documentation of all policy documents, directives, announcements, information on changes, upcoming deadlines and requirements).*

USPTO response:
The USPTO concurs with this recommendation to improve internal communications between the USPTO Director—in coordination with PTAB management—and PTAB's APJs. In an ongoing effort to enhance and improve such communications, Director Vidal regularly holds small group listening tours throughout the country, including with APJs, to receive feedback directly. Additionally, Director Vidal launched an employee feedback portal that allows any employee, including APJs, to submit ideas and comments for review. Employees may identify themselves, or submit feedback anonymously. PTAB management also has ongoing efforts to improve its communications with APJs.

With regard to written documentation of a change or action, the interim process makes clear that "[t]here is no unwritten guidance applicable to PTAB proceedings that judges are required to apply." Further, PTAB has begun efforts to update its internal central electronic repository to ensure all important documentation is easily accessible.

GAO Recommendation that the Undersecretary of Commerce and Director of the U.S. Patent and Trademark Office take the following action (3):
The USPTO Director—in coordination with PTAB management—should take additional steps to improve communication of the oversight practices used within PTAB with stakeholders and parties—including making public any policies, directives, or guidance judges are required to follow that may have a substantive effect on the decision-making process.

USPTO response:
The USPTO concurs with this recommendation to take additional steps to improve communication of oversight practices with stakeholders. As noted in the report, in May 2022, the USPTO launched a public webpage that contains the details on the current interim process for PTAB decision circulation and internal PTAB review. The details of the interim process were also described in the Request for Comment on Director review, Precedential Opinion Panel (POP) review, and internal circulation of PTAB decisions, issued July 20, 2022. There is no unwritten guidance applicable to PTAB proceedings that APJs are required to apply. The USPTO will continue its efforts to ensure that all policies, directives, or guidance that APJs are required to follow are made public and accessible to all stakeholders.

GAO Recommendation that the Undersecretary of Commerce and Director of the U.S. Patent and Trademark Office take the following action (4):

The USPTO Director should create written guidance that outlines when and how stakeholders provide feedback on POP decisions and communicate this externally.

USPTO response:
The USPTO concurs with this recommendation. The Precedential Opinion Panel (POP) webpage sets forth that any individual may submit an amicus form supporting or opposing a pending request for POP review in a particular case. Additionally, PTAB's Standard Operating Procedure 2 (SOP2) sets forth that the POP panel may, in appropriate circumstances, authorize the filing of amicus briefs. The interim process for Director review sets forth that amicus briefs may be submitted if requested by the Director. Amicus briefs provide a mechanism for stakeholders to provide feedback on a POP or Director review issue prior to the issuance of the POP or Director review decision. Further, the RFC issued on July 20 included questions to elicit stakeholder feedback on the POP process. The USPTO will continue to investigate new avenues for stakeholders to provide feedback on POP and precedential decisions

Additional Remarks

Although we concur with the recommendations in the report, the USPTO provides these additional remarks to provide further context on the report and its conclusions.

First, the USPTO notes that the vast majority of the report focuses on past practices that were in effect prior to the Supreme Court's decision in *United States v. Arthrex*. The goal of the prior practices was to ensure that PTAB decisions consistently applied USPTO policy (including agency guidance and precedential decisions), applicable statutes, regulations, and binding case law. In particular, much of the prior practices existed to ensure that decisions by panels consistently applied Director-issued policy. Today, in accordance with the remedy set forth in *Arthrex* to ensure that APJs function as inferior officers, the Director has the ability to review final PTAB decisions and issue decisions herself, which provides a direct avenue for review of PTAB decisions by the Director on rehearing, thereby reducing the need for oversight prior to issuance of panel decisions.

Further, the report acknowledges that the existence of regulations, agency policy, and binding precedent necessarily constrains APJ independence. *See, e.g.,* page 14 (describing "oversight practices" as including the existence of "agency policy, memos, and other written guidance" themselves); page 22 (stating that "[m]ost judges . . . stated that there has been a general increase in oversight at PTAB. This oversight has come in the form of an increased number of policies or guidance that judges are required to follow . . ." which has led to "a sense of pressure among the judges to change or modify aspects of their decisions."). Similar to district court and federal appellate judges who are bound by statutes and binding precedent, APJs are required to follow, and the public expects APJs to follow, statutes, regulations, case law precedent, as well as written agency policy. Specifically, as to agency policy, the report acknowledges that APJs are required to follow binding agency policy. *See, e.g.*, report, page 14, n.32 (citing 35 U.S.C. § 3(a)(2)(A), stating that the "Director shall be responsible for providing policy direction and management supervision for the Office"). APJs must follow what legally binds them, just as all judges do.

As one notable example, in AIA proceedings, the Director has delegated the Director's statutory authority to institute *inter partes* review proceedings to the Board and has issued precedential

decisions and written policy guidance that present factors the Board must consider when exercising this authority. APJs, like federal judges, must follow binding precedent and written agency policy, even if they personally disagree with a particular policy. Similarly, in ex parte appeals, both examiners and APJs are required to apply the 2019 Revised Patent Subject Matter Eligibility Guidance (now set forth in the MPEP) to ensure consistent treatment of subject matter eligibility throughout the USPTO. *See, e.g.*, report, page 24 (stating that many APJs "noted that policy based on the director's interpretation of case law sometimes differed from the interpretations of PTAB judges. For example, some judges thought USPTO's guidance on subject matter eligibility was inconsistent with relevant case law."). Subject matter eligibility case law is particularly complex where reasonable minds can and do disagree in interpreting and applying the relevant case law. However, the Director's interpretations as laid out in the Director's guidance takes precedence in a similar manner to how lower court judges follow the precedents set by appellate court judges.

Importantly, the USPTO also notes that many survey questions asked APJs about their perceptions rather than actual firsthand experiences, which might have allowed for answers based on rumors, innuendo, or feelings, rather than actual events or facts. The USPTO understands that perceptions are important to understanding culture and impressions, but information about perceptions does not represent factual conclusions. Furthermore, much of the report discusses APJ perceptions based on past practices, not current ones.

Finally, as noted in the report, since May 2022, the USPTO has been using an interim process for PTAB decision circulation and internal PTAB review to promote consistent, clear, and open decision-making at the USPTO. The processes were put in place in recognition that it is important to stakeholders that the USPTO maintain a consistent and clear approach to substantive areas of patent law and PTAB-specific procedures, while maintaining open decision-making processes. After considering the stakeholder feedback received in response to the Request for Comment (RFC) on Director review, Precedential Opinion Panel (POP) review, and internal circulation and review of Patent Trial and Appeal Board (PTAB) decisions, the USPTO intends to formalize these processes through notice-and-comment rulemaking.

Conclusion

The USPTO thanks the GAO Managing Director of Science, Technology Assessment, and Analytics, for GAO's efforts in providing us with this report. The USPTO continues to welcome input from all stakeholders on how its processes may be improved.

As noted above, the USPTO and PTAB have already completed, or made substantial progress towards implementing, many of the report's recommendations. We will use the information in this report to guide our upcoming actions and will complete the outstanding recommendations in a timely manner. We look forward to working with your office as we continue our efforts to promote the accuracy, consistency, and integrity of PTAB decision-making.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Candice N. Wright, Director, (202) 512-6888 or WrightC@gao.gov.

Staff Acknowledgments

In addition to the contact above, GAO staff who made key contributions to this statement are Rob Marek (Assistant Director), Eleni Orphanides (Analyst-in-Charge), Ali Hansen, and Kristen Pinnock. Other staff who contributed include Amanda Anzovino, Sue Bernstein, Jenny Chanley, Caitlin Cusati, Patrick Harner, Jill Lacey, Eric Larson, Joe Rando, Robert Rivas, Brian Taylor, and Wesley Wilhelm.

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EXHIBIT C

	B	C	D	E	F	G	H	I	J	K	L
1	Case No.	Patent	Petitioner/Requester	Patent Owner/Patent Applicant	APJ1	APJ2	APJ3	Party Suggesting Expansion	Date Suggested	Notes	Rehearing Type
248	CBM2014-00102	8118221	Apple	Smartflash	Elluru, Rama	Bisk, Jennifer	Clements, Matthew	PTAB	PTAB recom	FWD & orders by 4-judge panel; DI & 1st SO by 5-judge panel (Powell on DI)	N/A
249	CBM2014-00103	8118221	Apple	Smartflash	Elluru, Rama	Bisk, Jennifer	Clements, Matthew	PTAB	PTAB recom	FWD by 4-judge panel; DI by 5-judge panel (Powell on DI)	N/A
250	CBM2014-00104	7334720	Apple	Smartflash	Elluru, Rama	Bisk, Jennifer	Clements, Matthew	PTAB	PTAB recom	DDI by 5-judge panel (White, not Plenzler still listed in E2E)	N/A
251	CBM2014-00105	7334720	Apple	Smartflash	Elluru, Rama	Bisk, Jennifer	Clements, Matthew	PTAB	PTAB recom	DDI by 5-judge panel (White, not Plenzler still listed in E2E)	N/A
252	CBM2014-00106	8033458	Apple	Smartflash	Elluru, Rama	Bisk, Jennifer	Plenzler, Jeremy	PTAB	PTAB recom	FWD & orders by 4-judge panel; DI & 1st SO by 5-judge panel (Powell on DI)	N/A
253	CBM2014-00107	8033458	Apple	Smartflash	Elluru, Rama	Bisk, Jennifer	Plenzler, Jeremy	PTAB	PTAB recom	FWD by 4-judge panel; DI by 5-judge panel (Powell on DI)	N/A
254	CBM2014-00108	8061598	Apple	Smartflash	Elluru, Rama	Bisk, Jennifer	Clements, Matthew	PTAB	PTAB recom	FWD & orders by 4-judge panel; DI & 1st SO by 5-judge panel (Powell on DI)	N/A
255	CBM2014-00109	8061598	Apple	Smartflash	Elluru, Rama	Bisk, Jennifer	Clements, Matthew	PTAB	PTAB recom	FWD by 4-judge panel; DI by 5-judge panel (Powell on DI)	N/A
256	CBM2014-00110	8336772	Apple	Smartflash	Elluru, Rama	Bisk, Jennifer	Powell, Neil	PTAB	PTAB recom	DDI by 5-judge panel (White, not Plenzler still listed in E2E)	N/A
257	CBM2014-00111	8336772	Apple	Smartflash	Elluru, Rama	Bisk, Jennifer	Powell, Neil	PTAB	PTAB recom	DDI by 5-judge panel (White, not Plenzler still listed in E2E)	N/A
258	CBM2014-00112	7942317	Apple	Smartflash	Elluru, Rama	Bisk, Jennifer	Clements, Matthew	PTAB	PTAB recom	FWD & orders by 4-judge panel; DI & 1st SO by 5-judge panel (Powell on DI)	N/A
259	CBM2014-00113	7942317	Apple	Smartflash	Elluru, Rama	Bisk, Jennifer	Clements, Matthew	PTAB	PTAB recom	FWD by 4-judge panel; DI by 5-judge panel (Powell on DI)	N/A
260	CBM2015-00131	8061598	Apple	Smartflash	Plenzler, Jeremy	Bisk, Jennifer	Elluru, Rama	PTAB	PTAB recom	FWD, DI, & orders by 4-judge panel (Anderson replaced Clements after FWD); 5-judge panel (w/Clements & Anderson) on Tr. (32), oral hrg order (28), & SO (9)	N/A
261	CBM2015-00133	8336772	Apple	Smartflash	Plenzler, Jeremy	Bisk, Jennifer	Elluru, Rama	PTAB	PTAB recom	FWD, DI, & orders by 4-judge panel (Bisk/Elluru + 2 of either Plenzler/Clements/Anderson); 5-judge panel (w/all 5) on Tr. (36), oral hrg order (31), & SO (8)	N/A
262	CBM2015-00132	8336772	Google	Smartflash	Elluru, Rama	Bisk, Jennifer	Clements, Matthew	PTAB	PTAB recom	4-judge panel on all (Plenzler not Clements listed in E2E)	N/A

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	B	C	D	E	F	G	H	I	J	K	L
263	CBM2014-00192	8033458	Samsung	Smartflash	Plenzler, Jeremy	Elluru, Rama	Bisk, Jennifer	PTAB	PTAB recom	FWD & orders by 4-judge panel (Bisk/Elluru + 2 of either Clements/Anderson/Chen/Plenzler); 5-judge panel (Bisk/Elluru/Anderson/Clements/Chen) on DI & other orders	N/A
264	CBM2014-00193	8061598	Samsung	Smartflash	Clements, Matthew	Elluru, Rama	Chen, Peter	PTAB	PTAB recom	FWD & orders by 4-judge panel (Bisk/Elluru + 2 of Clements/Anderson/Chen/Plenzler); 5-judge panel (Bisk/Elluru/Anderson/Clements/Chen) on DI & other orders	N/A
265	CBM2014-00197	8033458	Samsung	Smartflash	Chen, Peter	Clements, Matthew	Anderson, Gregg	PTAB	PTAB recom	displays 5 APJs on DI/DI-D 5-0, 3/31/2015	N/A
266	CBM2014-00198	8061598	Samsung	Smartflash	Clements, Matthew	Bisk, Jennifer	Anderson, Gregg	PTAB	PTAB recom	DDI by 5-judge panel	N/A
267	CBM2014-00199	8118221	Samsung	Smartflash	Bisk, Jennifer	Clements, Matthew	Plenzler, Jeremy	PTAB	PTAB recom	Term. Dec. & orders by 4-judge panel (Bisk/Elluru/Plenzler/Clements); 5-judge panel (Bisk/Elluru/Anderson/Clements/Chen) on DI & other orders	N/A
268	CBM2014-00200	8336772	Samsung	Smartflash	Anderson, Gregg	Elluru, Rama	Clements, Matthew	PTAB	PTAB recom	DDI by 5-judge panel	N/A
269	CBM2014-00204	8336772	Samsung	Smartflash	Anderson, Gregg	Bisk, Jennifer	Clements, Matthew	PTAB	PTAB recom	DDI by 5-judge panel	N/A
270	CBM2015-00059	8336772	Samsung	Smartflash	Elluru, Rama	Bisk, Jennifer	Clements, Matthew	PTAB	PTAB recom	DI by 4-judge panel	N/A

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	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC
1	Panel Expanded (Y/N)	APJ4	APJ5	APJ6	APJ7	APJ8	APJ9	Original Panel Decision	Expanded Panel Decision	Expanded Panel Decision Paper Number (AIA)	Expanded Panel Decision Date (All)	SOP 1 III.A.1 (exceptional importance) (Y/N)	SOP 1 III.A.2 (maintain uniformity) (Y/N)	Reason	Type of Decision	Split (S) or Unanimous (U)	Underlying result changed?
248	Y	Plenzler (replaced Whit	Powell, Neil									Y	Y	1 yr. deadline/consistenc y re same issues in related cases	Multiple (Interloc. Orders/DI/FWD)	U	N/A
249	Y	Plenzler (replaced Whit	Powell, Neil									Y	Y	1 yr. deadline/consistenc y re same issues in related cases	Multiple (DI/FWD)	U	N/A
250	Y	Plenzler (replaced Whit	Powell, Neil						5-0			N	Y	Consistency re same issues in related cases	DDI	U	N/A
251	Y	Plenzler (replaced Whit	Powell, Neil						5-0			N	Y	Consistency re same issues in related cases	DDI	U	N/A
252	Y	Clements, Matthew	Powell, Neil									Y	Y	1 yr. deadline/consistenc y re same issues in related cases	Multiple (Interloc. Orders/DI/FWD)	U	N/A
253	Y	Clements, Matthew	Powell, Neil									Y	Y	1 yr. deadline/consistenc y re same issues in related cases	Multiple (DI/FWD)	U	N/A
254	Y	Plenzler, Jeremy	Powell, Neil									Y	Y	1 yr. deadline/consistenc y re same issues in related cases	Multiple (Interloc. Orders/DI/FWD)	U	N/A
255	Y	Plenzler, Jeremy	Powell, Neil									Y	Y	1 yr. deadline/consistenc y re same issues in related cases	Multiple (DI/FWD)	U	N/A
256	Y	Plenzler (replaced Whit	Clements, Matthew						5-0			N	Y	Consistency re same issues in related cases	DDI	U	N/A
257	Y	Plenzler (replaced Whit	Clements, Matthew						5-0			N	Y	Consistency re same issues in related cases	DDI	U	N/A
258	Y	Plenzler (replaced Whit	Powell, Neil									Y	Y	1 yr. deadline/consistenc y re same issues in related cases	Multiple (Interloc. Orders/DI/FWD)	U	N/A
259	Y	Plenzler (replaced Whit	Powell, Neil									Y	Y	1 yr. deadline/consistenc y re same issues in related cases	Multiple (DI/FWD)	U	N/A
260	Y	Anderson, Gregg	Clements, Matthew									Y	Y	1 yr. deadline/consistenc y re same issues in related cases	Multiple (Interloc. Orders/DI/FWD)	U	N/A
261	Y	Anderson, Gregg	Clements, Matthew									Y	Y	1 yr. deadline/consistenc y re same issues in related cases	Multiple (Interloc. Orders/DI/FWD)	U	N/A
262	Y	Anderson, Gregg										Y	Y	1 yr. deadline/consistenc y re same issues in related cases	Multiple (Interloc. Orders/DI/FWD)	U	N/A

	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC
263	Y	Clements, Matthew	Anderson, Gregg	Chen, Peter								Y	Y	1 yr. deadline/consistency re same issues in related cases	Multiple (Interloc. Orders/DI/FWD)	U	N/A
264	Y	Bisk, Jennifer	Plenzler, Jeremy	Anderson, Gregg								Y	Y	1 yr. deadline/consistency re same issues in related cases	Multiple (Interloc. Orders/DI/FWD)	U	N/A
265	Y	Elluru, Rama	Bisk, Jennifer					N/A	5-0			N	Y	Consistency re same issues in related cases	DDI	U	N/A
266	Y	Elluru, Rama	Chen, Peter						5-0			N	Y	Consistency re same issues in related cases	DDI	U	N/A
267	Y	Elluru, Rama	Anderson, Gregg	Chen, Peter								Y	Y	1 yr. deadline/consistency re same issues in related cases	Multiple (Interloc. Orders/DI/Term.)	U	N/A
268	Y	Bisk, Jennifer	Chen, Peter						5-0			N	Y	Consistency re same issues in related cases	DDI	U	N/A
269	Y	Elluru, Rama	Chen, Peter						5-0			N	Y	Consistency re same issues in related cases	DDI	U	N/A
270	Y	Anderson, Gregg							4-0			Y	Y	1 yr. deadline/consistency re same issues in related cases	DI	U	N/A

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EXHIBIT D

Michael Casey

From: Hammond, Derek (USADC) <Derek.Hammond@usdoj.gov>
Sent: Wednesday, February 8, 2023 12:17 PM
To: Michael Casey; Trujillo, Caitlin
Cc: Sid V. Pandit; Alexander, Traci
Subject: RE: SMARTFLASH, LLC v. U.S. PATENT AND TRADEMARK OFFICE (1:22-cv-01123-BAH)

Mr. Casey,

Your understanding is correct.

Thank you,

Derek S. Hammond
Assistant United States Attorney
United States Attorney's Office
District of Columbia
601 D Street, N.W.
Washington, D.C. 20530
Phone: (202) 252-2511
Email: Derek.Hammond@usdoj.gov

From: Michael Casey <mrc@maierandmaier.com>
Sent: Wednesday, February 8, 2023 11:34 AM
To: Hammond, Derek (USADC) <DHammond@usa.doj.gov>; Trujillo, Caitlin <Caitlin.Trujillo@uspto.gov>
Cc: Sid V. Pandit <svp@maierandmaier.com>; Alexander, Traci <Traci.Alexander@USPTO.GOV>
Subject: [EXTERNAL] SMARTFLASH, LLC v. U.S. PATENT AND TRADEMARK OFFICE (1:22-cv-01123-BAH)

Derek:

The US's opposition includes redacted documents with respect to the USPTO's search for documents related to this litigation (and now produced in reopened FOIA Request F-22-00081). Please confirm for me that the US does not intend to provide unredacted versions of those documents in this litigation. If my understanding is incorrect, please provide the unredacted versions by no later than COB Friday, February 10, 2023.

Michael

From: DCD_ECFNotice@dcd.uscourts.gov <DCD_ECFNotice@dcd.uscourts.gov>
Sent: Wednesday, January 18, 2023 10:18 PM
To: DCD_ECFNotice@dcd.uscourts.gov
Subject: Activity in Case 1:22-cv-01123-BAH SMARTFLASH, LLC v. U.S. PATENT AND TRADEMARK OFFICE Memorandum in Opposition

This is an automatic e-mail message generated by the CM/ECF system. Please DO NOT RESPOND to this e-mail because the mail box is unattended.
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U.S. District Court

District of Columbia

Notice of Electronic Filing

The following transaction was entered by Hammond, Derek on 1/18/2023 at 10:17 PM EDT and filed on 1/18/2023

Case Name: SMARTFLASH, LLC v. U.S. PATENT AND TRADEMARK OFFICE
Case Number: 1:22-cv-01123-BAH
Filer: U.S. PATENT AND TRADEMARK OFFICE
Document Number: 32

Docket Text:

Memorandum in opposition to re [29] Motion for Summary Judgment, Motion to Strike filed by U.S. PATENT AND TRADEMARK OFFICE. (Attachments: # (1) Declaration of Caitlin Trujillo (Second), # (2) Statement of Facts (Response), # (3) Text of Proposed Order)(Hammond, Derek)

1:22-cv-01123-BAH Notice has been electronically mailed to:

Derek S. Hammond derek.hammond@usdoj.gov, CaseView.ECF@usdoj.gov, joseph.finnigan@usdoj.gov

Michael Raymond Casey mcasey@maierandmaier.com

Siddhesh Pandit svp@maierandmaier.com

1:22-cv-01123-BAH Notice will be delivered by other means to::

The following document(s) are associated with this transaction:

Document description: Main Document
Original filename:suppressed
Electronic document Stamp:
[STAMP dcecfStamp_ID=973800458 [Date=1/18/2023] [FileNumber=8117448-0]
[792b0752ac94bb702c5b16afa30d4b2b1253b9bd08caa9324422d371925e10c97054
600882828dd14a9bf1182b3672696c03a142091c577def6ad7cdb914998d]]
Document description: Declaration of Caitlin Trujillo (Second)
Original filename:suppressed
Electronic document Stamp:
[STAMP dcecfStamp_ID=973800458 [Date=1/18/2023] [FileNumber=8117448-1]
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3a4ad38ca90383aa7cde11d37126512c22c422211d4fedc59394bc88783b]]
Document description: Statement of Facts (Response)
Original filename:suppressed
Electronic document Stamp:
[STAMP dcecfStamp_ID=973800458 [Date=1/18/2023] [FileNumber=8117448-2]
[a5dde8084089a128b28576bc500c3b82b986a667686998aa833a65ddab401c0f443e

5ae1a836b7130dc2fe08c743e6ed036df66d915608ff80ff0931210a949d]]
Document description: Text of Proposed Order
Original filename:suppressed
Electronic document Stamp:
[STAMP dcecfStamp_ID=973800458 [Date=1/18/2023] [FileNumber=8117448-3]
[28f4561e85265eddb0b643a83538ca365a4e2e1da0917d6dbbee966639643daf7e0b
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