

# THE PATENT TRIAL AND APPEAL BOARD (PTAB) REFORM ACT OF 2022

Senators Patrick Leahy (D-VT), John Cornyn (R-TX), and Thom Tillis (R-NC)

## SECTION-BY-SECTION

### Section 1: Short Title.

### Section 2: Patents

#### 35 U.S.C. Chapter 1

- § 6: Patent Trial and Appeal Board

Amends chapter 1 of title 35, United States Code, to add a new section (d) “Review by the Director.” This section provides for a process for the Director of the U.S. Patent and Trademark Office (PTO) to review, modify, or set aside decisions of the Patent Trial and Appeal Board (PTAB). The Supreme Court in *Arthrex* suggested this structure as a way to fix the appointments of the Administrative Patent Judges (APJs) under the Appointments Clause. Any Director review, whether on her own initiative or at the request of a party, must be issued in a separate written opinion, setting forth the reasons for the decisions, and made part of the public record.

The PTO Director must, within 18 months of bill passage, create rules laying out the timeline she has to review the decision and the bases on which she may review the decision. The PTO Director must also create, for those who request Director review, guidelines including a timeline, the required content, and the bases on which they might request review.

#### 35 U.S.C. Chapter 31: Inter partes review

- §315 - Relation to other proceedings or actions

To address the issue of multiple petitions filed over time against the same claims in a single patent, this section prohibits the Director from authorizing any inter partes review (IPR) if there was previously an IPR from the same party that challenged the same patent claims.

This section also requires that the Director not base IPR institution decisions on ongoing civil actions or proceedings before the International Trade Commission, other than the time bars already laid out in the statute. This precludes the Director from basing IPR institutions on the timelines and parties in separate ongoing civil actions, which had been used to deny otherwise meritorious cases based on timelines that would often move.

- § 316 - Conduct of inter partes review

To address bad faith conduct, this requires the Director to prescribe sanctions against petitioners who offer to deliberately delay or lose an instituted challenge for consideration, including suggested sanctions of barring that party from filing any IPRs for a year.

This section also would require that the PTAB construe patent claim terms using the same construction standard used in civil actions, in contrast to the narrower standard used during examination of a patent application.

It also requires that supervisors who are not members of a panel not engage in ex parte communication with a panel concerning a matter pending before them to avoid nontransparent meddling in the PTAB's decisions so the public knows who is making which decisions.

- § 318 - Decision of the Board

This section requires the Director to, after the PTAB issues a final written decision, cancel claims determined to be unpatentable within 60 days, and finally decide any request for reconsideration within 120 days.

- § 319 - Appeal

This section explains that a final written decision of the PTAB may be appealed by any party that reasonably expects another person to assert estoppel based on the final written decision.

- § 320 - Support for small and micro entities in inter partes review and post-grant review

This newly added section directs the PTO to cover the reasonable litigation expenses of small businesses who have undertaken the expense of applying for patents, to avoid their having to pay again to defend the same patent before the PTAB.

### 35 U.S.C. Chapter 32: Post grant review

This section change post-grant review practice (35 U.S.C. §§ 321-329 "Post Grant Review") to generally parallel the changes to inter partes review practice in 35 U.S.C. §§ 311-319.

The differences from inter partes review practice are fairly minimal. The only significant difference is that there are no changes to section 325(b) that would parallel the changes to section 315(b), because post-grant review does not have the parallel time bar. Otherwise the changes to post-grant review mirror the changes to inter partes review.