

Patent Policy To Watch In 2022

By **Dani Kass**

Law360 (January 3, 2022, 12:02 PM EST) -- U.S. Patent and Trademark Office policy that's been on hold since the last director stepped down almost a year ago is expected to pick back up again with his replacement finally named, while Congress considers bills that could either enhance the Patent Trial and Appeal Board — or dismantle it. Here's what you need to know about patent policy in the new year.

Possible New Leadership at the USPTO

President Joe Biden in October named Winston & Strawn LLP litigator Kathi Vidal to serve as director of the USPTO, more than nine months after Andrei Iancu resigned. The Senate Judiciary Committee questioned her in December, but a confirmation vote has yet to take place.

Attorneys who've talked with Law360 since her nomination haven't doubted she will make it to office, given her wealth of intellectual property experience, but they are extremely curious where she'll focus her priorities.

"There's a lot of guesswork in terms of what she'll focus on," said Michael Specht of Sterne Kessler Goldstein & Fox PLLC, adding that Vidal's decisions will be "absolutely critical" for how the rest of policy falls into line.

The next director will have control over whether the agency continues or reins in the PTAB's practice of discretionary denials, which has been the hottest topic in the patent world for more than a year. Attorneys say they expect this to be the first thing Vidal tackles, even if it's unclear which way she'll go.

Attorneys say once that's handled, she'll likely focus on looking at why patents that eventually get invalidated are issued in the first place and what can be done to alter that. That includes looking at guidelines given to patent examiners.

Specht, however, said he expects Vidal to hold off on addressing patent eligibility until after the U.S. Supreme Court either turns away or rules on *American Axle v. Neapco*, a petition the justices have asked the solicitor general to comment on regarding the invalidation of a car part patent as a law of nature.

"I think she'd probably see what the Supreme Court does with that," the Sterne Kessler attorney said.

The Future of Discretionary Denials

Once in power, Vidal, or a different director, would have the ability to address discretionary denials in a variety of ways, including de-designating precedential opinions that had enhanced the PTAB's ability to turn away cases — particularly based on the timing of co-pending litigation in a case called *Fintiv* — standing by those policies entirely, or finding middle ground.

During Vidal's Senate Judiciary Committee hearing in early December, she acknowledged that it was a policy she wanted to review. She's also facing pressure from the intellectual property subcommittee's ranking member, Sen. Thom Tillis, R-N.C., to continue *lancu*-era policies, or else lose his vote on confirmation.

While waiting for any agency-level moves, attorneys are figuring out how to adjust *Fintiv*-based discretionary denials, along with those based on issues like multiple similar petitions, into their litigation and *inter partes* review strategy.

"You should be ready to file the IPR as soon as possible," said Jenner & Block LLP's Amr Aly. "That way you're not close to having a looming district court trial, which would open you up for a discretionary denial of the IPR. It's one of the practicalities of dealing with the existing policies."

Texas-Inspired Venue Changes

Patent litigators have their eyes glued to the Western District of Texas, where Judge Alan Albright is overseeing a massive docket and fighting attempts to reduce it. The former patent litigator, who took the bench in 2018, has been vocal about wanting to have patent cases filed with him and not letting them go unless he really has to.

His reluctance has led to multiple interventions from the Federal Circuit, which has issued several mandamus petitions over the last year telling him to transfer patent cases.

"With all of the cases on venue that are going to the Federal Circuit, we're getting a good baseline of case law on venue issues," Sterne Kessler's Specht said. "You're getting more decisions that give you guidance on venue as a result of Albright's approach to venue and transfer."

Lawmakers have noticed Judge Albright as well, with Tillis and Sen. Patrick Leahy, D-Vt., asking the chief justice of the Supreme Court to order a study into the Texas judge's venue practices, which the Judicial Conference agreed in December to undertake.

Competing Patent Reform Bills

Leahy, who leads the intellectual property subcommittee but has announced he will not run for reelection, in September introduced the Restoring the America Invents Act, which would override *Fintiv* by requiring the board to hear all challenges it finds have merit, unless there's a statutory exception.

The bill would also empower the PTAB by allowing *inter partes* reviews of patents based on double patenting, instead of just obviousness and anticipation, and permit the government to file *inter partes* review petitions. Overall, it's a strengthening of his 2011 Leahy-Smith America Invents Act.

In the U.S. House of Representatives, Rep. Thomas Massie, R-Ky., introduced a bill in November with the opposite intention. His Restoring America's Leadership in Innovation Act would return the U.S. to a first-

to-invent system — which the AIA importantly moved away from — and overturn key Supreme Court decisions on patent eligibility.

"They're diametrically opposed bills," said Robert Isackson of Leason Ellis LLP. "Both bills seem to have some support from industry or inventor groups, and there are policy arguments for and against each side."

Smaller Patent Reform Legislation

For less controversial legislation, Sens. Leahy and Tillis have teamed up in recent months.

In September, the pair introduced the Pride in Patent Ownership Act, which would enhance transparency about who owns a patent, and the Unleashing American Innovators Act, which would do outreach to women, people of color, military veterans, individual inventors and other underrepresented groups to bring them into the patent system.

Also pending in Congress is the Inventor Diversity for Economic Advancement Act, which aims to quantify the diversity gap in inventors. Through the IDEA Act, the patent office would be able to voluntarily collect information about the gender, race, military and veteran status of an applicant. The bill has been introduced in the Senate by Sen. Mazie Hirono, D-Hawaii, and in the House by Rep. Nydia M. Velazquez, D-N.Y., along with several co-sponsors.

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