CLIENT ALERT

After Arthrex Decision, Interim USPTO Guidance Allows Straight-to-Director Review of Any Issue in an IPR

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Just over a week after the Supreme Court's decision in *Arthrex*, the USPTO has issued preliminary guidance on how the Office plans to implement the Director-review process required by the Court's decision. The Office intends to treat the Director reviews much like the current request for rehearing process. Namely, a request for the Director's review must satisfy the timing requirements of a request for rehearing (37 C.F.R. 42.71(d)), and a timely request for Director review will reset the time for appeal or civil action pursuant to 37 C.F.R. 90.3(b). But unlike requests for rehearing by the panel of administrative patent judges, which must point out an argument or issue that the Board "misapprehended or overlooked," the Director can review any issue, whether one of fact or law. The Director also has *de novo* review authority, so need not give deference to the panel's decisions under review. Further, the Director can initiate a review *sua sponte*. When *sua sponte* review is initiated, the parties to the proceeding will be given notice and may be given an opportunity for briefing.

Parties in an IPR now have a choice between requesting rehearing by the PTAB panel that issued the Final Written Decision or going straight to the Director, bypassing the panel's review. If a party initially requests panel rehearing and is still unsatisfied after the rehearing decision, the party can then request Director review of the panel rehearing decision. But if a party chooses to request Director review first, that party cannot later seek a panel rehearing.

The Office set up this interim procedure to quickly comply with the Court's decision, but we anticipate that the procedure may change based on public comment and suggestions that will go into final rulemaking. For example, the Office does not intend to charge fees to request Director review during this interim procedure, but that is subject to change. Additionally, the Precedential Opinion Panel ("POP") process is unchanged at this time, but the USPTO will review the POP process in view of the Director review process and welcomes public suggestions regarding potential changes. The USPTO also states that "**[*a*]*t this time*** third parties may not submit comments concerning Director review of a particular case unless such participation is requested by the Director," suggesting that third parties may be able to submit comments in the future. Director review suggestions should be submitted via email to Director_Review_Suggestions@uspto.gov.

As we previously noted, the rehearing process has a notoriously low success rate. We do not expect to see a higher success rate with Director review, but only time will tell. It will also be interesting to see how frequently the Director initiates review of PTAB decisions *sua sponte* and what triggers those reviews. It is foreseeable that the Director will need to compile a team to help filter and flag decisions that may warrant Director review; the sheer volume of decisions is likely too much for the Director to handle. If the Director establishes such a team, however, that could raise future questions whether delegation of that authority is appropriate under *Arthrex* or not.

For more information, see the FAQs and guidance on the PTO website:

- Arthrex Q&As

- USPTO implementation of an interim Director review process following Arthrex

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