

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re: Proposed Pilot Program
Exploring an Alternative Approach to
Institution Decisions in Post Grant
Administrative Reviews

Docket No. PTO-P-2015-0055
80 Fed. Reg. 51540
80 Fed. Reg. 67734

**COMMENTS OF PUBLIC KNOWLEDGE
AND THE ELECTRONIC FRONTIER FOUNDATION**

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Public Knowledge and the Electronic Frontier Foundation respectfully submit the following comments in response to the Request for Comments dated November 3, 2015. The Request for Comments proposes a pilot program by which certain AIA post grant proceedings would be instituted by a single Administrative Patent Judge, rather than a panel of three APJs as is current practice. The Request indicates that the purpose of this pilot is to “explore and gain data on a potentially more efficient alternative to the current three-judge institution model.”

While the commenters recognize the importance of efficiency and backlog reduction, the USPTO must weigh these benefits against the potential risks of moving to a single-APJ institution model. Voluminous academic research finds that collegial bodies are better at adjudication than individual judges. The process of deliberation often leads to more carefully reasoned and justifiable results. And diversity in panels fosters beneficial diversity in thought, particularly in a field such as patent law where racial and gender diversity are sorely lacking.

The USPTO should thus tread carefully with this pilot program. Commenters do not oppose institution of the pilot program per se, but do suggest that the program be limited to a small number of petitions, and that the USPTO obtain and publish comprehensive data on the results to identify any unexpected or disparate impact.

The following comments begin with an overview of research on the value of multiple-judge panels as a general matter, and then proceed to answer the specific questions posed by the Request.

I. Extensive Research Shows that Multiple-Judge Panels Arrive at Better Decisions than Single Judges

Decades of research suggest that multiple-judge panels have certain advantages in making decisions, advantages that are lost when those decisions are made by a single judge. The USPTO should carefully weigh the potential impact of the loss of these advantages, explained in detail below, in deciding whether and how to move forward with the proposed single-APJ pilot.

A. Collegial Adjudicatory Panels Are More Deliberative and Reasoned, Follow the Law More Closely, and Promote Ethnic and Gender Equality

The dynamics of so-called “collegial” adjudicatory bodies, namely panels of judges who deliberate and decide together, have been extensively researched and debated, to the consensus that such collegial bodies reach better decisions for several reasons. This research thus reveals that, by changing the institution decision body from a three-judge panel to a single judge, the USPTO risks a decline in quality of institution decisions due to the loss of the benefits of collegial decision-making.

Collegial panels are more likely than single judges to reach a normatively preferable result because they are less influenced by the whims of an individual. The mere aggregation of multiple votes tempers the unpredictability of the ordinary human decision process, as basic statistics theory teaches.¹ Furthermore, collegial bodies deliberate before reaching decisions, giving rise to more carefully reasoned results.² Thus, it is no surprise that commentators have said that “adding judges improves

¹ See Charles M. Grinstead et al., *Introduction to Probability* ch. 8 (2007), available at http://www.dartmouth.edu/~chance/teaching_aids/books_articles/probability_book/amsbook.mac.pdf (discussing the Law of Large Numbers).

² Lewis A. Kornhauser & Lawrence G. Sager, *Unpacking the Court*, 96 Yale L.J. 82, 100–02 (1986).

accuracy under plausibly optimistic assumptions about the general capacity of judges to reach correct outcomes and about the impact of deliberation on this capacity.”³

Also, multiple-judge panels likely tend to obey controlling law more closely, an important feature with regard to PTAB institution decisions that must follow the Supreme Court and Federal Circuit. A single judge may have varying personal incentives to comply with the dictates of higher courts, such as desire to conform with *stare decisis*, but also incentives to disobey those dictates, such as opposing personal views. Those personal incentives may lead judges to erroneous results—perhaps unintentionally or even unconsciously—creating problems for parties to the decision particularly when, as with PTAB trials, there is limited opportunity for immediate appeal on either side.

But when judges are aggregated on a panel, they are more likely to follow controlling law, because of the ability of another panel member to dissent. The dissenting judge acts as a “whistleblower,” signaling to superior courts or to the public that the decision is incorrect.⁴ The desire to avoid whistleblowing can thus encourage compliance with the law: as one study of *Chevron* deference cases found, the whistleblower effect “significantly increases the chances that the court majority will follow doctrine.”⁵ This whistleblower effect could ensure that PTAB institution decisions apply proper patent law—a legitimate possibility given that the PTAB has issued at least one dissent⁶—but only if multiple-judge panels make those decisions.

Furthermore, collegial decisions have the perhaps unexpected benefit of fostering ethnic and gender equality, a particularly important concern given the unfortunate historical lack of diversity among the patent bar.⁷ Studies show that, for

³ *Id.* at 116.

⁴ See Jonathan P. Kastellec, *Panel Composition and Judicial Compliance on the US Courts of Appeals*, 23 J.L. Econ. & Org. 421, 422 (2007).

⁵ Frank B. Cross & Emerson H. Tiller, *Judicial Partisanship and Obedience to Legal Doctrine: Whistleblowing on the Federal Courts of Appeals*, 107 Yale L.J. 2155, 2176 (1998).

⁶ *AOL Inc., et al. v. Coho Licensing LLC*, No. IPR2014-00771 (PTAB Nov. 10, 2014) (Quinn, APJ) (Capp, APJ, dissenting-in-part).

⁷ See, e.g., Saurabh Vishnubhakat, *Gender Diversity in the Patent Bar*, 14 J. Marshall Rev. Intell. Prop. L. 67 (2014); Gregory P. Landis & Loria B. Yeadon, *Selecting the Next Nominee for the Federal Circuit: Patently Obvious to Consider Diversity*, 2010 Patently-O Pat. L.J. 1, 3 (“In fact, in the twenty seven year history of the Federal Circuit spanning 31 judges, there has been only one judge from a minority ethnic group.”).

example, even a single female judge on a panel can influence the decision-making of multiple male judges on the panel.⁸ While patent cases are obviously facially gender- and ethnicity-neutral, it is difficult to predict what would result from removing the moderating effect of diverse judges on a panel, in moving to a one-judge system. Furthermore, larger panels mean that judges of diverse backgrounds will appear more frequently on decision captions. This increased visibility of such groups would hopefully serve to welcome future generations of women and minorities into the patent bar.

The aforementioned considerations all tend toward the conclusion that collegial decision-making bodies, such as three-judge panels, have significant benefits to the process of deciding cases generally, benefits that would inure to decisions on whether to institute a PTAB trial. The USPTO should consider carefully whether the proposed pilot program's benefits merit the loss of these benefits.

B. Centuries of Experience Demonstrate No Problem with Using the Same Panel for Institution and Adjudication

The Request for Comments explains that the single-APJ pilot is intended to improve efficiency and reduce PTAB backlog, and these seem like reasonable justifications. But others have recommended changing the judges for the trial institution process out of a purported unfairness concern. AIPLA, for example, suggested the exact one-judge institution scheme that the USPTO now considers because, it argued, using the same panel for institution and adjudication “creates an actual or perceived bias against the patent owner.”⁹

The Request for Comments correctly dismisses this supposed bias is a complete red herring. The use of the same adjudicator for institution and adjudication is “much like how federal district court judges handle cases through motions to dismiss, summary

⁸ See Jennifer L. Persie, *Female Judges Matter: Gender and Collegial Decisionmaking in the Federal Appellate Courts*, 114 Yale L.J. 1759, 1778 (2005); Sean Farhang and Gregory Wawro, *Institutional Dynamics on the U.S. Court of Appeals: Minority Representation Under Panel Decision Making*, 20 J.L. Econ. & Org. 299 (2004).

⁹ Comments of American Intellectual Property Law Association 20, *Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board*, 79 Fed. Reg. 36474 (Oct. 16, 2014) [hereinafter AIPLA Comments], available at http://www.uspto.gov/sites/default/files/ip/boards/bpai/aipia_20141016.pdf.

judgment, and trial.”¹⁰ Not only that: the practice of using a single authority to make multiple related decisions is pervasive throughout the legal system, and there is no logical reason to distinguish PTAB judges from any other adjudicators.

AIPLA contended that APJs are biased because they “consider an incomplete and preliminary record” upon institution, and then upon the final written decision are “in the position of defending their prior position to institute the trial.”¹¹ But district court judges decide motions to dismiss on “an incomplete and preliminary record” of pleadings, and then hold trials on the same issues. The Supreme Court decides certiorari petitions without full merits briefings, and later renders opinions on the merits.¹² And patent examiners render non-final Office actions without a complete record of attorney arguments, and proceed to render final Office actions.

One would not seriously suggest that district judges, Supreme Court justices, and patent examiners are all biased in a second decisional phase because they might feel compelled to “defend[] their prior position.” And so there is no reason to believe that PTAB judges would be biased in the adjudication phase of a trial based on their prior institution decision.

The USPTO may wish to try a one-judge pilot program for financial or efficiency reasons. But it most certainly should not implement the program out of this nonsensical claim of “bias” of three-judge panels—particularly when, as the research above shows, a one-judge institution program could actually lead to worse problems of bias.

II. Responses to Specific Questions

These background concerns about potential downsides to moving to a single-judge institution model inform the answers to the specific questions posed in the Request for Comments.

¹⁰ 80 Fed. Reg. at 51540–41. Incidentally, this erroneous reasoning by AIPLA further reiterates why the USPTO should avoid the appearance of undue influence by AIPLA based on preferential partnerships with that private association. See Comments of EFF and Public Knowledge, *Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board*, 80 Fed. Reg. 50719 (Oct. 18, 2015). The USPTO would not want to be seen as conceding to AIPLA’s misguided logic in this pilot program, but the ongoing association between the USPTO and AIPLA could easily lead one to that unfortunate conclusion.

¹¹ AIPLA Comments, *supra* note 9, at 20.

¹² See Sup. Ct. R. 10.

A. Question 1: Should the USPTO Conduct the Single-APJ Institution Pilot Program?

Answer—The USPTO should weigh the identified benefits of the single-APJ against the above-identified concerns in deciding whether to conduct the pilot program. However, given those unknown risks, it would likely be best to keep the program limited to a reasonably small number of applications and to a three-month time period.

B. Question 2: What are the Advantages or Disadvantages of the Proposed Single-APJ Institution Pilot Program

Answer—As explained in the introductory section, there are many benefits of three-judge collegial panels that would potentially be lost in a move to single-judge institution. This is a potential disadvantage to the proposed pilot. Furthermore, one of the purported advantages of the pilot, namely that it increases fairness in having different panels review institution and adjudication, is mistaken.

C. Question 3: How Should the USPTO Handle a Request for Rehearing of a Decision on Whether to Institute Trial Made by a Single APJ?

Answer—It would be best for a request for rehearing to be considered by a panel rather than by the same judge who made the original institution decision. The moderating effect of a multiple-judge deliberative process would likely be greatly advantageous in evaluating a rehearing petition. Furthermore, any difference in result between the single judge and the rehearing panel would be useful data to the USPTO in evaluating whether the single-judge pilot program has effects on institution decision results.

D. Question 4: What Information Should the USPTO Include in Reporting the Outcome of the Proposed Single-APJ Institution Pilot Program?

Answer—the USPTO should include detailed, raw data on the results of institution decisions and relevant information about the judges who rendered those

decisions, for both petitions within the pilot program and petitions decided in the same time frame by three-judge panels.

It is critical that the USPTO understand whether the proposed pilot program has any substantive impact on the actual results of institution decisions. That understanding can only come from comprehensive collection of information. Furthermore, because outside academic research could likely reveal more information beyond what the USPTO would discover on its own, the USPTO should publish that collected information for the benefit of the larger community.

At least the following information should be collected for each institution decision:

- Result of the decision
- Whether rehearing was sought, and if so, the result of the rehearing
- Identity of the APJ
- Demographic information about the APJ (years experience, field of experience, age, location if at a branch office, gender, ethnicity)
- Subject matter of the patent (e.g. classification)

Additionally, as the Notice explains, assignment to the pilot program must be randomized, to avoid selection bias in the resulting data.

III. Conclusion

Public Knowledge and the Electronic Frontier Foundation thank the USPTO for providing the opportunity to submit these comments. The undersigned attorney is happy to answer any questions that may remain or discuss these matters further.

Respectfully submitted,

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