

The Same PTAB Panel Should Not Do It All: Why Inter Partes Review Decisions Should Be Bifurcated

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ABSTRACT

The United States' patent system provides a framework for the protection of an inventor's intellectual property: their inventions. A valid utility patent is useful, novel, and nonobvious. Patents incentivize an inventor to disclose their invention to the public in exchange for limited-in-time, exclusive rights to practice their invention.

The United States Patent and Trademark Office (USPTO) vets patent applications for validity. After the USPTO grants a patent, the patent remains subject to administrative review proceedings. These proceedings allow the USPTO to review a patent's validity. One such proceeding is inter partes review ("IPR"). An IPR is an adversarial process in which a third-party petitioner challenges a patent's validity.

First, the USPTO must institute the IPR. Then, the Patent Trial and Appeal Board (PTAB) makes a final decision to determine whether the challenged patent still contains valid claims. The America Invents Act (AIA), which codified the IPR procedure, grants the USPTO's Director authority to make the institutional IPR decision and grants the PTAB authority to make the final IPR decision. However, by regulation, the Director delegated their institutional decision-making authority to the same PTAB panel that also makes the final IPR decision.

This delegation of authority is problematic because it ignores Congress's legislative intent and the AIA's plain language. PTAB panel judges are susceptible to clear biases when they make both IPR decisions because of this delegation. Biases among PTAB panel judges violate a patent owner's due process rights. Further, the appearance of bias in the IPR process diminishes public credibility of the patent system.

To fix blatant defects in IPR procedure, this Comment argues that the Supreme Court should bifurcate the two IPR decisions by requiring one

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group of PTAB judges to make institutional IPR decisions only and a separate group of PTAB judges to make final IPR decisions only.

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I. INTRODUCTION

Patent law’s importance to western development harkens back to its origins.¹ The oldest historical reference to a patent system comes from the fourth century B.C. in Aristotle’s *Politics*.² In 1474, the Venetian Senate passed an act which created the first statutory patent system.³ Through trade, patents entered the British tradition, and the Statute of Monopolies of 1623 codified the protection of inventions in England.⁴ Like most of

1. See ARISTOTLE, POLITICS 39 (Benjamin Jowett trans., Batoche Books 1999).

2. See *id.* (commenting on the proposal for a system “[t]o honor those who discover anything which is useful to the state”).

3. See Stefania Fusco, *Lessons From the Past: The Venetian Republic’s Tailoring of Patent Protection to the Characteristics of the Invention*, 17 NW. J. TECH. & INTELL. PROP. 301, 308 (2020).

4. See *In re Bilski*, 545 F.3d 943, 968 (Fed. Cir. 2008) (noting that the 1623 statute was passed to prohibit “the Crown from granting . . . despised industry-type monopolies,” but the statute “expressly exempted invention-type patent monopolies” from its ban).

British law, patents followed the colonists to the New World, where states created their own systems for granting exclusive rights.⁵

After the American Revolution, Thomas Jefferson, the nation's first Secretary of State, implemented the first American Patent Act of 1790.⁶ However, many politicians opposed a strong federal government during the early years of the nation to avoid becoming the oppressive monarchy they had just escaped.⁷ Regarding patents, Jefferson opined that “the interposition of government in matters of invention has its use, yet it is in practice so inseparable from abuse.”⁸

The modern bureaucratic state would likely be nightmarish to the antifederalist founding fathers like Jefferson.⁹ Jefferson preferred keeping the federal government's reach in check because he believed the federal government would inevitably erode fundamental rights without supervision.¹⁰ Patent systems are essential to the success of any society.¹¹ Thus, scholars and litigants must continue to ensure the patent system remains free from abuse because America's economic success hinges on its credibility.¹²

In keeping with Jefferson's call for oversight of the patent system, this Comment takes aim at inter partes review (“IPR”) proceedings, which threaten to strip patent owners of their patent rights through extrajudicial administrative review.¹³ In current IPR practice, the same administrative judges make both the institutional and final IPR decisions.¹⁴ This Comment suggests that the two decisions made during IPR proceedings should be performed by two separate entities.¹⁵ In short, IPRs require bifurcation.¹⁶

5. See Camilla A. Hrды, *State Patent Laws in the Age of Laissez Faire*, 28 BERKELEY TECH. L.J. 45, 58–60 (2013).

6. See Edward C. Walterscheid, *Patents and the Jeffersonian Mythology*, 29 J. MARSHALL L. REV. 269, 269 (1995) (“Jefferson strongly influenced the content of the Patent Act of 1790, and . . . he was primarily responsible for drafting the Patent Act of 1793 which remained the law until 1836.”).

7. See Patrick Henry, Speech at the Virginia Convention (June 5, 1788), in 3 THE DEBATES IN THE SEVERAL STATE CONVENTIONS 44 (Jonathan Elliot ed., 2d ed. 1827) (“Is this a monarchy, like England—a compact between prince and people, with checks on the former to secure the liberty of the latter?”).

8. See Walterscheid, *supra* note 6, at 273.

9. See *id.*

10. See *id.*

11. See Richard S. Gruner, *Why We Need a Strong Patent System and When: Filling the Void Left by the Bilski Case*, 28 SANTA CLARA COMPUT. & HIGH TECH. L.J. 499, 512 (2011) (stating that patents are key for “the overall practical success and social propagation of new advances”).

12. See *id.*

13. See *infra* Section II.A.2.

14. See *infra* Section II.A.2.

15. See *infra* Section III.B.

16. See *infra* Section III.B.

Part II of this Comment discusses the background of the modern administrative patent review system.¹⁷ First, Part II describes the IPR process and its goals.¹⁸ Part II then relates patent law to the Fifth Amendment's protections.¹⁹ Lastly, Part II summarizes the relevant cases that have challenged the IPR structure.²⁰

Part III introduces constitutional arguments and theories of statutory interpretation upon which the Supreme Court could rely to bifurcate IPR procedure.²¹ Finally, Part III recommends that the Supreme Court should require one entity to make institutional IPR decisions and a separate entity to make final IPR decisions by granting certiorari in a case that raises the issue of IPR bifurcation.²²

II. BACKGROUND

To understand this Comment's recommendations for IPR procedure, a threshold understanding of the origins of America's administrative patent review system is necessary.

A. *Background of the Administrative Patent Review System*

Utility patents are governmental grants of exclusivity for inventions that are useful, novel, and nonobvious.²³ Patents are only valid if they meet all three of these requirements.²⁴ The USPTO, courts, and the public vet patents for validity throughout a patent's lifetime.²⁵ Validity challenges test whether the invention meets the three requirements.²⁶

To secure a valid patent, applicants undergo a written back-and-forth negotiation with a patent examiner in a process coined "patent prosecution."²⁷ Patent prosecution begins when an inventor files a patent application with the United States Patent and Trademark Office (USPTO).²⁸ Next, a patent examiner reviews the patent application and, in the vast majority of cases, issues an office action rejecting the initial

17. *See infra* Part II.

18. *See infra* Section II.A.

19. *See infra* Section II.B.

20. *See infra* Sections II.B–C.

21. *See infra* Section III.A.

22. *See infra* Section III.B.

23. *See* 2 DONALD S. CHISUM, CHISUM ON PATENTS §§ 3.01, 4.01, 5.01 (2023).

24. *Id.*

25. *See* Greg Reilly, *The Complicated Relationship of Patent Examination and Invalidation*, 69 AM. U. L. REV. 1095, 1101 (2020) (noting that patent claims are vulnerable to challenges throughout the life of the patent).

26. *Id.*

27. *Prosecution*, BLACK'S LAW DICTIONARY (11th ed. 2019).

28. *See Patent process overview*, USPTO, <http://bit.ly/3AgHZFK> (Apr. 28, 2023, 8:03 AM).

application due to insufficiencies.²⁹ If possible, the applicant addresses the application's insufficiencies and returns an amended application.³⁰ After resubmission, the examiner may continue to issue subsequent rejections, and the applicant may respond by filing subsequent amendments.³¹ The written back-and-forth of prosecution resembles a ping-pong rally.³² Once a patent is issued, its validity may be further challenged in litigation or in subsequent administrative review proceedings.³³ Importantly, the history of such patent administrative review proceedings, beginning with *ex parte* review, illuminates the origin of the IPR's present-day shortcomings.³⁴

1. The Precursors to Inter Partes Review

In 1980, Congress created *ex parte* review, a new method for third parties to petition for a reexamination of the inventor's claims in any issued patent.³⁵ The goal of the new review procedure was to reduce the cost of litigation to invalidate a patent.³⁶ However, the new reexamination proceeding was not adversarial, and decisions could not be appealed.³⁷ As a result, third parties still preferred litigation over *ex parte* review when challenging patent validity.³⁸

In 1999, lawmakers created the *inter partes* reexamination proceeding—the precursor to the IPR—to make choosing administrative review more appealing than costly litigation for challenging a patent's validity.³⁹ *Inter partes* reexamination gave petitioners more say in the claim-validity determination and eventually granted them the right to appeal the final validity ruling.⁴⁰ The new proceeding also allowed third-party petitioners to file responses to a patent applicant's office action replies during prosecution.⁴¹ Despite these petitioner-friendly alterations,

29. *See id.*; *see also Office Action*, BLACK'S LAW DICTIONARY (11th ed. 2019) (defining an office action as “[a] patent examiner’s communication with a patent applicant, to state the reasons for denying an application”).

30. *See* USPTO, *supra* note 28.

31. *See id.*

32. *See In re Cuzo Speed Techs., LLC*, 778 F.3d 1268, 1290 (Fed. Cir. 2015).

33. *See* Reilly, *supra* note 25, at 1099.

34. *See infra* Section II.A.1.

35. *See* 35 U.S.C. §§ 301–307.

36. *See* H.R. REP. NO. 96-1307, pt. I, at 3–4 (1980); *see also* Joseph Scott Miller, *Building a Better Bounty: Litigation-stage Rewards for Defeating Patents*, 19 BERKELEY TECH. L.J. 667, 728–30 (2004) (stating that litigation challenging a patent's validity often arises as a defense to patent infringement).

37. *See* § 301; *see also* H.R. REP. NO. 112-98, at 45 (2011).

38. *See* H.R. REP. NO. 112-98, at 45 (2011).

39. *See* Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001, Pub. L. No. 106-113, 113 Stat. 1501 (1999).

40. *See id.*

41. *See id.*

the USPTO received only 53 petitions for inter partes reexamination in the five years following implementation.⁴²

Subsequently, with the enactment of the Leahy-Smith America Invents Act of 2011 (AIA), the inter partes reexamination was laid to rest.⁴³ In its place, the IPR was born.⁴⁴ To increase the IPR's attractiveness, Congress made the IPR a fully adversarial proceeding and opened all patents, even those filed prior to 1999, to potential review.⁴⁵ Beyond the IPR, the AIA added two other administrative review proceedings: (1) the covered business method proceeding and (2) the post-grant review.⁴⁶ Although each review method has unique characteristics and strategic purposes, the IPR has remained petitioners' favored administrative review proceeding.⁴⁷ The IPR's popularity rests in its efficiency, availability, and relatively economical price.⁴⁸

2. What is an Inter Partes Review?

An IPR is initiated when anyone other than the patent's owner petitions the USPTO to review the validity of a previously issued patent.⁴⁹ The IPR is innately adversarial because both the petitioner and patent holder can submit motions and responses throughout the proceeding.⁵⁰ However, IPR challenges are limited to claims of deficiencies in novelty or nonobviousness.⁵¹ Another limitation is that an IPR petitioner can only cite to other patents or printed publications when introducing relevant prior art.⁵² Prior art is the compilation of all knowledge held by the public prior to the patent's effective filing date.⁵³

42. USPTO, REPORT TO CONGRESS ON INTER PARTES REEXAMINATION (2004).

43. See Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 285 (2011).

44. See 35 U.S.C. §§ 311-319.

45. See *id.*; see also *Regents of the Univ. of Minn. v. LSI Corp.*, 926 F.3d 1327, 1338 (Fed. Cir. 2019) (stating that the fully adversarial nature of IPRs entails "less of an agency led, inquisitorial process . . . and more of a party-directed" process).

46. See §§ 302, 321.

47. See USPTO, PTAB TRIAL STATISTICS FY21 END OF YEAR OUTCOME ROUNDUP IPR, PGR, CBM (2021) (finding that 93% of all post-issuance administrative review proceedings are IPRs).

48. See *infra* Section II.A.2.

49. See §§ 311-319.

50. See *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1352 (2018) (observing the IPR's adversarial nature).

51. See § 311(b).

52. See *id.*; see also *In re Klopfenstein*, 380 F.3d 1345, 1350 (Fed. Cir. 2004) (stating that a printed publication is a "sufficiently publicly accessible" dissemination of an invention); *In re Hall*, 781 F.2d 897, 899 (Fed. Cir. 1986) (opining that the indexing or cataloging of a dissemination is a strong factor tending to prove that the dissemination is a printed publication).

53. See § 102(a) (listing patents, patent applications, printed publications, public uses, or items on sale as examples of prior art).

Novelty—the first of two possible patent characteristics that an IPR petitioner can challenge—is the newness of a claimed invention as compared to the prior art.⁵⁴ Attacks on novelty must show that an invention was anticipated by prior art.⁵⁵ Anticipation occurs when a single article of prior art has all the elements of the claimed invention, characterizing the claimed invention as not novel.⁵⁶

The second challengeable patent characteristic, nonobviousness, excludes any claimed invention that is readily apparent.⁵⁷ Courts and patent examiners apply the nonobviousness test from the perspective of “a person having ordinary skill in the art to which the claimed invention pertains.”⁵⁸ Historically, courts have set out the nonobviousness test as asking whether the inventor took an inventive step during the claimed invention’s creation.⁵⁹ Unlike the novelty determination, courts combine multiple pieces of prior art, which together contain all the elements of the challenged invention when evaluating the nonobviousness of a patent.⁶⁰ If the combination of these prior art elements is an obvious step to a person with ordinary skill in the art, then the patent claim is invalid.⁶¹

Once an IPR is initiated, the patent owner has the right to file a preliminary response to the IPR petition.⁶² The AIA states that

[t]he Director may not authorize an inter partes review to be instituted unless *the Director* determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.⁶³

However, shortly after the enactment of the AIA the USPTO’s Director promulgated a regulation delegating discretionary review of the IPR petition to the USPTO’s Patent Trial and Appeal Board (PTAB).⁶⁴

54. *See id.* § 102.

55. *See In re Robertson*, 169 F.3d 743, 746 (Fed. Cir. 1999).

56. *See Verdegaal Bros. v. Union Oil Co.*, 814 F.2d 628, 631 (Fed. Cir. 1987) (stating that anticipation occurs when “each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference”).

57. *See* § 103(a).

58. *Id.*

59. *See Hotchkiss v. Greenwood*, 52 U.S. 248, 267 (1851) (holding that a doorknob patent is invalid for obviousness because the only difference from the prior art was changing the material of the doorknob from wood to porcelain).

60. *See Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966) (delineating that “considerations [such] as commercial success, long felt but unsolved needs, [and the] failure of others” all help determine nonobviousness).

61. *See* § 103(a).

62. *See id.* § 313.

63. *Id.* § 314(a) (emphasis added).

64. *See* 37 C.F.R. § 42.108 (2023).

The first-in-time discretionary review is a threshold decision on whether to institute the IPR proceeding.⁶⁵ After passing the discretionary review or institutional determination, the same PTAB panel considers the validity of the patent claims that were challenged by the IPR petitioner.⁶⁶ The validity determination is the second and final decision.⁶⁷ Thus, an IPR has two steps: (1) the institutional decision and (2) the final decision.⁶⁸ Both decisions are currently made by the same PTAB panel assigned to an IPR case.⁶⁹ Once an IPR ruling is issued, a petitioner is estopped from litigating any future claim of patent invalidity that could have been raised in the prior IPR proceeding.⁷⁰ Importantly, however, the patent holder and the petitioner may appeal the PTAB's final decision to the Federal Circuit for further review.⁷¹

Under the current structure of the IPR proceedings, the PTAB has complete control over determinations of patent validity.⁷² This opens the door to bias and other criticisms.⁷³ To understand fully why the IPR proceeding was structured this way, it is helpful to look at the AIA's intent in crafting the IPR process in this manner.⁷⁴

3. The Legislative Intent Behind the Inter Partes Review

The AIA's legislative intent highlights the motivations underlying the enactment of the IPR system.⁷⁵ The legislative goals of the IPR are to (1) improve patent quality; (2) increase the efficiency and availability of a system for challenging questionable patents; and (3) decrease litigation

65. *See* 35 U.S.C. § 314(a).

66. *See id.* § 318(a).

67. *See id.*

68. *See id.*

69. *See id.*

70. *See id.* § 315(e).

71. *See id.* § 319.

72. *See supra* Section II.A.2.

73. *See infra* Section II.C.

74. *See infra* Section II.A.3.

75. *See generally* H.R. REP. NO. 112-98, at 38-56 (2011) (expounding on the purpose and procedural need for the AIA).

costs.⁷⁶ Because of these motivations, the AIA made several changes to the post-issuance review proceedings that existed before 2011.⁷⁷

One of the legislature's most significant changes was tightening the IPR initiation standard.⁷⁸ Prior to the change, the IPR initiation standard was weak and "allow[ed] 95% of all requests to be granted."⁷⁹ Through the AIA, Congress strengthened the standard by requiring "petitioners to present information showing that their challenge has a reasonable likelihood of success."⁸⁰ The reasonable likelihood of success standard requires a "better than negligible chance of prevailing."⁸¹ The stronger standard allows PTAB panels to disqualify IPR petitions that fail to support the USPTO's cost-effective operation, making the USPTO more efficient.⁸² Legislatively intended or not, the IPR process, including the changes implemented by the AIA, inevitably implicates a patent holder's constitutional rights.⁸³

B. Patent Law and the Fifth Amendment

The Fifth Amendment to the U.S. Constitution was enacted in 1791 as part of the Bill of Rights.⁸⁴ The language of the Fifth Amendment is brief, yet its ramifications touch every legal practice area.⁸⁵ Two Fifth Amendment clauses are particularly relevant in the patent context: the Due

76. *See id.* at 38. IPRs improve patent quality by encouraging a higher number of patent validity reviews, ridding the patent system of improperly issued patents. *See St. Regis Mohawk Tribe v. Mylan Pharms., Inc.*, 896 F.3d 1322, 1332 (Fed. Cir. 2018) (Dyk, J., concurring). Further, IPRs promote efficiency and availability because IPRs are faster than traditional litigation and can be petitioned for by anyone, regardless of standing. *See id.* at 1335 ("There is no requirement that a third party [sic] petitioner have any interest in the outcome of the [IPR], much less Article III standing."). Lastly, "[e]mpirical evidence shows that the cost of an IPR is generally an order of magnitude less than the cost of a validity challenge through litigation." J. Gregory Sidak & Jeremy O. Skog, *Attack of the Shorting Bass: Does the Inter Partes Review Process Enable Petitioners to Earn Abnormal Returns?*, 63 UCLA L. REV. DISC. 120, 127 (2015).

77. *See supra* Section II.A.1.

78. *See* H.R. REP. NO. 112-98, at 47.

79. *Id.*

80. *Id.*; *see also* 157 CONG. REC. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (asserting that the new IPR institution standard "imposes thresholds that require petitioners to present information that creates serious doubts about the patent's validity").

81. *NLRB v. Electro-Voice, Inc.*, 83 F.3d 1559, 1568 (7th Cir. 1996).

82. Evan McClean et al., *PTAB Denies IPR Institutions Without Patent Owner Rebuttal Evidence*, JD SUPRA (Nov. 17, 2021), <http://bit.ly/3hPSwS0>. Recently, IPR petitions have failed at the institutional decision because of "parallel district court scheduled trials, district court findings of indefiniteness, . . . overbroad challenges[.]" and merits of the claims, even when the patent owner fails to address some or all petitioner's claims of invalidity. *Id.*

83. *See infra* Section II.B.

84. *See* U.S. CONST. amend. V.

85. *See, e.g.,* *Miranda v. Arizona*, 384 U.S. 436, 499 (1966) (detailing a criminal prosecution); *Loving v. Virginia*, 388 U.S. 1, 12 (1967) (detailing a civil claim).

Process Clause and the Takings Clause.⁸⁶ The Due Process Clause ensures that no “person” shall “be deprived of . . . property, without due process of law.”⁸⁷ The Takings Clause states that “private property” shall not be “taken for public use, without just compensation.”⁸⁸ At their core, these clauses protect U.S. citizens’ property from governmental overreach.⁸⁹

To assert their constitutional rights, U.S. citizens can raise Fifth Amendment challenges to governmental actions that improperly deprive them of their property.⁹⁰ Thus, if the IPR process creates an unconstitutional deprivation of a patent owner’s property rights, then the patent owner has a right to challenge that process.⁹¹ However, courts must first determine whether patent rights are “property” under the Fifth Amendment.⁹² This determination is a matter of constitutional interpretation for the courts and a threshold issue to a Fifth Amendment challenge.⁹³

To determine whether a litigant can wield the Fifth Amendment to contest an IPR ruling, understanding what a patent right entails is essential.⁹⁴ At the foundation of the patent system is a quid pro quo, which is a quasi-contractual agreement between the inventor and the public.⁹⁵ Quid pro quo agreements happen every day in practice: the inventor gains an “exclusive [r]ight” to use and sell their invention as long as they publicly disclose their invention to “promote the [p]rogress of . . . useful [a]rts.”⁹⁶

86. See generally Eduardo M. Peñalver & Lior Jacob Strahilevitz, *Judicial Takings or Due Process?*, 97 CORNELL L. REV. 305, 306 (2012) (comparing the Due Process and the Takings Clauses).

87. See U.S. CONST. amend. V.

88. See *id.*

89. See *United States v. Balsys*, 524 U.S. 666, 717 (1998) (listing the “prevention of governmental overreaching” as a purpose of the Fifth Amendment).

90. See Jeremy Paul, *The Hidden Structure of Takings Law*, 64 S. CAL. L. REV. 1393, 1409 (1991) (“[E]ach citizen can call upon property law to protect herself against actions of the government itself.”).

91. See *infra* Section II.C.

92. See *Cascades Projection LLC v. Epson Am., Inc.*, 864 F.3d 1309, 1312 (Fed. Cir. 2017) (“[P]atent rights constitute property and . . . the source of that property right is a public right conferred by federal statute.”).

93. See *Kovac v. Wray*, 363 F. Supp. 3d 721, 756 (N.D. Tex. 2019) (“As a threshold issue, therefore, the government action complained of must deprive individuals of . . . property interests within the meaning of the Due Process Clause of the Fifth Amendment.”).

94. *Patent (n.)*, ONLINE ETYMOLOGY DICTIONARY (Aug. 29, 2023), <http://bit.ly/3TBJcyh>. The modern word “patent” has origins in Medieval Latin from “*litterae patentes*” or “open letter[,]” which aptly illustrates the public disclosure requirement of modern patent rights. *Id.*

95. See *Eldred v. Ashcroft*, 537 U.S. 186, 216 (2003) (“[R]eferences to a quid pro quo typically appear in the patent context[.]”).

96. U.S. CONST. art. I, § 8, cl. 8.

Further, patent rights are unique property rights because they are granted by federal statute and denoted as “public franchises” that are monopolistic in nature.⁹⁷ The crux of patent ownership is the right to exclude others from practicing the patented art.⁹⁸ Relatedly, the Supreme Court has held that patent rights constitute property under the Fifth Amendment.⁹⁹ Consequently, patents receive the vast protections of both the Due Process Clause and Takings Clause.¹⁰⁰

Despite the general protection of the Takings Clause, the Federal Circuit recently decided that patent invalidation by an IPR proceeding, specifically, is not an unconstitutional taking by the government.¹⁰¹ However, the Federal Circuit has routinely entertained claims of due process violations during IPR procedures.¹⁰² Although patent rights are public franchises defined entirely by statute, there appears to exist a legitimate constitutional grant of due process protection against USPTO procedures like the IPR.¹⁰³

American due process guarantees fall into two categories: procedural and substantive due process.¹⁰⁴ In patent cases, procedural due process is relevant to questioning the constitutionality of IPR procedures.¹⁰⁵ Procedural due process shields patent owners from “arbitrary and unfair deprivations of protected . . . property interests without procedural safeguards.”¹⁰⁶

When analyzing a procedural due process claim, courts weigh the private interest affected, the risk of an arbitrary and unfair deprivation of the interest by current procedures, the benefit of new procedures, and the fiscal and administrative burden of implementing new procedures.¹⁰⁷ Thus, a procedural due process claim’s success depends upon the facts and

97. *Seymour v. Osborne*, 78 U.S. (11 Wall.) 516, 533 (1871); *see also Elliott v. Eugene* 294 P. 358, 360 (Or. 1930) (stating that a public franchise is a limited governmental grant of monopoly).

98. *See Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1374 (2018).

99. *See id.* at 1379.

100. *See also Fla. Prepaid Postsecondary Educ. Expense Bd. v. College Sav. Bank*, 527 U.S. 627, 642 (1999) (“[Patents] are surely included within the ‘property’ of which no person may be deprived by a State without due process of law.” (quoting U.S. CONST. amend. V)); *see also James v. Campbell*, 104 U.S. 356, 357–58 (1882) (stating that patents cannot be “used by the government itself, without just compensation”).

101. *See Golden v. United States*, 955 F.3d 981, 987 (Fed. Cir. 2020).

102. *See Qualcomm Inc. v. Intel Corp.*, 6 F.4th 1256, 1262 (Fed. Cir. 2021) (stating that IPR invalidations are subject to the protections of the Due Process Clause).

103. *See id.*

104. *See Sloane Kyrakis, Statutory and Constitutional Problems with Judicially-Imposed Patent-Claim Limitations*, 28 J. INTELL. PROP. L. 187, 192 (2021).

105. *See id.* at 193.

106. *Howard v. Grinage*, 82 F.3d 1343, 1350 (6th Cir. 1996).

107. *See Mathews v. Eldridge*, 424 U.S. 319, 335 (1976).

circumstances surrounding each type of claim.¹⁰⁸ Given the nature of IPR proceedings, patent owners have frequently relied on the due process clause to challenge and change the IPR's procedural structure.¹⁰⁹

C. *Relevant History of Procedural Challenges to Inter Partes Review*

The history of Fifth Amendment due process claims on USPTO rulings and procedures is short, yet expansive.¹¹⁰ Because the IPR did not take effect until late 2012, constitutional challenges to IPR procedures are a relatively novel area of law.¹¹¹ In recent years, scholars and litigants have steadily challenged the PTAB's dual duties: rendering both institutional and final IPR decisions.¹¹²

As previously mentioned, under USPTO regulations, the same PTAB panel makes both IPR decisions for a single case.¹¹³ The institutional decision is a threshold determination of the petitioner's chances at succeeding, and the final decision is a full consideration of the petitioner's claims.¹¹⁴ Most IPR challenges are based on due process and/or statutory interpretation concerns.¹¹⁵ Due process arguments implicate the Fifth Amendment, while statutory interpretation arguments often cite plain language, legislative intent, and statutory canons.¹¹⁶ A patent holder pursued both arguments in *Ethicon Endo-Surgery, Inc. v. Covidien LP*.¹¹⁷

1. The *Ethicon* Case

In *Ethicon*, the IPR petitioner, Covidien, sought to invalidate Ethicon's patent on a surgical device.¹¹⁸ The PTAB instituted the IPR and later invalidated the Ethicon patent for obviousness in the final decision.¹¹⁹

108. *See id.*

109. *See infra* Section II.C.

110. *See* Davida H. Isaacs, *Shifting Constitutional Sands: Can and Should Patentholders Rely on the Due Process Clause to Thwart Government Action?*, 35 FLA. ST. U. L. REV. 627, 646–50 (2008) (commenting on the likelihood that patents fall under Fifth Amendment property).

111. *See* Leahy-Smith America Invents Act, Pub. L. No. 112–29, § 6(c)(2), 125 Stat. 284, 304 (2011).

112. *See* Nicholas J. Doyle, *Confirmation Bias and the Due Process of Inter Partes Review*, 57 IDEA 29, 69 (2016).

113. *See* 37 C.F.R. § 42.108 (2023); *see also supra* Section II.A.2.

114. *See* 37 C.F.R. § 42.108 (2023); *see also* 35 U.S.C. § 314(a).

115. *See* *Ethicon Endo-Surgery, Inc. v. Covidien LP*, 812 F.3d 1023, 1028–34 (Fed. Cir. 2016).

116. *See id.*

117. *See infra* Section II.C.1.

118. *See* *Ethicon*, 812 F.3d at 1025–26.

119. *See id.* at 1025 (finding that all the claimed invention's elements were present in the prior art).

Ethicon appealed the PTAB's final ruling to the Federal Circuit.¹²⁰ At the appellate level, Ethicon claimed that allowing the same PTAB panel to institute and then subsequently issue the final IPR ruling violated the AIA and Ethicon's due process rights.¹²¹

Ethicon cited the Fifth Amendment's Due Process Clause as constitutional support for its arguments.¹²² Particularly, Ethicon argued that the PTAB panel would prejudice the patent owner's case if the same panel of PTAB judges instituted the IPR and issued the final ruling.¹²³ Parties to an IPR create a limited record for the institutional ruling because the decision is based on whether "there is a reasonable likelihood that the petitioner would prevail with respect to at least [one] of the claims challenged."¹²⁴ Thus, Ethicon claimed that the PTAB was initially exposed to a limited record, so prejudgment bias was unavoidable because the same administrative judges issued the final ruling.¹²⁵

The Federal Circuit ultimately rejected the due process argument, reasoning that a showing of bias requires proof that unofficial, extrajudicial information affected the PTAB's decision.¹²⁶ The Federal Circuit cited Supreme Court precedent in holding that two-step administrative proceeding rulings made by the same panel did not inherently violate due process because this structure is used in other federal agencies.¹²⁷

In addition to the constitutional question, Ethicon argued that the current IPR procedure violated the "history, structure, and content" of the AIA.¹²⁸ Ethicon urged that the AIA explicitly tasked the USPTO's Director with making the institutional IPR decision and never authorized the Director to delegate this duty to the PTAB.¹²⁹ Further, Ethicon argued that Congress expressly authorized the Director to act in other AIA sections.¹³⁰ Thus, the lack of express authorization to delegate the institutional decision emphasized Congress's intent to "cabin the

120. *See id.*

121. *See id.* at 1028 ("Ethicon . . . argu[es] that the final decision should be set aside because it was made by the same panel that made the decision to institute inter partes review.").

122. *See id.* at 1029.

123. *See id.*

124. 35 U.S.C. § 314(a).

125. *See Ethicon*, 812 F.3d at 1029.

126. *See id.* at 1030; *see also In re Murchison*, 349 U.S. 133, 133 (1955) (holding that there was clear bias when a judge compelled witness testimony as a "one-man grand jury[.]" charged the witness with perjury, and then himself tried and convicted the witness).

127. *See Ethicon*, 812 F.3d at 1030 ("Combining the investigative and adjudicatory functions in a single body does not raise constitutional concerns." (citing *Withrow v. Larkin*, 421 U.S. 35, 58 (1975))).

128. *Id.* at 1031.

129. *See id.* (citing 35 U.S.C. § 314(a)).

130. *See id.* at 1032.

Director's authority with respect to delegation."¹³¹ Once again, the Federal Circuit struck down Ethicon's arguments.¹³²

The majority stated that nothing in the AIA or its legislative history suggested that Congress was concerned with separating IPR decision-making duties.¹³³ As a result, the same PTAB panel continues to preside over both IPR decisions.¹³⁴ The majority also held that agency heads have implied authority to delegate tasks assigned to them by statute.¹³⁵ Thus, the Federal Circuit decided, by a 2-1 majority, that Ethicon's attacks on IPR's structure were unfounded.¹³⁶

But, Ethicon garnered support from a strong dissenting opinion.¹³⁷ In her dissent, Judge Newman observed that due process requires a "fair and impartial decision-maker."¹³⁸ Judge Newman stated that a clear bias toward invalidating a patent arises when a panel issues a final ruling after that same panel instituted the IPR.¹³⁹ She asserted that the panel will have confirmation bias naturally to protect its own institutional finding that the petitioner has a reasonable likelihood to prevail.¹⁴⁰ Moreover, the dissent agreed with Ethicon that a clear bias arises when the PTAB is initially exposed to an incomplete defense from the patent owner.¹⁴¹ Thus, Judge Newman concluded that applying a set of factors—the *Mathews* test—to the IPR procedure produces a due process violation.¹⁴² The *Mathews* test balances the importance and extent of deprivation of the private interest against the burden of implementing an improved administrative procedure.¹⁴³ The dissent then analyzed Ethicon's statutory argument.¹⁴⁴

131. *Id.* (citing 35 U.S.C. § 3(b)(3)(B)).

132. *See id.* at 1033.

133. *See id.* at 1031.

134. *See id.*

135. *See id.* (opining that delegation to subordinates is necessary when an agency head's statutorily-prescribed duties are immense).

136. *See id.* at 1035.

137. *See Ethicon*, 812 F.3d at 1035–40 (Newman, J., dissenting).

138. *See id.* at 1036.

139. *See id.* at 1038.

140. *See id.* (“[T]he administrative patent judges are ‘put in the position of defending their prior decisions to institute the trial.’” (quoting AIPLA, COMMENTS ON PTAB TRIAL PROCEEDINGS 20 (Oct. 16, 2014), <https://bit.ly/3EEjbun>)).

141. *See id.* at 1039 (“[T]he Office excludes all substantive evidence from the patent owner's preliminary response, including expert declarations or other rebuttal evidence.” (citing 37 C.F.R. § 42.107(c) (2023))).

142. *See id.* at 1038; *see also Mathews v. Eldridge*, 424 U.S. 319, 335 (1976).

143. *See Mathews*, 424 U.S. at 335. The *Ethicon* dissent noted that “the first two factors weigh heavily in favor of the divided decision-making” approach. *Ethicon*, 812 F.3d at 1038 (Newman, J., dissenting). The first two factors are the importance of the private interest and the severity of deprivation. *See id.*

144. *See Ethicon*, 812 F.3d at 1036 (Newman, J., dissenting).

First, the dissent considered Congress's legislative history, which states that the IPR is meant to be a substitute for litigation.¹⁴⁵ However, this substitution was not meant to diminish the credibility of the patent review process.¹⁴⁶ Further, Judge Newman analyzed the plain language of the statute, a well-known statutory interpretation canon, by giving every provision of the statute effect.¹⁴⁷ The dissent explained that the plain language reveals clear Congressional intent to bifurcate the two IPR decisions.¹⁴⁸ Taken together, the dissent suggested that two distinct entities should perform the institutional IPR step and final IPR step separately.¹⁴⁹

Ethicon is a landmark case because it was the first to challenge the PTAB's dual decision-making roles during an IPR.¹⁵⁰ Another more recent case raises congruent opposition to the IPR's procedural structure.¹⁵¹

2. The *Mobility* Case

In *Mobility Workx, LLC v. Unified Patents, LLC*, the Federal Circuit heard an appeal from Mobility, another disgruntled patent owner, which owned a patent for allocating communication on a network.¹⁵² Unified won its IPR petition against Mobility by arguing that Mobility's patent was obvious when compared to the prior art.¹⁵³ On appeal to the Federal Circuit, Mobility asserted that the IPR's structure was unconstitutional.¹⁵⁴ In another 2-1 decision, the Federal Circuit focused on Mobility's due process challenge and held that the USPTO's IPR procedures do not violate the Due Process Clause.¹⁵⁵

Mobility raised two due process concerns in its appeal.¹⁵⁶ First, Mobility claimed that the PTAB had a biased incentive to institute more

145. *See id.* (citing H.R. REP. NO. 112-98, at 48 (2011)).

146. *See id.*; *cf.* *Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1374 (2020) (stating that the USPTO's public credibility can be decreased if its procedures foster "overpatenting and . . . diminishment of competition").

147. *See Ethicon*, 812 F.3d at 1039 (Newman, J., dissenting) (citing *Corley v. United States*, 556 U.S. 303, 314 (2009)).

148. *See id.*

149. *See id.* at 1040.

150. *Cf.* Saurabh Vishnubhakat, *Disguised Patent Policymaking*, 76 WASH. & LEE L. REV. 1667, 1750–52 (2019) (using the *Ethicon* case to argue against the current IPR procedure).

151. *See infra* Section II.C.2.

152. *See Mobility Workx, LLC v. Unified Pats., LLC*, 15 F.4th 1146, 1149 (Fed. Cir. 2021).

153. *See id.*; *see also* *Mobility Workx, LLC v. Unified Pats., LLC*, No. 2020-1441, 2022 U.S. App. LEXIS 19411, at *6 (Fed. Cir. July 14, 2022) (agreeing with the PTAB that Mobility's patent claims are obvious in light of a patent that already teaches the alleged unique element of Mobility's invention).

154. *See Mobility*, 15 F.4th at 1149 (observing that Mobility's constitutional arguments were only made "for the first time on appeal").

155. *See id.* at 1157.

156. *See id.* at 1152; *see also supra* Section II.C.1.

IPRs than appropriate to increase USPTO fee revenue and solidify the PTAB's importance to the patent system.¹⁵⁷ Second, Mobility argued that judicial PTAB panel members had "a personal financial interest in instituting [IPR] proceedings in order to earn better performance reviews and bonuses."¹⁵⁸

The Federal Circuit disagreed with Mobility's first argument by explaining that Congress sets the USPTO's budget and PTAB panel members have no control over the final sum.¹⁵⁹ Next, the majority dismissed Mobility's second claim by finding that PTAB panel members face a backlog of work at the USPTO, implying that there is no scarcity of work to allocate among the PTAB judges.¹⁶⁰ Therefore, improper institution of IPRs would not be necessary to reach the decision bonus threshold.¹⁶¹

Once again, Judge Newman wrote a scathing dissent.¹⁶² This time, she focused on the clear bias created by the USPTO's IPR institution procedure.¹⁶³ Her dissent first centered on the AIA's noticeably improper implementation in an IPR's institutional decision.¹⁶⁴ Specifically, Judge Newman explained that prejudgment bias was inevitable when the IPR's investigative and adjudicative functions fall on a single entity.¹⁶⁵ In this context, she argued that prejudgment bias is inevitable because all human beings are susceptible to justifying their past conduct and initial opinions.¹⁶⁶ Importantly, Judge Newman focused on unconscious bias, or unknowing bias.¹⁶⁷ Judge Newman did not believe that PTAB judges are

157. *See Mobility*, 15 F.4th at 1153 (observing Mobility argues that 24% of the total sum of fees collected by the PTAB are earned as a result of the institution of an administrative review proceeding, including IPRs).

158. *Id.* at 1150.

159. *See id.* at 1154. The Federal Circuit made this argument despite Mobility's observation that Congress often awarded the USPTO with all the fees it collects. *See id.*

160. *See id.*

161. *See id.* The court's argument downplays (1) that institutional decisions are easier to make relative to other backlogged decisions and (2) that once an institutional decision is made, the PTAB judge instantly secures the final decision as a second decision toward their bonus while needing to review only one case. *See id.*

162. *See id.* at 1158–65 (Newman, J., dissenting).

163. *See id.*

164. *See id.* at 1059 ("[T]he [AIA] assigned the institution decision to the Director, not the Board. The Act separated institution from adjudication, to be performed by separate administrative authorities . . .").

165. *See id.* at 1062 (stating that IPR "procedures are contrary to the Administrative Procedure Act, the Due Process Clause[,] and the [AIA]"); *see also* Wong Yang Sung v. McGrath, 339 U.S. 33, 46 (1950) (observing that the Administrative Procedure Act's purpose was "to ameliorate the evils from the commingling of" the "prosecuting functions" and the "adjudicating functions" of administrative review proceedings like IPRs).

166. *See Mobility*, 15 F.4th at 1062 (Newman, J., dissenting) (observing the effect of the sunk cost fallacy and similar psychological phenomena).

167. *See id.* at 1163; *see also* Audrey J. Lee, *Unconscious Bias Theory in Employment Discrimination Litigation*, 40 HARV. C.R.-C.L. L. REV. 481, 482 (2005) (describing

necessarily culpable for their biases; rather, she believed that their unconscious bias is inevitable.¹⁶⁸

“[T]he appearance of bias” is important because it greatly reduces public confidence in IPR outcomes.¹⁶⁹ To Judge Newman, effective due process requires public “confidence in objective adjudication in any contested proceeding that is entrusted to government.”¹⁷⁰ Further, Judge Newman opined that conscious bias, unconscious bias, and appearance of bias could be abolished by applying the AIA’s plain language.¹⁷¹ Despite the emphatic dissent in *Mobility*, on the heels of *Ethicon*, the Supreme Court has yet to rule on the bifurcation of IPR proceedings.¹⁷²

3. Other Relevant Inter Partes Review Challenges

Though the Supreme Court has not ruled on the issue of bifurcating IPR hearings,¹⁷³ in a small number of notable cases, the Court has interpreted the AIA and addressed other challenges to IPR procedures.¹⁷⁴ These challenges provide insight into how the Supreme Court should address the bifurcation of IPR decisions.¹⁷⁵

First, in *Cuozzo Speed Technologies, LLC v. Lee*, the Supreme Court heard an appeal from a patent owner of three patent claims for a speedometer that were invalidated by the PTAB in an IPR.¹⁷⁶ The patent owner appealed the PTAB’s institutional IPR decision.¹⁷⁷ The Court held

unconscious bias as instances in which an individual “process[es] incoming information by relying on cognitive shortcuts—in essence, stereotypes”).

168. See *Mobility*, 15 F.4th at 1163 (Newman, J., dissenting).

169. *Id.* The “appearance of bias” doctrine often is used to describe a judge’s actions during a proceeding, such as “questioning witnesses and commenting on the evidence” during a trial. *State v. West*, 200 N.E.3d 1048, 1054 (Ohio 2022). Judge Newman uses it to describe the institutional decision-making action of PTAB judges. See *Mobility*, 15 F.4th at 1163 (Newman, J., dissenting).

170. *Mobility*, 15 F.4th at 1164. The dissent took *Mobility*’s arguments about fee collection and bonus structure and applied them to a theory about the appearance of bias in IPR institutional decisions. See *id.* at 1164–65.

171. See *id.* at 1164 (“[T]he issue could be resolved simply by restoring the Director to the statutory role in the institution procedure.”).

172. See *Ethicon Endo-Surgery, Inc. v. Covidien LP*, 137 S. Ct. 625, 625 (2017) (denying certiorari). *Mobility* did not file for certiorari perhaps because it was still litigating on the obviousness issue. See *Mobility Workx, LLC v. Unified Pats., LLC*, No. 2020-1441, 2022 U.S. App. LEXIS 19411, at *1 (Fed. Cir. July 14, 2022).

173. See *Ethicon*, 137 S. Ct at 625.

174. See Kelly A. Welsh, *Institution Denied: The Evolution of Discretionary Denials of Inter Partes Review Under 35 U.S.C. § 314(A) Since Apple Inc. v. Fintiv, Inc.*, 71 AM. U. L. REV. 741, 764–66 (2021) (outlining the key cases that have affected the institutional decisions of IPRs).

175. See *id.*

176. See *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 270 (2016) (stating the PTAB found three of the patent’s claims to be obvious in light of the prior art).

177. See *id.* The IPR petitioner only argued that one of the patent’s claims was obvious, but the PTAB impliedly challenged two other claims that were dependent on the

that § 314(d) of the AIA is clear—the section dictates that an IPR’s institutional decision is unappealable except on constitutional grounds.¹⁷⁸ Thus, if a patent owner wants relief from an IPR ruling on non-constitutional grounds, they may only appeal the final decision of the PTAB panel.¹⁷⁹

Second, in *Thryv, Inc. v. Click-To-Call Technologies, LP*, the Supreme Court held that a patent holder cannot appeal an institutional IPR decision based on untimeliness of the IPR petition under AIA § 315(b).¹⁸⁰ Third, in *SAS Institute, Inc. v. Iancu*, the Supreme Court held that AIA § 318(a) forces PTAB panels to consider “every” claim of invalidity that an IPR petitioner asserts.¹⁸¹ And fourth, in *Oil States Energy Services, LLC v. Greene’s Energy Group, LLC*, the Supreme Court held that IPR proceedings do not violate Article III or the Seventh Amendment of the Constitution.¹⁸² In a fiery dissent, Justice Gorsuch focused on the immense effort it takes to obtain a patent and how easily an individual’s patent rights can be stripped away by a non-judicial PTAB panel in an IPR.¹⁸³

Finally, in *United States v. Arthrex, Inc.*, the Supreme Court determined whether PTAB judges brandished unconstitutional power that

singular claim the petitioner challenged. *See id.* The PTAB’s implied challenges were the motivation behind the patent owner’s appeal. *See id.*

178. *See id.* at 271, 275 (“[W]e believe that Cuozzo’s contention that the Patent Office unlawfully initiated its agency review is not appealable.”); *see also* 35 U.S.C. § 314(d).

179. *See* § 319.

180. *See Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1370 (2020) (holding that the PTAB’s decision on the “application of § 315(b)’s time limit” was “closely related” to the PTAB’s decision to institute the IPR, making the decision on timeliness unappealable under *Cuozzo*); *see also* § 315(b) (stating that timeliness requires the alleged patent infringer to petition for an IPR within one year of obtaining notice of potential infringement).

181. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018) (“[T]he [PTAB] *must* address *every* claim the petitioner has challenged.”); *see also* § 318(a) (“[T]he [PTAB] shall issue a final written decision with respect to the patentability of *any* patent claim challenged by the petitioner.”) (emphasis added).

182. *See Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1379 (2018). In an IPR, the PTAB determined the patent holder’s invention was invalid. *See id.* at 1372. The patent holder’s Article III argument stated that the ability for an executive branch panel (the PTAB), and not an independent federal court, to invalidate their patent was unconstitutional. *See id.* Likewise, the Seventh Amendment argument was that the option for a trial by jury was constitutionally required to invalidate a patent. *See id.* The Court shut down both arguments by simply observing that Congress has leeway to construct any scheme it desires to uphold or strip patent rights because patent rights are purely statutory. *See id.* at 1379.

183. *See id.* at 1380–87 (“But what happens if someone later emerges from the woodwork, arguing that it was all a mistake and your patent should be canceled? Can a political appointee and his administrative agents, instead of an independent judge, resolve the dispute? The Court says yes.”) (Gorsuch, J., dissenting).

violated the Appointments Clause.¹⁸⁴ The Court held that “the unreviewable authority wielded by [PTAB judges] during [IPR]” violated the Constitution.¹⁸⁵ To ameliorate this constitutional conundrum, and to maintain IPR procedure, the Court held that the PTAB’s IPR decisions are reviewable by the USPTO’s Director because they are a properly appointed principal officer of the Executive Branch.¹⁸⁶

In sum, *Ethicon* and *Mobility* are Federal Circuit decisions about a patent owner’s push for IPR bifurcation.¹⁸⁷ These cases help to illustrate how future courts might reason when deciding on the essential issue of IPR bifurcation.¹⁸⁸ *Cuozzo*, *Thryv*, *Iancu*, *Oil States*, and *Arthrex* are the extent of the Supreme Court cases analyzing challenges to IPR procedure.¹⁸⁹ These cases are examples of how the Supreme Court has previously interpreted other AIA sections about IPRs.¹⁹⁰ Having waded through the history of relevant IPR challenges, it is now appropriate to examine the most recent effort to bifurcate IPR decision-making: *CustomPlay, LLC v. Amazon.com, Inc.*¹⁹¹

D. *The CustomPlay Case*

CustomPlay is a small Florida company that develops “products that allow viewers of audiovisual content to obtain information interactively and in real time.”¹⁹² One of these products is Second Screen, a program that overlays a frame of information on a TV screen as a user watches a film or show.¹⁹³ Second Screen details real-life locations, names of actors, products, and music in a specific scene.¹⁹⁴ CustomPlay owned three

184. See *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1985 (2021) (stating the issue arises from the PTAB’s decisions being unreviewable by an appointed principal officer of the Executive Branch); see also U.S. CONST. art. II, § 2, cl. 2 (containing the Appointments Clause which implicitly delineates the duties of Executive Branch employees).

185. *Arthrex*, 141 S. Ct. at 1985.

186. See *id.* at 1988 (“[T]he Director need not review every decision of the PTAB. What matters is that the Director have the discretion to review decisions rendered [in IPRs].”).

187. See *supra* Sections II.C.1–2.

188. See *supra* Sections II.C.1–2.

189. See *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 270 (2016); *Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1370 (2020); *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018); *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1379 (2018); *Arthrex*, 141 S. Ct. at 1985.

190. See *Cuozzo*, 579 U.S. at 270; *Thryv*, 140 S. Ct. at 1370; *Iancu*, 138 S. Ct. at 1354; *Oil States*, 138 S. Ct. at 1379; *Arthrex*, 141 S. Ct. at 1985.

191. See *infra* Section II.D.

192. *CustomPlay v. Amazon, Inc.*, No. 17-80884-CIV, 2017 U.S. Dist. LEXIS 231337, at *1–2 (S.D. Fla. Nov. 21, 2017).

193. See *id.* at *2.

194. See *id.*

patents which secured it the exclusive rights to use these and related technologies.¹⁹⁵

On the other hand, Amazon is a large multinational online storefront with a strong focus on technology and entertainment services.¹⁹⁶ In February 2016, Amazon unveiled X-Ray, a product for its streaming service, Amazon Video.¹⁹⁷ X-Ray's capabilities were similar to CustomPlay's patented technologies, so CustomPlay filed suit against Amazon for patent infringement in July 2017.¹⁹⁸ In response, Amazon argued that the three CustomPlay patents were invalid based on obviousness.¹⁹⁹

In conjunction with their reply, Amazon requested three IPRs.²⁰⁰ The district court granted Amazon's motion to stay the litigation pending the result of the IPRs.²⁰¹ The PTAB then instituted Amazon's IPRs and invalidated CustomPlay's three patents in the final decisions.²⁰² Next, CustomPlay appealed the IPRs to the Federal Circuit, which affirmed the PTAB's decisions in unreported summary orders.²⁰³ In its appeal, CustomPlay argued that the PTAB's procedures violated the Fifth Amendment and the AIA.²⁰⁴ CustomPlay sought a bifurcation of the IPR process.²⁰⁵ As a last resort, CustomPlay filed a writ of certiorari, which included its refined IPR challenges.²⁰⁶ During the October 2022 term, the Supreme Court denied CustomPlay's writ, ending the litigation.²⁰⁷ Although the Supreme Court refused to hear CustomPlay's arguments, the arguments substantiate the need for IPR bifurcation on two fronts:

195. *See id.*; U.S. Patent No. 8,494,346 (filed Dec. 22, 2011); U.S. Patent No. 9,124,950 (filed Mar. 26, 2012); U.S. Patent No. 9,380,282 (filed Mar. 26, 2012).

196. *See What We Do*, AMAZON, [bit.ly/3RC33Ox](https://www.amazon.com/what-we-do) (last visited Sept. 19, 2022).

197. *See CustomPlay*, 2017 U.S. Dist. LEXIS 231337, at *2.

198. *See id.*

199. *See Answer of Defendant at 28–30*, CustomPlay, LLC v. Amazon.com, Inc., No. 9:17cv80884 (S.D. Fla. Oct. 5, 2017).

200. *See Order Granting Defendant's Motion to Stay at 1*, CustomPlay, LLC v. Amazon.com, Inc., No. 17-80884-CIV (S.D. Fla. Apr. 29, 2019).

201. *See id.*

202. *See Amazon.com, Inc. v. CustomPlay, LLC*, No. IPR2018-01496 (P.T.A.B. Mar. 4, 2020); *Amazon.com, Inc. v. CustomPlay, LLC*, No. IPR2018-01497 (P.T.A.B. Mar. 5, 2020); *Amazon.com, Inc. v. CustomPlay, LLC*, No. IPR2018-01498 (P.T.A.B. Mar. 11, 2019).

203. *See Customplay v. Amazon*, No. 2020-2208, 2022 U.S. App. LEXIS 4069, at *1 (Fed. Cir. Feb. 15, 2022); *Customplay v. Amazon*, No. 2020-2207, 2022 U.S. App. LEXIS 4070, at *1 (Fed. Cir. Feb. 15, 2022); *Customplay v. Amazon*, No. 2020-2209, 2022 U.S. App. LEXIS 4071, at *1 (Fed. Cir. Feb. 15, 2022).

204. *See Petition for Writ of Certiorari at 1–16*, CustomPlay, LLC v. Amazon.com, Inc., No. 21-1527 (U.S. May 16, 2022).

205. *See id.*

206. *See id.* at 1.

207. *See CustomPlay, LLC v. Amazon.com, Inc.*, No. 21-1527, 2022 U.S. LEXIS 3557, at *1 (U.S. Oct. 3, 2022).

violation of the Due Process Clause and adherence to statutory interpretation.²⁰⁸

1. CustomPlay’s Due Process Argument

CustomPlay relied on *Ethicon* and *Mobility* to formulate its due process arguments.²⁰⁹ The arguments centered on the assertion that due process can be violated even without a showing of actual bias.²¹⁰ For example, CustomPlay provided evidence that 73% of all instituted IPRs result in invalidation, which indicates an apparent bias in the non-bifurcated proceeding.²¹¹ To CustomPlay, this evidence proved that the final IPR decisions appear to be a rubber stamp, automatically affirming the institutional decision and confirming a strong “prejudgment bias.”²¹²

As further evidence of the need for bifurcation to cure the due process violation, CustomPlay pointed to the Administrative Procedure Act, which “prohibits a single entity from performing executive and adjudicative functions.”²¹³ Congress’s intent behind this prohibition was to decrease procedural due process violations that arise from perceived bias.²¹⁴ Thus, CustomPlay first argued that the PTAB’s institutional decision and its final decision should not be made by a single entity because it violated the Due Process Clause.²¹⁵ CustomPlay then transitioned to a statutory interpretation argument that highlighted the plain language of the AIA in further support of bifurcation.²¹⁶

2. CustomPlay’s Statutory Interpretation Argument

CustomPlay focused on a literal reading of the AIA to support IPR bifurcation.²¹⁷ To start, CustomPlay highlighted six references to a bifurcated structure within the AIA.²¹⁸ The section that was especially pertinent stated that the USPTO’s Director determines whether an IPR

208. See *infra* Sections II.D.1–2.

209. See *supra* Sections II.C.1–2.

210. See Petition for Writ of Certiorari at 16, CustomPlay, LLC v. Amazon.com, Inc., No. 21-1527 (U.S. May 16, 2022).

211. *Id.* at 15.

212. *Id.* at 16.

213. *Id.* at 13.

214. See *Grolier, Inc. v. Fed. Trade Comm’n*, 615 F.2d 1215, 1218 (9th Cir. 1980) (“[T]o minimize any unfairness caused by th[e] consolidation of responsibilities, the [Administrative Procedure Act] mandates an internal separation of the investigatory-prosecutorial functions from adjudicative responsibilities.”).

215. See Petition for Writ of Certiorari at 13, CustomPlay, LLC v. Amazon.com, Inc., No. 21-1527 (U.S. May 16, 2022).

216. See *id.* at 5.

217. See *id.*

218. See *id.* at 6; see also 35 U.S.C. §§ 314(a)–(d), 315(c), 325(d).

petition is sufficient.²¹⁹ CustomPlay argued that “[t]he PTAB, therefore, wholly lacks statutory authority to adjudicate institution.”²²⁰

This argument mirrors the patent owner’s argument in *Ethicon*.²²¹ However, CustomPlay’s argument ignored the recognized need for the Director to delegate statutorily prescribed duties.²²² In *Ethicon*, the Federal Circuit expressly opined that the institutional decision’s delegation was necessary to avoid inefficiency.²²³ Thus, CustomPlay should not have attacked the institutional decision’s delegation per se, but instead should have challenged the delegation to the same PTAB panel that eventually made the final IPR decision.²²⁴ The substantive similarity between CustomPlay’s arguments and *Ethicon*’s arguments likely led to the Federal Circuit’s decision to affirm the IPR without writing an opinion.²²⁵

In light of *Ethicon*, *Mobility*, and *CustomPlay*, some may argue that IPR bifurcation is no longer feasible.²²⁶ However, many factors demonstrate that IPR bifurcation survives as a realistic goal of scholars and litigants: (1) the Supreme Court has yet to decide a case on this issue; (2) *Ethicon* and *Mobility* were slim 2-1 majorities with strong dissents; (3) *CustomPlay* was an appeal affirmed without opinion; (4) the strongest arguments for bifurcation have arguably not yet reached the courts; and (5) the need for fairness and public trust in a federal patent system should always prevail over harmful procedures.²²⁷ Therefore, pursuit of an ideal patent system should continuously welcome an analysis of the strongest arguments for IPR bifurcation.²²⁸

III. ANALYSIS

Criticism of a legal review system must not be conflated as an existential attack on the system itself. Unquestionably, the IPR system has judiciously and efficiently dealt with thousands of patent-validity claims, saving countless time and money in costly litigation.²²⁹ The criticisms in this Comment are raised with the hope of enhancing the IPR’s credibility and effectiveness.²³⁰

219. See Petition for Writ of Certiorari at 6, *CustomPlay, LLC v. Amazon.com, Inc.*, No. 21-1527 (U.S. May 16, 2022).

220. *Id.*

221. See *supra* Section II.C.1.

222. See *supra* Section II.C.1.

223. See *supra* Section II.C.1.

224. See *infra* Section III.B.

225. See *Customplay v. Amazon*, No. 2020-2208, 2022 U.S. App. LEXIS 4069, at *1 (Fed. Cir. Feb. 15, 2022).

226. See *supra* Sections II.C–D.

227. See *infra* Part III.

228. See *infra* Part III.

229. See *supra* Section II.A.3.

230. See *infra* Section III.A.

To that end, this Comment first analyzes the constitutional and statutory arguments raised in the patent caselaw, including the recent *CustomPlay* briefs, to determine whether bifurcation is necessary.²³¹ Second, this Comment recommends that the institutional IPR decision and final IPR decision be made by two separate panels of PTAB judges to remove bias and ensure that IPR procedures are performed in accordance with the letter and spirit of the AIA.²³² Last, this Comment urges the Supreme Court to hear arguments on the issue of IPR bifurcation.²³³

A. *Contemporary Compilation of Arguments for IPR Bifurcation*

Commonly, two categories of challenges arise after the enactment of a statute: constitutional challenges and statutory challenges.²³⁴ Courts must discern, first, whether the Constitution allows the law at issue to exist, and second, whether the application of the law is congruent with the law's language and purpose.²³⁵ With the AIA, the answers to both questions give credence to why IPR decision-making must be bifurcated.²³⁶

1. Convincing Constitutional Arguments

Patents are a form of property protected by the Fifth Amendment's Due Process Clause.²³⁷ Due process promises encompassing protections from "arbitrary and unfair" governmental incursion on private rights.²³⁸ In the patent context, procedural due process ensures that PTAB panels uphold procedural safeguards when invalidating a patent during an IPR.²³⁹ For example, "procedural safeguards"²⁴⁰ include a patent owner's right to a "fair and impartial decision-maker" overseeing the IPR.²⁴¹ Essentially, if the USPTO can avoid bias through simple tweaks in IPR procedure, it should implement these simple but important solutions.²⁴²

Some level of bias is inevitable in all human decisions.²⁴³ As bias is removed from the IPR process the temporal and monetary costs may

231. *See infra* Section III.A.

232. *See infra* Section III.B.

233. *See infra* Section III.B.

234. *See supra* Section II.C.1.

235. *See supra* Section II.C.1.

236. *See supra* Section II.C.1.

237. *See supra* Section II.B.

238. *Howard v. Grinage*, 82 F.3d 1343, 1350 (6th Cir. 1996); *see supra* Section II.B.

239. *See supra* Section II.B.

240. *Howard*, 82 F.3d 1343, 1350; *see supra* Section II.B.

241. *Ethicon Endo-Surgery, Inc. v. Covidien LP*, 812 F.3d 1023, 1036 (Fed. Cir. 2016) (Newman, J., dissenting); *see supra* Section II.C.1.

242. *See infra* Section III.B.

243. *See Doyle, supra* note 112, at 38.

increase.²⁴⁴ In terms of economic efficiency, however, an ideal equilibrium exists after which the marginal cost of eliminating additional bias exceeds the marginal benefits of a less biased procedure.²⁴⁵ This economic reality is the judiciary's basis underlying the *Mathews* test, which weighs the benefits of the reduced bias against the burden of removing the bias from the procedure.²⁴⁶ For IPRs, a clear bias exists when the same PTAB panel makes both decisions because of innate human psychological shortcomings.²⁴⁷ This results in the PTAB decisions that are clouded with unnecessary bias.²⁴⁸

Confirmation bias is the one form of bias in the current IPR process.²⁴⁹ Confirmation bias is "the favoring of evidence that confirms a hypothesis, and the disregarding of evidence that is not confirming."²⁵⁰ Said differently, confirmation bias occurs when past decisions influence an individual's future determinations.²⁵¹ The structure of the IPR process is vulnerable to confirmation bias.²⁵² The patent owners in *Ethicon* and *CustomPlay*, along with Judge Newman of the Federal Circuit, argued this point vehemently.²⁵³ The current IPR structure epitomizes the creation of confirmation bias by allowing PTAB panels to affirm their prior institutional ruling.²⁵⁴

When a panel of PTAB judges institutes an IPR, they must find "that there is a reasonable likelihood that the petitioner would prevail with respect to at least [one] of the claims."²⁵⁵ Once this institutional decision is made, the same panel of PTAB judges then reviews the petitioner's claims on the merits and makes a final decision.²⁵⁶ The PTAB panel is inevitably going to favor invalidating the patent in the final decision when it already determined that there is a reasonable likelihood that the patent is invalid.²⁵⁷ Confirmation bias nearly ensures that the PTAB panel cannot wipe the slate clean and make the final decision without being influenced by its prior institutional decision.²⁵⁸ Bifurcation of these decisions between

244. *See id.* at 61.

245. *See Mathews v. Eldridge*, 424 U.S. 319, 335 (1976).

246. *See id.*

247. *See supra* Section II.C.1.

248. *See supra* Section II.C.1.

249. *See Doyle, supra* note 112, at 32.

250. *See id.* at 37.

251. *See id.*

252. *See supra* Section II.A.2.

253. *See supra* Sections II.C.1 and II.D.1.

254. *See supra* Section II.A.2.

255. 35 U.S.C. § 314(a); *see also supra* Section II.A.2.

256. *See supra* Section II.A.2.

257. *See supra* Sections II.C.1 and II.D.1.

258. *See Doyle, supra* note 112, at 32.

two separate PTAB panels is the answer for a simple reason: separation would easily ameliorate the confirmation bias issue.²⁵⁹

Further, the same PTAB panel views only a limited record of evidence when making the institutional decision.²⁶⁰ Because of this, PTAB panels are making the institutional decision without a complete defense from the patent holders.²⁶¹ Therefore, PTAB panels make their institutional decisions without full knowledge of the case facts or defenses, and these institutional decisions inevitably influence their final decisions, adding yet another layer of unreliability to the process.²⁶²

An illustration of the biases at play in a more conventional setting helps cement this point. For example, imagine that a suspect is indicted on murder charges. When commencing voir dire,²⁶³ the court discovers that a potential juror watched a documentary on the evidence found by the police which led to the suspect's arrest.²⁶⁴ In this case, the court would quickly dismiss the potential juror because the documentary could have caused the potential juror to form biased opinions about the suspect before hearing the suspect's complete defense at trial.²⁶⁵ Similarly, a PTAB panel that institutes an IPR from a limited record of the case could easily become biased toward defending that decision when the IPR's final decision is due.²⁶⁶ Even if each PTAB judge was immune to their earlier biases, the appearance of bias still greatly reduces IPR credibility by decreasing public confidence in the patent process.²⁶⁷

Decreasing the IPR system's appearance of bias is almost as important as reducing the actual bias because confidence in the patent system is required for an inventor's voluntary usage of it.²⁶⁸ When use of the patent system decreases, the total store of publicly available knowledge decreases.²⁶⁹ This destruction of the public domain leads to inefficiency, such as reinventing and reverse-engineering inventions that already

259. See *infra* Section III.B.

260. See *supra* Section II.C.1; see also 37 C.F.R. § 42.107 (2023) (“The response is limited to setting forth the reasons why no *inter partes* review should be instituted . . .”).

261. See *supra* Section II.C.1.

262. See *supra* Section II.C.1.

263. See *Voir Dire*, BLACK'S LAW DICTIONARY (11th ed. 2019) (“A preliminary examination of a prospective juror by a judge or lawyer to decide whether the prospect is qualified and suitable to serve on a jury.”).

264. See, e.g., *Beck v. Washington*, 369 U.S. 541, 547 (1962) (holding that a defendant had not satisfactorily proven any jurors in his trial were prejudiced).

265. See *id.*

266. See *supra* Section II.C.1.

267. See *supra* Section II.C.2.

268. See *supra* Section II.C.2.

269. See David S. Levine & Ted Sichelman, *Why Do Startups Use Trade Secrets?*, 94 NOTRE DAME L. REV. 751, 765 (2018) (“[A] single bit of knowledge cannot be protected by both a patent and trade secret.”).

exist.²⁷⁰ As Justice Gorsuch stated in the *Oil States* dissent, obtaining a patent is an expensive and long process,²⁷¹ and, therefore, the IPR process should more stringently protect the inventor's investment without bias. Further, the IPR process must be unbiased because (1) the government wishes to incentivize inventors to publicly disclose their inventions and (2) patents are subject to invalidation by a non-judicial PTAB panel in an IPR.²⁷² If the patent process appears biased, then inventors will turn to trade secrets for protection and the United States will be dominated by reverse-engineering rather than forward innovation.²⁷³ But Congress did not enact the AIA for the United States' technological dominance to decline.²⁷⁴ Instead, Congress's goal was to increase confidence in the patent system.²⁷⁵

In the IPR system, the appearance of bias exists in multiple forms.²⁷⁶ First, when PTAB panel judges write more decisions, they reach bonus thresholds and obtain positive performance reviews.²⁷⁷ In *Mobility*, the Federal Circuit explained that the USPTO's abundance of work makes such incentives unlikely to affect their decision to institute an IPR.²⁷⁸ However, the Federal Circuit's reasoning ignores the advantage of instituting an IPR: institution will lead to a second decision that separately counts toward a PTAB judge's bonus threshold.²⁷⁹ Moreover, it is logically easier to write an institutional and subsequent final decision instead of two institutional decisions because the latter requires the PTAB judge to become familiar with an entirely new case.²⁸⁰ It is possible that PTAB panel judges may not be biased to institute IPRs based on bonus structure.²⁸¹ However, the issue here is the appearance of bias, not actual bias.²⁸² A simple bifurcation of the two IPR decisions would eliminate negative opinions regarding the IPR process by reducing its appearance of bias.²⁸³

270. See Pamela Samuelson & Suzanne Scotchmer, *The Law and Economics of Reverse Engineering*, 111 YALE L.J. 1575, 1588 (2002) ("[T]he right to reverse-engineer seems to decrease incentives for first comers to introduce new products and to encourage wasteful expenditures on reverse engineering.").

271. See *supra* Section II.C.3.

272. See *supra* Section II.C.3.

273. See *supra* Section II.C.3.; Samuelson & Scotchmer, *supra* note 270, at 1588.

274. See *supra* Section II.A.3.

275. See *supra* Section II.A.3.

276. See *supra* Section II.C.2.

277. See *supra* Section II.C.2.

278. See *Mobility Workx, LLC v. Unified Pats., LLC*, 15 F.4th 1146, 1154 (Fed. Cir. 2021); *supra* Section II.C.2.

279. See *supra* Section II.C.2.

280. See *supra* Section II.C.2.

281. See *supra* Section II.C.2.

282. See *supra* Section II.C.2.

283. See *infra* Section III.B.

Second, *Arthrex*'s holding indirectly expanded the appearance of bias in the IPR process.²⁸⁴ In *Arthrex*, the Supreme Court held that “the unreviewable authority wielded by [PTAB judges] during [IPR]” was unconstitutional.²⁸⁵ In so holding, the Supreme Court granted the USPTO's Director the ability to review all institutional IPR decisions.²⁸⁶ The *Arthrex* ruling added a directorial check on institutional IPR decisions, but it also increased the appearance of bias through unilateral directorial reviews that allow special reconsideration for some—but not all—patent owners.²⁸⁷

After *Arthrex*, the Director can review institutional decisions solely at their own discretion, granting some parties the chance to have their IPR decisions heard by more than one entity.²⁸⁸ To the parties, this appears unfair for two reasons: (1) seemingly random patent owners obtain special directorial review, and (2) the Director's reversal of institutional decisions implies incorrect institutional decisions were made but never reviewed.²⁸⁹

And how could incorrect institutional decisions be reviewed? The simple answer: designate one group of PTAB judges to focus solely on institutional decisions.²⁹⁰ A narrowly focused group of PTAB judges will make fewer errors,²⁹¹ and, as a result, there will be less random directorial review.²⁹² Once again, bifurcating the process is the ideal solution.²⁹³

As a final constitutional argument, the four *Mathews* factors weigh in favor of bifurcation.²⁹⁴ First, the private interests affected are a patent owner's property rights.²⁹⁵ Property rights are strong and necessary for the growth of a commercial economy.²⁹⁶ Securing these rights was the founders' top priority, evidenced by the Fifth Amendment's property protections.²⁹⁷ Second, the current procedure poses a high risk of an arbitrary and unfair deprivation of a property interest because the

284. See *supra* Section II.C.3.

285. *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1985 (2021); see *supra* Section II.C.3.

286. See *supra* Section II.C.3.

287. See *supra* Section II.C.3.

288. See, e.g., Anthony Bautista & Matthew Johnson, *OpenSky – Director Finds Abuse Of Process*, JD SUPRA (Oct. 21, 2022), <http://bit.ly/3Gm1Qp0> (summarizing a case in which the USPTO Director reviewed an institutional IPR decision and reversed the decision after finding the petitioner abused the IPR process).

289. See *supra* Section II.C.3.

290. See *infra* Section III.B.

291. See, e.g., Louis Fisher, *The Efficiency Side of Separated Powers*, 5 J. AM. STUD. 113, 131 (1971) (arguing that the separation of powers in an administrative context naturally leads to greater efficiency).

292. See *infra* Section III.B.

293. See *infra* Section III.B.

294. See *Mathews v. Eldridge*, 424 U.S. 319, 335 (1976).

295. See *id.*; *supra* Section II.B.

296. See *supra* Section II.B.

297. See Peñalver & Strahilevitz, *supra* note 86, at 306.

conglomeration of biases resulting from the same PTAB panel making both IPR decisions is evident.²⁹⁸ Third, the benefit of the proposed procedures is clear.²⁹⁹ Bifurcating the institutional and final decisions to separate PTAB panels would eliminate the apparent biases.³⁰⁰ Last, the fiscal and administrative burdens of implementing these new procedures are low.³⁰¹ Opponents may argue that it is inefficient to have two separate PTAB panels become familiar with a case.³⁰² However, these inefficiencies are minor compared to the benefits of the proposed change.³⁰³ At their broadest, these benefits foster confidence in the patent system.³⁰⁴ Moreover, inefficiencies would only be realized in cases where the IPR is instituted. Finally, as the separated PTAB panels each focus on one step of the IPR process, they will become more efficient at reaching decisions.³⁰⁵

In summary, current IPR procedure violates the Fifth Amendment and fails the *Mathews* test by introducing actual and perceived bias in the face of a simple fix.³⁰⁶ Beyond the constitutional challenges to the current IPR procedure, the AIA's plain language also supports bifurcation.³⁰⁷

2. Salient Statutory Arguments

The statutory arguments for IPR bifurcation rely on logic and Congress's intent regarding the AIA's language. First, § 314(a)'s language explicitly states that the USPTO's Director determines whether an IPR should be instituted or not.³⁰⁸ Further, the AIA grants the Director IPR duties in six separate sections of the statute.³⁰⁹ However, in § 318(a), the AIA specifically states that the PTAB is tasked with making final IPR decisions.³¹⁰ Therefore, and importantly, Congress made a conscious choice to grant the Director authority to make the institutional decision and the PTAB authority to grant the final decision.³¹¹

As a practical matter, Congress understands that if it assigns a task to an agency's head, then that task will likely be delegated further within the

298. See Doyle, *supra* note 112, at 32; *Mathews*, 424 U.S. at 335.

299. See *infra* Section III.B.; *Mathews*, 424 U.S. at 335.

300. See *infra* Section III.B.

301. See *supra* Section II.B.; *Mathews*, 424 U.S. at 335.

302. See *supra* Section II.C.1.

303. See *infra* Section III.B.

304. See Levine & Sichelman, *supra* note 269, at 765.

305. See *supra* Section III.B.

306. See *Mathews*, 424 U.S. at 335.

307. See *supra* Section III.A.2.

308. See 35 U.S.C. § 314(a); *supra* Section II.A.2.

309. See *supra* Section II.D.2.

310. See 35 U.S.C. § 318(a); *supra* Section II.A.2.

311. See *supra* Section II.A.2.

agency.³¹² But if Congress granted the Director the authority to delegate the institutional decision and then separately granted the PTAB the authority to make the final decision, then it is illogical for Congress to have intended that the same PTAB panel make both decisions. Instead, and based on the plain language of the AIA, it is more logical that Congress intended for two separate entities to make the two separate decisions. Congress simply would have granted the Director every task if it did not care whether different entities performed different tasks. In *Ethicon*, Judge Newman called upon the court to give effect to every word of the AIA.³¹³

Second, in *Iancu*, the Supreme Court altered the IPR procedure by interpreting the AIA's use of the word "any" in § 318(a).³¹⁴ The Court held that Congress used the word deliberately and intended that every claim brought by a petitioner be considered in the final decision.³¹⁵ Likewise, Congress's decision to grant the Director one task and the PTAB another task was deliberate. *Iancu* sets precedent on two fronts: (1) it shows how the Supreme Court has interpreted the AIA's plain language in the past, and (2) it illustrates that the courts have the power to alter USPTO procedure to better conform with Congress's plain language and legislative intent.³¹⁶ Thus, the statutory interpretation arguments, along with the due process arguments, support bifurcation.

B. Recommendations for Change

Based on the Fifth Amendment due process and statutory interpretation arguments presented, this Comment recommends that the Supreme Court grant certiorari in a future case which challenges IPR procedure like *Ethicon* or *CustomPlay*, and bifurcate the IPR process.

Specifically, the Court should require one group of PTAB judges to make institutional IPR decisions and a separate group of PTAB judges to make final IPR decisions. This solution avoids amending the AIA and allows the USPTO's Director to delegate the institutional task.³¹⁷ Moreover, the solution is well within the Court's purview.³¹⁸ A relevant example of how the Supreme Court solved a previous IPR-related constitutional problem can be seen in *Arthrex*.³¹⁹ In *Arthrex*, the Court

312. See *supra* Section II.C.1.

313. See *Ethicon Endo-Surgery, Inc. v. Covidien LP*, 812 F.3d 1023, 1039 (Fed. Cir. 2016) (Newman, J., dissenting); *supra* Section II.C.1.

314. See *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018); *supra* Section II.C.3.

315. See *supra* Section II.C.3.

316. See *supra* Section II.C.3.

317. See *supra* Section II.A.2.

318. See *supra* Section II.C.3.

319. See *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1985 (2021); *supra* Section II.C.3.

tweaked IPR procedure, without requiring legislative change, so that the IPR process conformed with the Constitution's Appointments Clause.³²⁰ The Court can similarly correct the IPR process to conform with the Constitution's Due Process Clause and the statutory goals of the AIA.³²¹ The correction is simple: require two separate PTAB panels to make the two separate IPR decisions.

IPR decision bifurcation provides multiple benefits: (1) conscious and unconscious biases that resulted from the same PTAB panel making both IPR decisions would be eliminated;³²² (2) the appearance of bias would be eliminated, increasing the credibility of the IPR system;³²³ (3) Congress's intent when creating the IPR process would be fully realized;³²⁴ (4) new USPTO personnel would not be needed; (5) existing personnel, who have been making both types of IPR decisions already, could easily specialize; and (6) PTAB judges would become more efficient at making the type of decisions to which they are assigned, increasing the accuracy and consistency of the entire process. In sum, scholars and litigants should continue pushing for IPR decision-making bifurcation because the potential benefits of the change are vast and easily obtained.

IV. CONCLUSION

Patent law has deep historical roots and is fundamental to the success of any modern society.³²⁵ However, the USPTO must avoid the abuses Thomas Jefferson warned about during America's founding.³²⁶ IPR is an efficient and cost-effective method of reviewing patent validity.³²⁷ But IPR also allows an extrajudicial PTAB panel to strip a patent owner of their property.³²⁸ Because of Fifth Amendment implications related to that property, the IPR process must be in conformance with the Due Process Clause and the AIA's letter and spirit.³²⁹ The same PTAB panel should not make both the institutional and final IPR decisions because this IPR structure introduces a slew of potential biases, erodes credibility and confidence, and ignores the plain language of the AIA.³³⁰ The Supreme Court can increase the credibility of America's patent system in two steps: (1) by granting certiorari in a case that raises the issue of IPR bifurcation

320. See *Arthrex*, 141 S. Ct. at 1985; *supra* Section II.C.3.

321. See *supra* Section III.A.

322. See *supra* Section III.A.1.

323. See *supra* Section III.A.1.

324. See *supra* Section III.A.2.

325. See *supra* Part I.

326. See *supra* Part I.

327. See *supra* Section II.A.2.

328. See *supra* Section II.B.

329. See *supra* Section III.A.

330. See *supra* Section III.A.

and (2) by requiring one group of PTAB judges to make institutional IPR decisions and a separate group of PTAB judges to make final IPR decisions.³³¹ The same PTAB panel should not do it all; the IPR process requires bifurcation.³³²

331. *See supra* Section III.B.

332. *See supra* Section III.B.