

Appropriately Aligning a Unicorn, The Patent Trial and Appeals Board Within the U.S. Patent System, in the Wake Of *U.S. v. Arthrex*

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ABSTRACT

The Patent Trial and Appeal Board [“PTAB”]’s role and its powers within the construct of the U.S. Patent and Trademark Office [“USPTO”] are commonsensical for patent practitioners. However, considered in the broader construct of American law, especially pursuant to the Appointments Clause of the U.S. Constitution, the recent, narrowly adopted Supreme Court *U.S. v. Arthrex* decision elucidates a structural misalignment requiring correction.

Non-prevailing parties have attacked the scope of authority for PTAB jurists, claiming their roles are unconstitutional. The rationale is though they are “inferior officers,” they act with unfettered finality at the agency level, albeit neither appointed by the President with the advice and consent of the U.S. Senate, nor having their decisions subject to mandatory review by a principal officer. The U.S. Supreme Court agrees. However, the Court’s resolution in *Arthrex* creates more ambiguity, jeopardizing reliability in agency-level patent prosecution outcomes for the foreseeable future while creating employment inequity for PTAB judges by making them at-will employees. In a manner of speaking, the *Arthrex* fix is broken, and congressional action is the best repair. Unfortunately, *Arthrex* demonstrates that how one arrives at a decision is as important, oftentimes, as the decision itself. Moreover, it is possible to solve one problem and while exacerbating others.

This paper adds to scholarship by presenting alternative frameworks for aligning PTAB and patent prosecution appellate review in the legal system. It contemplates two avenues for corrective legislative action. A simple fix is mandating PTAB judges be appointed by the U.S. President, with the advice and consent of the U.S. Senate, making these judges principal officers. An alternative and more complicated, albeit more conservative fix, is adding an appeal of PTAB decisions to the U.S. District Courts, instead of a direct appeal from PTAB to the U.S. Court of Appeals for the Federal Circuit.

KEYWORDS: Appointments Clause; U.S. Constitution; Patent Trial and Appeal Board; PTAB; inferior officers; *Arthrex*; Supreme Court; President; agency level; patent prosecution; Senate; administrative judges; advice and consent; congress; principal officers

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