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PRECEDENTIAL DECISIONS AT THE PTAB: AN  
ENDANGERED SPECIES?

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*Abstract*

*This Article describes the USPTO’s practice of designating certain opinions as precedential, informative, or representative and compares it to the practice of issuing precedential opinions at other agencies that conduct quasi-judicial proceedings. The Article explores the impact of these agency practices on stare decisis. It concludes that the USPTO should simplify its designation process, increase the number of precedential opinions, and by doing so improve consistency and predictability.*

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I. PTAB AND ITS FINAL WRITTEN DECISIONS

The Patent Trial and Appeal Board (PTAB) was implemented in 2012 as a quasi-judicial tribunal within the United States Patent and Trademark Office (USPTO).<sup>1</sup> The PTAB conducts proceedings such as *inter partes* review (IPR), post grant review (PGR), and covered business method review

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1. The predecessor to the PTAB, the Board of Patent Appeals and Interferences (BPAI) did not conduct *Inter Partes* Reviews (IPRs), Post Grant Reviews (PGRs) or Covered Business Method Reviews (CBMRs). See James D. Smith, *Announcing the Patent Trial and Appeal Board (PTAB), Director’s Forum: A Blog from USPTO’s Leadership*, U.S. PAT. & TRADEMARK OFF. (Sept. 16, 2012), [https://www.uspto.gov/blog/director/entry/announcing\\_the\\_patent\\_trial\\_and](https://www.uspto.gov/blog/director/entry/announcing_the_patent_trial_and) (last visited Feb. 10, 2018). Congress established the PTAB and current post grant processes when it enacted the America Invents Act (AIA) in 2011. See *America Invents Act: Effective Dates*, U.S. PAT. & TRADEMARK OFF. (Oct. 5, 2011),

(CBM) that adjudicate the patentability of issued patents.<sup>2</sup> At the conclusion of a PTAB proceeding, the PTAB issues a final written decision.<sup>3</sup> Consistent with the Administrative Procedures Act's (APA) requirement that administrative agencies provide to the public "final opinions . . . made in the adjudication of cases,"<sup>4</sup> the USPTO publishes final written decisions on its website.<sup>5</sup> The USPTO designates fewer than 1% of final written decisions as precedential, which is the only category of PTAB decisions that bind the administrative patent judges (APJ).<sup>6</sup>

On substantive law, the dearth of precedential opinions is less likely to present a problem. The Federal Circuit—with a long history of precedential rulings on many matters regularly before the Board—reviews the "PTAB's factual findings for substantial evidence and its legal conclusions *de novo*."<sup>7</sup> The APJs are bound by the large, evolving body of precedential opinions on patent validity under 35 U.S.C. §§ 101, 102, 103, 112, and 251.

But for many PTAB procedural issues—for which Congress delegated rulemaking authority to the USPTO—the dearth of precedent may be more

[https://www.uspto.gov/sites/default/files/aia\\_implementation/aia-effective-dates.pdf](https://www.uspto.gov/sites/default/files/aia_implementation/aia-effective-dates.pdf) (last visited Feb. 10, 2018) [hereinafter Effective Dates].

2. See *Trials: Inter Partes Review*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/patents-application-process/appealing-patent-decisions/trials/inter-partes-review> (last visited Feb. 10, 2018); see also *Trials: Post-Grant Review*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/patents-application-process/appealing-patent-decisions/trials/post-grant-review> (last visited Feb. 10, 2018); *Trials: Transitional Program for Covered Business Method Reviews*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/patents-application-process/appealing-patent-decisions/trials/transitional-program-covered-business> (last visited Feb. 10, 2018).

3. *Patent Trial and Appeal Board: Decisions*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/decisions> (last visited Feb. 10, 2018) [hereinafter *Decisions*].

4. 5 U.S.C. § 552 (2012).

5. See *Decisions*, *supra* note 3. For an early discussion on the value of precedential decision before the Board, see David L. Cavanaugh & Jonathan Stroud, *Precedent, Persuasion, and the PTAB*, LANDSLIDE MAGAZINE, Mar.–Apr. 2016, at 4.

6. See *Patent Trial and Appeal Board: Precedential, Informative Decisions*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/precedential-informative-decisions> (last visited Feb. 10, 2018). Compare *infra* note 18, with *infra* note 37.

7. *Redline Detection, LLC v. Star Envirotech, Inc.*, 811 F.3d 435, 449 (Fed. Cir. 2015) (discussing the standard of review for substantive issues of validity such as obviousness).

problematic. The Federal Circuit reviews PTAB decisions for abuse of discretion<sup>8</sup> and accords deference to the PTAB's interpretation of USPTO regulations, including regulations on how the PTAB conducts proceedings.<sup>9</sup> "An abuse of discretion occurs if the decision: (1) is *clearly unreasonable, arbitrary, or fanciful*; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact findings; or (4) involves a record that contains no evidence on which the Board could rationally base its decision."<sup>10</sup> Different panels of APJs have considerable latitude in how they interpret USPTO rules and regulations, thereby creating inconsistency.<sup>11</sup> There are approximately 275 APJs, giving over 3.4 million<sup>12</sup> possible three-judge panel combinations.<sup>13</sup> Note that the PTAB has existed, in current form, for under six years.<sup>14</sup> As such, the APJs often face issues of first impression that may take several years before receiving appellate review, if ever.<sup>15</sup> Though the USPTO designates select non-precedential decisions as "informative" and "representative" to provide "guidance," and give a "representative sample of outcome" to practitioners, these decisions are non-binding, and are therefore not as impactful as precedential ones.<sup>16</sup>

8. Or not at all, as is the case, for example, with decision to institute under 35 U.S.C. § 314(d), follow-on petitions, and others. *See, e.g.*, *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2141 (2016) ("The text of the 'No Appeal' provision [of 35 U.S.C. § 314(d)], along with its place in the overall statutory scheme, its role alongside the Administrative Procedure Act, the prior interpretation of similar patent statutes, and Congress' purpose in crafting *inter partes* review, all point in favor of precluding review of the Patent Office's institution decisions.").

9. *See, e.g.*, *Redline*, 811 F.3d at 442.

10. *Id.* (emphasis added).

11. *See* *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1307 (Fed. Cir. 2015) (noting that "[a] fluid, case-based interpretation by the PTO of its own regulations risks leaving interested members of the public in a state of uncertainty, without ascertainable standards and adequate notice to comply" (emphasis added)), *overruled on other grounds by* *Aqua Prod., Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017).

12. *See* *Combination Formula Calculator*, MATHWORDS, [http://www.mathwords.com/c/combination\\_formula.htm](http://www.mathwords.com/c/combination_formula.htm) (last visited Feb. 10, 2018) (applying the mathematical formula for a combination where  $n = 275$  and  $r = 3$ , resulting in over 3.4 million combinations).

13. *Transcript of Patent Public Advisory Committee Meeting*, U.S. PAT. & TRADEMARK OFF., Aug. 3, 2017, at 169, available at [https://www.uspto.gov/sites/default/files/documents/PPAC\\_Transcript\\_20170803.pdf](https://www.uspto.gov/sites/default/files/documents/PPAC_Transcript_20170803.pdf).

14. *Effective Dates*, *supra* note 1.

15. *See, e.g.*, *Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) (*en banc*) (The Federal Circuit considered the issue of "proper allocation of the burden of proof when amended claims are proffered during [IPR]," based on a PTAB final written decision issued on Aug. 22, 2014, and the IPR petition was filed on Feb. 25, 2013.).

16. Pat. Trial & Appeal Bd., *Standard Operating Procedure 2* (Rev. 9) 2-4, <https://www.uspto.gov/sites/default/files/documents/sop2-revision-9-dated-9-22-2014.pdf> [hereinafter *Operating Procedure*].

## II. USPTO'S DESIGNATION OF OPINIONS

Since Congress established the PTAB in 2011,<sup>17</sup> the USPTO has received over 7,900 petitions and issued over 1,900 final written decisions in IPRs, CBMs, and PGRs.<sup>18</sup> Those final written decisions are available to the public through the USPTO's web portal.<sup>19</sup> The PTAB categorizes its opinions into four levels of significance: precedential, informative, representative, and routine.<sup>20</sup>

The PTAB's Standard Operating Procedure 2 ("SOP 2") describes the procedures for designating opinions.<sup>21</sup> All opinions are considered "routine" until designated otherwise.<sup>22</sup> To be designated "informative," or "representative," an opinion must be nominated by a member of the PTAB (i.e., all APJs including the chief APJ, and the "four *ex officio* members: the Director, the Deputy Director, the Commissioner for Patents, and the Commissioner for Trademarks (35 U.S.C. § 6(a))"<sup>23</sup> with a recommendation for designation level.<sup>24</sup> The Chief APJ may then designate any nominated opinion as "informative" or "representative" without oversight.<sup>25</sup>

The process for the "precedential" designation differs in that the public can provide input. As above, any member of the PTAB could nominate an opinion for precedential status.<sup>26</sup> Additionally, any member of the public may, within 60 days of an opinion's issuance, request the Chief APJ to designate an opinion as precedential.<sup>27</sup> The Chief APJ has discretion on whether to bring a "precedential" nominee to voting and commenting by members of the PTAB.<sup>28</sup> Even if a nominee receives a majority vote, the Chief APJ may nevertheless consider, *inter alia*, the Board members' comments in deciding whether to notify the USPTO Director of the results of the voting.<sup>29</sup> Once the Director has been notified, both the Director has the authority to withhold a

17. 35 U.S.C. § 6(a) (2012) ("The administrative patent judges shall be persons of competent legal knowledge and scientific ability who are appointed by the Secretary, in consultation with the Director.").

18. *December 2017 Trial Statistics: IPR, PGR, CBM*, U.S. PAT. & TRADEMARK OFF., [https://www.uspto.gov/sites/default/files/documents/Trial\\_Statistics\\_2017-12-31.pdf](https://www.uspto.gov/sites/default/files/documents/Trial_Statistics_2017-12-31.pdf) (last visited Feb. 10, 2018).

19. *Decisions*, *supra* note 3.

20. Operating Procedure, *supra* note 16, at 1–4. The levels are discussed in Cavanaugh & Stroud, *supra* note 5, at 4.

21. Operating Procedure, *supra* note 16, at 1–4.

22. *Id.* at 4.

23. *Id.* at 2.

24. *Id.* at 2.

25. *Id.* at 3–4.

26. *Id.* at 2.

27. *Id.* at 2.

28. *Id.*

29. *Id.* at 2.

designation because “[n]o opinion may be precedential without concurrency by the Director.”<sup>30</sup> The procedure for “precedential” designation therefore relies heavily on the Chief APJ and the Director’s discretion.<sup>31</sup> Rather than a set of objective criteria that automatically leads to precedential status, the USPTO’s practice of voting, with ultimate decision by the Chief APJ and Director, injects much subjectivity into the process.

The SOP 2’s description of the types of opinions most appropriate for each level of designation does not provide clear, objective guidance. A “precedential” designation “*may be considered appropriate for any reason, but particular emphasis will be placed on opinions resolving conflicts or addressing novel questions.*”<sup>32</sup> The “informative” designation is considered most appropriate for opinions that relate to “[PTAB] norms on *recurring issues,*” “*issues of first impression,*” and “[PTAB] *rules and practice.*”<sup>33</sup> The “representative” designation provides “*representative sample of outcomes on a matter.*”<sup>34</sup> As a practical matter, many of these criteria overlap and provide little objectivity for deciding what kind of opinions should fall under which designation.

Of these four levels, only decisions designated as precedential are binding authority on the PTAB;<sup>35</sup> the other three categories are non-binding.<sup>36</sup> Of the nearly 2,000 decisions the PTAB has issued since their inception, only eleven (0.58%) have been designated precedential, eight relating to IPR and three relating to CBM.<sup>37</sup> Of these eleven decisions, five concern PTAB procedure, and six concern the PTAB’s interpretation of various statutory provisions governing PTAB conduct.<sup>38</sup> The PTAB appears to recognize that the “precedential” designation is most valuable and relevant when applied to decisions on procedural issues and statutory interpretation governing PTAB procedure, both issues that receive highly deferential review from the Federal Circuit.<sup>39</sup> But as noted above, those types of issues are also deemed appropriate for non-precedential designation.

30. *Id.*

31. *Id.* at 2–3.

32. *Id.*

33. *Id.* at 3.

34. *Id.* at 4.

35. *Id.* at 1–2; *see generally* Cavanaugh & Stroud, *supra* note 5.

36. Operating Procedure, *supra* note 16, at 3–4.

37. *See Precedential Decisions Worksheet*, U.S. PAT. & TRADEMARK OFF. (Dec. 21, 2017), [https://www.uspto.gov/sites/default/files/documents/Precedential\\_Decisions\\_Worksheet\\_12-21-2017.xlsx](https://www.uspto.gov/sites/default/files/documents/Precedential_Decisions_Worksheet_12-21-2017.xlsx) (last visited Feb. 10, 2018) (spreadsheet listing all PTAB precedential decisions).

38. *Id.*

39. *Id.*

As for non-precedential designations, there are twenty-three “informative” opinions, six about PTAB procedure, and seventeen relating to the PTAB’s interpretation of statutory provisions governing PTAB conduct, with many covering denial of institution under 35 U.S.C. § 325(d).<sup>40</sup> Forty-five representative opinions that cover a range of procedural issues including trial timing and procedure, decisions to institute, scheduling, motions to amend, orders related to joinder of parties, stay pending reexamination, *pro hac vice* admission, notices of defective filing and deadlines, and settlement-related orders.<sup>41</sup> Most procedural issues are unlikely to be reviewed by the Federal Circuit, and if they were reviewed, would be subject to an abuse of discretion standard.<sup>42</sup> Only 79 opinions, out of nearly 2,000, have received one of three designations above “routine.”<sup>43</sup> None concerns substantive issues of patent validity.<sup>44</sup> The practice of not designating opinions that concern substantive issues of patent validity makes sense given the plentiful binding authority from the Federal Circuit and Supreme Court.

### III. PRECEDENTIAL DESIGNATION AT OTHER FEDERAL AGENCIES

The USPTO is neither unique nor pioneering among government agencies in conducting quasi-judicial determinations. The National Labor Relations Board (NLRB), Federal Energy Regulatory Commission (FERC), and International Trade Commission (ITC) are three examples of agencies where administrative law judges (ALJ)<sup>45</sup> decide cases in adversarial quasi-judicial

40. See *Informative Opinions Worksheet*, U.S. PAT. & TRADEMARK OFF. (January 10, 2018), [https://www.uspto.gov/sites/default/files/documents/informative\\_opinions\\_worksheet\\_2018\\_01\\_10.xlsx](https://www.uspto.gov/sites/default/files/documents/informative_opinions_worksheet_2018_01_10.xlsx) (last visited Mar. 20, 2018) (PTAB spreadsheet of informative opinions); see also *Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1053 (Fed. Cir. 2017) (“In any event, these and similar concerns [about non-reviewability of decision to institute post grant review] are adequately addressed by 35 U.S.C. § 325(d), which provides the Director with discretion to ‘take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.’”).

41. See *Representative Orders, Decisions, and Notices*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/patents-application-process/appealing-patent-decisions/decisions-and-opinions/representative-orders> (last visited Mar. 20, 2018).

42. See, e.g., *Redline Detection, LLC v. Star Envirotech, Inc.*, 811 F.3d 435, 442 (Fed. Cir. 2015).

43. See *supra* notes 24–27 and accompanying text.

44. *Id.*

45. APJs of the PTAB are not, technically, the same as ALJs. ALJs are appointed under statutory authority of the Administrative Procedures Act at 5 U.S.C. § 3105 and conduct proceedings according to 5 U.S.C. §§ 556 & 557. APJs are appointed under statutory authority of AIA at 35 U.S.C. § 6.

proceedings.<sup>46</sup> These agencies, like the USPTO, must make their final decisions available to the public.<sup>47</sup> But their opinion designation practices differ significantly, and suggest there is not a one-size-fits-all solution.

The NLRB's practice seems closest to an Article III court<sup>48</sup>, where a sizable percentage of opinions are "published" and bind all of their ALJs. The NLRB divides its decisions into two categories: published and unpublished.<sup>49</sup> The unpublished decisions are "not binding precedent, except with respect to the parties in the specific case," implying that the published NLRB decisions bind the ALJs and the NLRB.<sup>50</sup> In 2017, of 443 NLRB decisions, 158 were published and 285 were unpublished,<sup>51</sup> meaning that roughly one third of NLRB decisions were binding.

The FERC's practice is closer to the USPTO's current practice, where very few opinions bind the agency ALJs. The FERC divides its orders into six categories: landmark, general, electric, gas, hydropower, and oil.<sup>52</sup> Only the orders designated as "landmark" "set precedent in establishing the regulations on how FERC will regulate a certain area that [it has] jurisdiction over."<sup>53</sup> Between September 2012 and December 2017, there were only two landmark decisions.<sup>54</sup> In this period, there were eight general decisions—orders "that have an effect on all the industries that FERC regulates," but do not rise to precedential status.<sup>55</sup> Of the industry specific orders (i.e., those other than "landmark" or "general"), which are not precedential, there were 59 electric, 24 gas, 8 hydropower, and 7 oil orders.<sup>56</sup> In sum, only 1.9% (two

46. 29 C.F.R. § 1614.109 (2012) ("When a complainant requests a hearing, the Commission [EEOC] shall appoint an administrative judge to conduct a hearing in accordance with this section."); *see also* 18 C.F.R. § 385.501 (1988) ("This subpart applies to any proceeding, or part of a proceeding, that the Commission or the Secretary under delegated authority sets for a hearing to be conducted in accordance with this subpart."); 19 C.F.R. §§ 210 et seq. (1994) ("The rules in this part apply to investigations under section 337 of the Tariff Act of 1930 and related proceedings.")

47. 5 U.S.C. § 552 (2016).

48. Stephen L. Wasby, *Unpublished Court of Appeals Decisions: A Hard Look at the Process*, 14 S. CAL. INTERDISC. L.J. 67, 70 (2004) (noting that as of 1998, about 25% of Federal Appellate decisions are published).

49. *See Board Decisions*, NAT'L LAB. REL. BOARD, [https://www.nlr.gov/cases-decisions/board-decisions?volume=365&slipnumber\\_i=&page\\_number=&=Apply](https://www.nlr.gov/cases-decisions/board-decisions?volume=365&slipnumber_i=&page_number=&=Apply) (last visited Mar. 20, 2018) [hereinafter *Board Decisions*]; *see also Unpublished Board Decisions*, NAT'L LAB. REL. BOARD, <https://www.nlr.gov/cases-decisions/unpublished-board-decisions> (last visited Mar. 20, 2018) [hereinafter *Unpublished*].

50. *Unpublished*, *supra* note 49.

51. *Board Decisions*, *supra* note 49 (online listing of unpublished opinions categorized by year of issuance).

52. *Major Orders & Regulations*, FED. ENERGY REG. COMM'N, <https://www.ferc.gov/legal/majord-reg.asp> (last visited Mar. 20, 2018).

53. *Id.*

54. *Id.*

55. *Id.*

56. *Id.*



out of 108) of FERC decisions between 2012 and 2017 were designated as binding precedent.

The ITC's practice for Section 337 investigations (i.e., those relating to patents) lies on the other end of the spectrum from NLRB's practice of designating a substantial portion of opinions as precedential.<sup>57</sup> Like other agencies, ITC decisions are published.<sup>58</sup> But the ITC designates none of its decisions as precedential. An ALJ at the ITC makes an initial determination that the ITC (i.e., the corpus of commissioners) can affirm, set aside, or modify in whole or in part to elevate the initial determination into a Commission decision.<sup>59</sup> The ITC's prior decisions are not binding on the ITC itself as the Commission has the authority to change its interpretation of the law during its review.<sup>60</sup> As a result, practitioners have found that litigating patent infringement and validity at the ITC adds "layers of uncertainty and potential for business disruption."<sup>61</sup>

#### IV. *STARE DECISIS* IN ARTICLE I TRIBUNALS

*Stare decisis*, the doctrine of precedent, "promotes the predictable, and consistent development of legal principles, fosters reliance on judicial decisions, and contributes to the actual and perceived integrity of the judicial process."<sup>62</sup> Article III courts abide by this principle.<sup>63</sup> Article I tribunals—adjudicatory bodies embedded within administrative agencies that conduct

57. *Section 337 Investigations: Answers to Frequently Asked Questions*, U.S. INT'L TRADE COMM'N PUB. NO. 4105, (2009), at 1, available at [https://www.usitc.gov/intellectual\\_property/documents/337\\_faqs.pdf](https://www.usitc.gov/intellectual_property/documents/337_faqs.pdf) ("Under Section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337), the Commission conducts investigations into allegations of certain unfair practices in import trade. Section 337 declares the infringement of certain statutory intellectual property rights and other forms of unfair competition in import trade to be unlawful practices. Most Section 337 investigations involve allegations of patent or registered trademark infringement. Other forms of unfair competition, such as misappropriation of trade secrets, trade dress infringement, passing off, false advertising, and violations of the antitrust laws, may also be asserted.") [hereinafter ITC]; see also Wasby, *supra* note 48.

58. ITC, *supra* note 57, at 13–15.

59. See generally 19 C.F.R. §§ 210.43–210.45 (Rules of the U.S. Int'l Trade Comm'n).

60. See, e.g., *Armstrong Bros. Tool Co. v. United States*, 483 F. Supp. 312, 328 (Cust. Ct. 1980) ("The Tariff Commission [now the International Trade Commission], unlike American courts of law, is not bound by its own precedents." (quoting James Pomeroy Hendrick, *The United States Antidumping Act*, 58 AM. J. INT'L L. 914, 924 (1964))).

61. E.g., Justin A. Hendrix, Christine E. Lehman & P. Andrew Riley, *The Role of Stare Decisis at the U.S. International Trade Commission*, 24 FORDHAM INTELL. PROP., MEDIA, & ENT. L.J. 703 (2014).

62. *Payne v. Tenn.*, 501 U.S. 808, 827 (1991); see also *Mendenhall v. Cedarapids, Inc.*, 5 F.3d 1557, 1570 (Fed. Cir. 1993) (internal citations omitted).

63. *Payne*, 501 U.S. at 827 ("Adhering to precedent is usually the wise policy, because in most matters it is more important that the applicable rule of law be settled than it be settled right.") (internal quotation marks omitted) (citation omitted); see also *Preminger v. Sec'y of Veterans Affairs*, 517 F.3d 1299, 1309 (Fed. Cir. 2008) ("A prior precedential decision on a point of law by a panel of this court is binding precedent and cannot be overruled or avoided unless or until the court sits en banc.").

quasi-judicial proceedings—should also rely on *stare decisis* to promote predictable, consistent, and reliable outcomes.<sup>64</sup>

*Stare decisis* in the Article I context differs somewhat from that in Article III courts. An “agency is free to change prior rulings and decisions so long as such action is not done capriciously or arbitrarily.”<sup>65</sup> The ITC, for example, has noted that “[t]here is no doctrine of *stare decisis* in administrative practice.”<sup>66</sup> Under the principles of administrative law, an agency is not strictly bound by its own prior decisions, unless it says so by designating its own decisions as binding, such as what the USPTO, NLRB, and FERC have done with a select number of opinions.<sup>67</sup>

With only eleven PTAB decisions, or 0.58%, designated as precedential, the APJs of the PTAB may not have enough guidance to help them reach consistent decisions. The public has no large, reliable body of precedent to draw on to predict outcomes. Former USPTO director Michelle Lee noted in a recent interview that increasing the number of precedential opinions could help: (1) increase “consistency across panels” of the PTAB; and (2) “provide greater notice to the public” to better inform decisions on the management of PTAB proceedings.<sup>68</sup>

To increase precedential designation, the PTAB should set up objective criteria by which certain opinions automatically garner precedential status. For example, the PTAB could create a rule that requires all decisions rendered by expanded panels<sup>69</sup> to automatically be given precedential status. A blanket rule for automatic precedential designation of expanded panel decisions appears to dovetail with the PTAB’s stated reasons for expanded panels, which are to adjudicate “issues of exceptional importance,” to provide decisions “necessary to secure and maintain uniformity of the Board’s deci-

64. See 5 U.S.C. §§ 554–57 (2012).

65. See JACOB A. STEIN, ADMINISTRATIVE LAW, § 40.02 (2005); see also NLRB v. J. Weingarten Co., 420 U.S. 251, 265 (1975) (“We agree that earlier precedents do not impair the validity of the Board’s construction [of a statutory provision].”).

66. E.g., In the Matter of Certain NAND Flash Memory Circuits & Prod. Containing Same, Inv. No. 337-TA-526, USITC Pub. 3970 (Dec. 2007) (Final) (citing Memorandum from the General Counsel to the Commission, “The Status of An Unreviewed Initial Determination,” GC-G-306, 1983 WL 2068656 (Nov. 28, 1983)).

67. See ITC, *supra* note 57, at 13–15.

68. Michelle K. Lee, *Remarks By Director Michelle K. Lee at the George Washington University School of Law* George Washington University School of Law, U.S. PAT. & TRADEMARK OFF. (May 16, 2017), <https://www.uspto.gov/about-us/news-updates/remarks-director-michelle-k-lee-george-washington-university-school-law> (last visited Mar. 20, 2018).

69. An expanded panel is one with more than 3 judges. See Pat. Trial & Appeal Bd., Standard Operating Procedure 1 (Rev. 14) Assignment of Judges to Merits Panels, Interlocutory Panels, and Expanded Panels 3–5, <https://www.uspto.gov/sites/default/files/documents/SOP1%20-%20Rev.%2014%202015-05-08.pdf>.

sions,” to address “an issue of first impression,” and to overrule prior decisions that are “not [] in the public[’s] interest.”<sup>70</sup> Many of these criteria overlap with the current SOP 2 guidance on opinion suitable for “precedential” designation. As noted above, the current process under SOP 2 requires voting by all 275 PTAB judges and requires a majority of yeas, which creates potential for delay; what’s more, it injects unnecessary subjectivity into the process by giving the chief judge of the PTAB and the USPTO Director ultimate discretion to designate a decision precedential.

The USPTO could also, like the NLRB and Article III courts, streamline its designations by collapsing the precedential, informative, and representative levels into a binary—precedential and non-precedential. Decisions that the USPTO have designated as precedential, informative, or representative are nearly all on issues of procedure or interpretation of rules and statutes relating to procedure. These are issues subject to deference by the Federal Circuit, where guidance from the Federal Circuit comes less readily than on issues of substantive patentability, making it important to have a substantial body of precedent for the public and APJs alike to draw on. Given the similarity of opinions receiving different levels of designations, the PTAB’s informative and representative levels seem unnecessarily complex, and encourage practitioners to view them as precedent-light—i.e., potentially, but not necessarily, binding. Such ambiguity does not serve the interests of the PTAB, much less the parties before the Board.

70. *Id.* at 3.