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March 3, 2025

The Honorable Chuck Grassley
Chairman
Senate Committee on the Judiciary

The Honorable Richard Durbin
Ranking Member
Senate Committee on the Judiciary

The Honorable Thom Tillis
Chairman
Senate Subcommittee on Intellectual
Property

The Honorable Adam Schiff
Ranking Member
Senate Subcommittee on Intellectual
Property

Dear Chairman Grassley, Ranking Member Durbin, Chairman Tillis, Ranking Member Schiff, Chairman Jordan, Ranking Member Raskin, Chairman Issa, and Ranking Member Johnson,

The PTAB Bar Association is a voluntary bar association of over 700 members, most of whom are in private and corporate practice. Members represent a broad spectrum of individuals, companies, and institutions involved in practice before the Patent Trial and Appeal Board (“PTAB” or “Board”) of the U.S. Patent & Trademark Office (“USPTO”) and in patent, administrative, and appellate law more generally. Our membership represents both petitioners and patent owners in PTAB (or Leahy-Smith America Invents Act/“AIA”) trials, including inter partes (“IPRs”) and post-grant reviews (“PGRs”). We also have members who focus on ex parte appeals to the PTAB. Per its bylaws, the Association is dedicated to helping secure the just, speedy, and inexpensive resolution of every PTAB proceeding. Accordingly, the Association strives to present a neutral perspective representing all parties with an interest in PTAB proceedings.

The Honorable Jim Jordan
Chairman
House Committee on the Judiciary

The Honorable Jamie Raskin
Ranking Member
House Committee on the Judiciary

The Honorable Darrell Issa
Chairman
House Subcommittee on Courts,
Intellectual Property, Artificial
Intelligence, and the Internet

The Honorable Henry “Hank” Johnson
Ranking Member
House Subcommittee on Courts,
Intellectual Property, Artificial
Intelligence, and the Internet

The American innovation economy is the envy of the world as is reflected by the valuation attached to U.S. patents relative to valuation in other markets. The PTAB is a key pillar of American innovation and thus plays an important role in the American economy. The PTAB serves two indispensable roles in the patent ecosystem. First, by facilitating rapid adjudication of the merits of exclusive patent rights in PTAB trials, the PTAB provides the public with a faster and cheaper alternative to district court litigation. As discussed further below, PTAB trials are of fundamental importance to U.S. companies, which are among the top users of the PTAB. A June 2020 report found that “over the 2014-19 period, cost savings associated with AIA/PTAB led to an increase in US business activity of \$2.95 billion in gross product, \$1.41 billion in personal income, and nearly 13,500 job-years of employment (including multiplier effects).”¹ In particular, “the industry group experiencing the largest gains was manufacturing, with an estimated increase of \$1.41 billion in gross product and almost 5,100 job-years of employment (including multiplier effects).”² Second, the PTAB serves as a crucial venue for patent applicants to appeal Examiner refusals to grant patent rights. In this role, the PTAB provides applicants with an avenue by which their inventions can be evaluated by technically skilled judges.

We, as the PTAB Bar Association, hope to provide useful information and feedback to you in the coming years regarding the work of the PTAB and its importance in the innovation ecosystem. We welcome any opportunity for dialogue.

In the meantime, we write to express our urgent concerns about the adverse impact of the Hiring Freeze and the Return to In-Person Work mandate on the PTAB. We also recommend the continued employment of the PTAB’s Administrative Patent Judges (“APJs”) who are in their probationary period.

The USPTO is unique because it (1) is important to American innovation, (2) is entirely self-funded by user fees, and (3) has a long-established history of successful telework that pre-dates the pandemic. In fact, Former Director Iancu said during the first Trump administration that the USPTO’s telework program reduces costs, attracts and retains the best talent, and “fosters greater efficiency.”³ For example, the PTAB substantially reduced its backlog of ex parte appeals while expanding teleworking. It is also the experience of the PTAB Bar Association, which includes both industry and private practice members, that USPTO and PTAB personnel are responsive and efficient while teleworking. Any changes to working conditions and hiring for USPTO should be viewed through this lens.

¹ <https://www.perrymangroup.com/media/uploads/report/perryman-an-assessment-of-the-impact-of-the-american-invents-act-and-patent-trial-and-appeal-board-on-the-us-economy-06-25-20.pdf>.

² *Id.*

³ https://www.uspto.gov/sites/default/files/documents/Telework_Annual_Report_2018%20508%20Compliant.pdf

The USPTO Is Entirely Self-Funded

The USPTO is entirely self-funded through its own collection of fees—not taxpayer dollars.⁴ Accordingly, in FY2025, the USPTO has requested a net appropriation of \$0 (i.e., no taxpayer funding).⁵ Because the USPTO’s function does not involve the use of any taxpayer dollars, the justification for the Hiring Freeze, the Return to In-Person Work Mandate and the dismissal of probationary employees, designed to reduce government expenditures on employees, does not apply to the USPTO.

The USPTO Has a Long-Established History of Successful Telework, Which Reduces Costs, Enhances Recruitment, and Fosters Greater Efficiency

The USPTO has a long history of telework, consistent with the private sector in this industry.⁶ The USPTO’s telework model began 28 years ago in 1997.⁷ By 2010, 60% of its work force was enrolled in a formal telework program.⁸ In 2012, under the Telework Enhancement Act of 2010,⁹ the USPTO expanded telework availability by establishing the Telework Enhancement Act Pilot Program (“TEAP Program”), which was made permanent on January 1, 2020.¹⁰ Prior to 2012, USPTO teleworkers performed their duties within a 50-mile radius of a USPTO office. The TEAP program allowed the USPTO to recruit and hire professionals who lived (and would therefore also work) more than 50 miles from a USPTO office. In FY2019, the USPTO identified savings from the TEAP Program of \$123M, including \$52.1M in real estate costs, \$49M in increased productivity, and \$23M in increased retention.¹¹

By early 2020, before the COVID-19 pandemic, the USPTO had more than 88% of its entire employee base (11,185 employees) working from home 1-5 days a week, with most of those (7,200) working from home full-time.¹² In 2020, former Director Iancu stated “[t]elework at the USPTO is a corporate business strategy that supports mission achievement and goal fulfillment via a distributed workforce.”¹³ Similarly, in 2018, former Director Iancu recognized the telework program as “a data driven business strategy” and stated that “[o]ur telework program significantly and positively impacts the USPTO by reducing the need for additional office space, enhancing recruitment and retention, [and] fostering greater efficiency in production and management....”¹⁴ Thanks to the USPTO’s long-standing telework setup, during the COVID-19 pandemic, USPTO operations were “able to continue without interruption” and “kept America’s

⁴ <https://www.uspto.gov/about-us/performance-and-planning/budget-and-financial-information>

⁵ *Id.*

⁶ Based on information gathered from our members and other research, some large and small firms are fully remote or at minimum allow attorneys to be fully remote (e.g., Quinn Emanuel (<https://www.quinnemanuel.com/work-from-anywhere/>); McNeill PLLC (<https://mcneilliplaw.com/about-us/careers.php>); Harrity & Harrity (<https://harrityllp.com/>); Fennemore (<https://www.fennemorelaw.com/about-us/fennemore-forward/>)). Where fully remote work is not available, most larger law firms and larger patent boutiques have a hybrid model (e.g., Kirkland & Ellis; Fish & Richardson; and Finnegan) and either formally or informally allow significant flexibility for attorneys especially at seniority levels equivalent to APJs.

⁷ https://www.uspto.gov/sites/default/files/documents/TAR_2023.pdf

⁸ *Id.*

⁹ <https://www.congress.gov/111/plaws/publ292/PLAW-111publ292.pdf>,

<https://www.uspto.gov/sites/default/files/documents/TEAPP%202020%20Fact%20Sheet.pdf>.

¹⁰ <https://www.uspto.gov/sites/default/files/documents/TEAPP%202020%20Fact%20Sheet.pdf>

¹¹ *Id.*

¹² https://www.uspto.gov/sites/default/files/documents/Telework_Annual_Report_2019-2020.pdf.

¹³ *Id.*

¹⁴ https://www.uspto.gov/sites/default/files/documents/Telework_Annual_Report_2018%20508%20Compliant.pdf, 3-5.

engine of innovation moving forward.”¹⁵ The USPTO’s telework program has also increased productivity by allowing remote work when other parts of the in-person federal workforce have been shut down (e.g., during federal snow days, such as in 2010 when the federal government was shut down for over four days because of a significant snowstorm).¹⁶

The USPTO and the PTAB have production metrics that allow monitoring of production and performance levels of both teleworkers and non-teleworkers. Under the TEAP, the USPTO developed a robust oversight program for remote work to “monitor employee attendance and productivity and foster collaboration.”¹⁷ Additionally, “[m]ost USPTO employees work under production-based performance management systems to meet demand and achieve organizational performance goals. The agency ensures the same measurable performance standards are used to evaluate both teleworkers and non-teleworkers, and it monitors production and performance levels to identify any potential impacts of telework on meeting the agency’s strategic goals and performance expectations.”¹⁸

An independent rigorous study of USPTO patent examiners published in 2021 also showed that working from anywhere boosted the productivity of USPTO employees. The effects of moving from a work-from-home regime (hybrid work) to a work-from-anywhere regime resulted in a 4.4% increase in employee output with “no increase in rework.”¹⁹

The PTAB has a history of meeting performance metrics while permitting extensive teleworking, for example, providing rapid responses to inquiries from litigants in ongoing trial matters. The PTAB has also consistently met its statutory one-year limit for completing PTAB trials since its creation. Moreover, the PTAB’s statistics show that the appeals backlog decreased more than 5-fold from 2014 to 2022, at the same time that teleworking was increasing from 77% in 2014 to 96% in 2022.²⁰

The Work of the PTAB

The PTAB is a business unit within the USPTO that “conducts [PTAB] trials, including inter partes, [and] post-grant... reviews and derivation proceedings, hears appeals from adverse examiner decisions in patent applications and reexamination proceedings, and renders decisions in interferences.”²¹ When the PTAB was created in 2012 under the America Invents Act (“AIA”), it replaced the Board of Patent Appeals and Interferences (“BPAI”). In 2009, the BPAI had over 100 administrative patent judges (“APJs”) and patent attorneys, divided into an appeals division and a trial division.²²

¹⁵ https://www.uspto.gov/sites/default/files/documents/Telework_Annual_Report_2019-2020.pdf.

¹⁶ <https://www.washingtonpost.com/archive/local/2010/02/11/in-blizzards-clouds-a-silver-lining-for-teleworking/b4e672d7-0f70-4606-a4e3-840c767a29e1/>

¹⁷ <https://www.uspto.gov/sites/default/files/documents/TEAPP%202020%20Fact%20Sheet.pdf>

¹⁸ *Id.*

¹⁹ <https://onlinelibrary.wiley.com/doi/epdf/10.1002/smj.3251>;

https://www.hbs.edu/ris/Publication%20Files/Work%20from%20Anywhere_forthcoming%20SMJ_ee8cc7c5-c90e-4ad9-a1f4-47309d693a5c.pdf. Although three APJs tend to serve on each panel, their work tends to be fairly independent, similar to the independent nature of a patent examiner’s work identified in the study.

²⁰ https://www.uspto.gov/sites/default/files/documents/appeal_statistics_october2024.pdf;

https://www.uspto.gov/sites/default/files/documents/TAR_2022.pdf

²¹ <https://www.uspto.gov/patents/ptab>

²² https://web.archive.org/web/20090114054438/http://www.uspto.gov/web/offices/dcom/bpai/docs/bpai_org_12152008.pdf

In 2012, the BPAI became the PTAB, and the PTAB inherited a backlog of over 26,000 *ex parte* appeals (i.e., appeals from final rejections of examiners in original prosecution).²³ This backlog meant the PTAB often took several years to decide an *ex parte* appeal, stalling prosecution of patent applications. Over the next several years, the PTAB added APJs to its ranks, not only to preside over PTAB trials (which have statutory deadlines set by Congress), but also to address the mounting backlog of *ex parte* appeals. Today, the PTAB has over 200 APJs and has succeeded in reducing the backlog of *ex parte* appeals (from over 26,000 in FY2012 to under 5,000 in FY2025).²⁴ Quite simply, the PTAB has successfully addressed one of the largest challenges facing American innovators—the inability to have patent applications be timely examined in *ex parte* appeal.

Concerns About Practical Effects on the PTAB Regarding the Hiring Freeze, Return to Office Mandate, and any Other Reduction in Force

The Association is concerned about the impacts of the USPTO’s implementation of the Hiring Freeze, the Return to In-Person Work mandate and the potential termination of probationary APJs.²⁵ APJs are a highly experienced workforce and include a number of veteran patent examiners and private practitioners. Over a third have enough experience to be eligible for retirement, and all APJs received the offer of Deferred Resignation. We expect that, given their qualifications, ability to either retire or leverage their experience in the private sector, and the loss of the telework many relied on as part of choosing service at the PTAB, there will be a significant reduction in the number of APJs based on the current policies. Any such swift reduction in capacity and experience level would severely damage the PTAB, reduce U.S. business activity, and deny our American innovation system mission-critical resources needed to lead the way against global challenges. In addition, an understaffed PTAB would allow increased theft of American inventions by state-subsidized competitors who own American patents by making it more costly and time consuming to challenge those patents.

Roughly half of the APJs decide only *ex parte* appeals, and many of the remaining APJs decide appeals as part of their docket. Thus, much of the PTAB’s work is providing an avenue for inventors to overturn adverse decisions in other parts of the Patent Office. Patent applicants depend on timely *ex parte* appeal decisions to advance prosecution of their pending patent applications. Any reduction in the number of APJs with *ex parte* appeal experience risks lengthening the time for patent applicants to receive decisions in these proceedings—including *ex parte* appeal backlogs—and increase the time before a patent application can be fully examined and issued.²⁶ Without timely examination, emerging American companies are unable to raise capital based on valuation for their patent rights. Indeed, delays in the patent system were the same problem that faced the Wright brothers more than 100 years ago as they sought to further innovate upon the Wright Flyer.

Since enactment of the AIA, APJs also preside over PTAB trials (IPRs and PGRs). PTAB trials provide tremendous economic benefits to the U.S., through savings on costly litigation, increased business activity, increased investment in R&D and increased patent filings. As explained above, economic surveys show the cost savings of PTAB trials led to billions of dollars of US

²³ https://www.uspto.gov/sites/default/files/documents/FY25_PTAB_Appeal_Statistics_December_2024.pdf

²⁴ *Id.*

²⁵ The Association understands these newer APJs were hired in part because of their ability to handle electrical cases, where the Board’s case load is heaviest. Many or most of these APJs have a proven track record within the USPTO based on previous employment.

²⁶ The pre-2012 levels were approximately five times greater than they are today.

business activity, which would be substantially reduced if PTAB trials were impacted by reductions in force.²⁷ A 2024 study found “a positive association between the availability of PTAB proceedings (starting in 2012) and both R&D and patent filings by firms that innovate in tech classes where the PTAB has been most active.”²⁸ American companies are among the top users of the PTAB, and the benefits of PTAB trials are profound for our manufacturers. For example, the Alliance for Automotive Innovation (AAI) previously noted that robust access to such proceedings, i.e., PTAB trials, is a top priority for automotive manufacturers.²⁹ The AAI states that they represent approximately 5 percent of the country’s GDP, responsible for supporting 10 million jobs, and driving \$1 trillion in annual economic activity, and that the automotive industry is the nation’s largest manufacturing sector.³⁰ Other industries are expected to have similar positions. We remain concerned that a loss in PTAB resources would hamper the ability of the PTAB to conduct these PTAB trials.

Another important type of trial the PTAB handles is derivations, which are AIA trial proceedings “to determine whether (i) an inventor named in an earlier application derived the claimed invention from an inventor named in the petitioner’s application, and (ii) the earlier application claiming such invention was filed without authorization.”³¹ In other words, derivations protect inventors from outright theft by others pretending to be the first inventor. American inventors rely on the PTAB’s derivation proceedings to protect their ideas against both domestic and foreign theft of their ideas. But if the PTAB lacks the resources to conduct these proceedings, American innovators would be unable to stop this form of IP theft. Further, we do not expect that it will be easy or quick to replace APJs because they are highly specialized and have both technical and legal expertise and because the private sector in this industry generally pays significantly more and allows for at least some remote work.³² The difficulty in replacing departed APJs with new APJs of equivalent expertise is magnified by the potential number of departures. Moreover, the experience level of departed APJs is irreplaceable. A decline in the number of highly experienced APJs will have adverse impacts on all users of the PTO, including inventors, companies, patent owners, and petitioners. As the USPTO noted in 2018, “the USPTO telework program is a... strategy enhancing the agency’s ability to recruit nation-wide

²⁷ <https://www.perrymangroup.com/media/uploads/report/perryman-an-assessment-of-the-impact-of-the-american-invents-act-and-patent-trial-and-appeal-board-on-the-us-economy-06-25-20.pdf>.

²⁸ <https://www.sciencedirect.com/science/article/abs/pii/S0144818824000309>. Understanding the context of these economic benefits is important. Prior to the America Invents Act and the availability of PTAB Trials, both inter partes and ex parte reexamination proceedings were available. Inter partes reexaminations were eliminated by the America Invents Act due to the availability of IPRs. Ex parte reexaminations remain available but are disfavored. Unlike PTAB trial proceedings, ex parte reexaminations cannot be settled after they are filed. The resulting effect is a cloud over the issued patent until the reexamination is concluded, even if the original third-party requester has long since settled with the patent owner, and corresponding additional work for the USPTO. Ex parte reexaminations are decided by patent examiners in the Central Reexamination Unit (“CRU”), and adverse decisions to patent owners are appealed to the PTAB. Even though some filers of PTAB proceedings might switch to ex parte reexaminations were PTAB trials interrupted, the economic benefits identified above would be lost, and would result in the need for more patent examiners in the CRU and more appeals to the PTAB. Such a change would be undesirable for all stakeholders.

²⁹ <https://www.autosinnovate.org/posts/agency-comments/tip/2022-2023-tip/Auto%20Innovators%20Comments%20PTO%20on%20PTAB%20ANPRM%206.20.2023>

³⁰ The AAI website at <https://www.autosinnovate.org/about/our-members> lists many U.S. manufacturers.

³¹ <https://www.uspto.gov/patents/ptab/trials/derivation-proceeding>

³² See n.6.

talent....”³³ The USPTO’s telework policy also allows it to be more competitive with private industry and to recruit more highly qualified APJs.

Conclusion

We strongly urge all those with interest in American innovation to take note of the adverse impacts that the Hiring Freeze, Return to In-Person Work mandate and potential termination of probationary APJs are likely to have on American inventors, businesses, and competitiveness. We urge that the USPTO, and in particular PTAB personnel, be exempted from these mandates. In the meantime, we also urge that the USPTO be given flexibility and expansive discretion to implement these mandates in a manner that minimizes the impact on the work of the PTAB. A reduction in APJs at PTAB will have far-reaching effects on other parts of the USPTO including original examination of patent applications and reexamination of issued patents, and will deprive the USPTO of an important tool (derivation proceedings) for combating theft of American IP.

Respectfully,



Monica Grewal
President



Li-Hsien (Lily) Rin-Laures
President-elect

³³ https://www.uspto.gov/sites/default/files/documents/Telework_Annual_Report_2018%20508%20Compliant.pdf, 3.