

Vidal Should Amend USPTO Precedent In Automaker Review

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Law360 (February 6, 2024, 4:56 PM EST) --

Often, we take fundamental principles of the U.S. justice system for granted. We are entitled to, and accountable for, our own free speech.

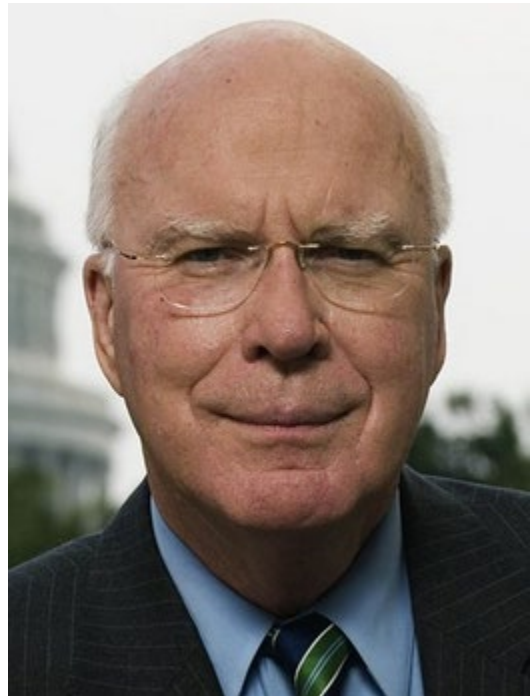
If accused of wrongdoing, we have the right to face our accuser and present evidence in our own defense. The idea that someone could be denied the ability to advocate for themselves is both unfair and un-American.

I was encouraged to see the news that U.S. Patent and Trademark Office Director Kathi Vidal [decided](#), on Dec. 21, 2023, to take up review of Patent Trial and Appeal Board decisions that rejected [Ford Motor Co.](#)[1] and [Honda Motor Co.](#)'s[2] patent challenges that directly relate to these concepts of inherent fairness.

Unfortunately, decisions by the USPTO, specifically precedents like the one set in the 2019 decision known as Valve, have unfairly denied companies a fair review process. It contradicts principles of legal fairness and undermine the intended purpose of the Leahy-Smith America Invents Act.[3]

While serving in the [U.S. Senate](#), I worked for years to spearhead the passage and enactment of comprehensive patent policy reform. Among the key provisions in the AIA was the creation of the PTAB by the USPTO.

The AIA mandated that this body of highly skilled, expert judges review petitions from any member of the public who wished to challenge a patent's validity and, when those petitions



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have merit, decide whether the patent is valid or invalid.

The PTAB determines whether the USPTO erred in initially granting a patent and has the authority to correct those errors when necessary.

It may seem like a technical process, but PTAB review is a lifeline for businesses threatened with wasteful patent infringement lawsuits.

Far too often, shell companies look to make a quick buck by threatening to sue businesses and innovators if they don't fork over ridiculous settlement amounts to make a lawsuit go away.

This is disastrous for small mom-and-pop shops that don't have the resources to fight back against these "patent trolls."

PTAB review gave those targeted by patent trolls with baseless infringement lawsuits a way out of the settlement or litigation bind. Review lowered the cost of resolving patent disputes, improved the reliability of patent dispute outcomes, and strengthened patent quality overall.

In the years following the AIA's implementation, the USPTO has issued new rules and precedential decisions that affect how the law is executed.

Ideally, agency rules and precedents are consistent with the underlying law and help create stability and certainty. But, that has not always been the case.

The USPTO issued the precedential decision known as *General Plastic*, as well as *Valve*, in response to concerns that multiple requests to review the same patent could be used to harass patent owners.

General Plastic established factors under which the PTAB could discretionally deny review, including if the same petitioner previously challenged the same patent.

The later *Valve* decisions then made it agency policy to consider whether a current petitioner has a relationship with a prior petitioner who challenged the same patent. These policy changes went into effect unilaterally, without a formal rulemaking process or the opportunity for public input.

The recent development that Vidal has now decided to review cases involving Ford and Honda provides an opportunity to revisit the General Plastic and Valve precedents and bring them in line with commonsense principles of legal equity.

According to the PTAB, Ford and Honda could not obtain expert PTAB review because a competitor, which they did not coordinate with, filed a petition for review first.

Apparently, the fact that the courts combined related patent infringement accusations involving Ford, Honda, and their competitor, [Volkswagen AG](#), means that the automakers have enough of a relationship to be denied their own review. This is flawed logic that cuts against widely understood concepts of justice.

Congress already provided checks on repeat challenges when it established the PTAB. The law clearly states^[4] that a petitioner or a petitioner's real party in interest who has received a final written decision in a review may not challenge the same patent claims again, absent exceptional circumstances.

The USPTO has itself noted, in a fiscal year 2022-2021 update to its multiple petitions study, that "institution of AIA trials based on multiple petitions are rare."^[5] Even before General Plastic went into effect, successful serial petitions made up just 2.4% of all validity challenges.

When you are accused of breaking the law, you should be able to speak for yourself and present your own evidence. In the Valve decisions, the USPTO overcorrected based on the perceived threat of serial petitions and contradicted the AIA's intent while violating basic tenets of legal fairness.

Vidal was right to take up review of the Ford and Honda denials. I hope that as she does, Valve's underlying issues are reconsidered.

Patrick Leahy was U.S. senator from Vermont from 1975 to 2023, former Chair of the Senate Judiciary Committee, and Chair of the Judiciary Subcommittee on Intellectual Property in the 117th Congress.

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[1] [United States Patent and Trademark Office](#) before the Office of Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office. Ford Motor Co. Inc. Petitioner v. Neo Wireless LLC, Patent Owner, United States Patent and Trademark office, Dec. 21, 2023.

[https://www.uspto.gov/sites/default/files/documents/ipr2023-00763_ford_motor_neo_wireless_paper_19 .pdf](https://www.uspto.gov/sites/default/files/documents/ipr2023-00763_ford_motor_neo_wireless_paper_19.pdf).

[2] United States Patent and Trademark Office before the Office of Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office. American Honda Motor Co. Inc. Petitioner v. Neo Wireless LLC, Patent Owner, United States Patent and Trademark office, Dec. 21, 2023.

[https://www.uspto.gov/sites/default/files/documents/ipr2023-00797_american_honda_neo_wireless_paper_18 .pdf](https://www.uspto.gov/sites/default/files/documents/ipr2023-00797_american_honda_neo_wireless_paper_18.pdf).

[3] "H.R.1249 - Leahy-Smith America Invents Act." Congress.Gov. March 30, 2011. <https://www.congress.gov/bill/112th-congress/house-bill/1249>.

[4] "35 U.S. Code § 315 - Relation to Other Proceedings or Actions." Legal Information Institute. <https://www.law.cornell.edu/uscode/text/35/315>.

[5] "Multiple Petitions Study (FY 2021–FY 2022 Update) Executive Summary." United States Patent and Trademark Office. https://www.uspto.gov/sites/default/files/documents/executive_summary_ptab_multiple_petitions_study_fy2021-2022_update.pdf?utm_campaign=subscriptioncenter&utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=