



## Vidal Expected to Tackle Patent Board PR ‘Nightmare,’ Reviews

Samantha Handler

April 7, 2022

Sorting out a \$2 billion patent challenge tainted with sabotage claims and shaping director review of administrative patent tribunal decisions will likely be at the top of the new U.S. Patent and Trademark Office director’s to-do list, attorneys said.

The Senate’s April 5 [confirmation](#) of Winston & Strawn partner Kathi Vidal means the agency can finally make movement on pressing policy issues that have been in limbo while the leadership post remained vacant for more than a year, lawyers said. Drew Hirshfeld—who performed the duties of the director while Vidal’s nomination was pending—maintained the status quo at the office.

Attorneys say one of Vidal’s first orders of business could be affirming Hirshfeld’s decisions on whether to review certain Patent Trial and Appeal Board decisions—an issue at the heart of a major case involving medical device maker [Arthrex Inc.](#) that’s pending at the U.S. Court of Appeals for the Federal Circuit.

Further down the line, Vidal will likely tackle guidance on when an invention is eligible for a patent, possible changes to the agency’s “NHK-Fintiv” rule that allows the PTAB to decline review of a patent because of a parallel infringement case, and efforts to [bolster](#) the agency’s pro bono and diversity initiatives.

“Patent lawyers have been eagerly awaiting this confirmation to see what Kathi Vidal will unveil for the PTO’s new agenda,” said [Michelle Armond](#), a founding partner at Armond Wilson LLP. “So this is really exciting.”

### ‘Public Relations Nightmare’

Vidal will serve on a Precedential Opinion Panel where a set of agency leaders will review whether or not to undo appeal board decisions to institute review in a set of challenges that has [become](#) a “public relations nightmare for the PTAB,” said [Scott McKeown](#), head of the PTAB group at Ropes & Gray LLP.

OpenSky Industries LLC brought a validity challenge at the PTAB against a VLSI Technology LLC patent shortly after VLSI won a \$2.18 billion jury verdict against Intel Corp. in a separate patent infringement trial. The patent targeted by OpenSky—technology related to making computer chips—was one of two that supported the verdict. If the patent is invalidated by the appeal board, it could play a role in overturning the jury award.

There have since been [concerns](#) about abuse of the PTAB system, including accusations that OpenSky tried to sabotage the validity review and that VLSI breached confidentiality agreements. The agency’s leadership will consider those claims as it weighs VLSI’s request to stop review of the patent.

The request for the panel of agency leaders to review the board’s initial decisions in the case has been pending since January, and those requests are usually denied quickly if they’re not going to proceed, McKeown said.

“It’s very important because it goes to the integrity of the board’s proceedings,” said [Nicholas Matich](#), former acting general counsel of the PTO and a McKool Smith PC attorney. “It’s an important issue facing the office so I think it’s something she’s going to want to deal with one way or another.”

New Power

Vidal will be the first Senate-confirmed patent office leader to take the reins after the U.S. Supreme Court granted the director the power to review PTAB decisions. The agency already [issued](#) interim guidance on director reviews, but attorneys said they will look to see how Vidal actually uses—or doesn't use—the new process.

Attorneys are also watching how often Vidal will use that power and whether she'll introduce new reforms or new programs to "shake things up," Armond said.

Additionally, she can take action that could affect a handful of cases [pending](#) at the Federal Circuit challenging Hirshfeld's authority to review PTAB decisions, as he allegedly wasn't a Senate-confirmed director or a statutorily appointed acting director.

Vidal may be able to resolve that issue by ratifying Hirshfeld's decisions or could wait until the Federal Circuit sends the cases back to the PTAB, attorneys said.

"It'll be interesting to see how that plays out," Armond said. "That is an ongoing issue and Kathi Vidal is going to have to address that."