

Filed on behalf of: Google LLC

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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GOOGLE LLC,  
Petitioner,

v.

ADVANCED CODING TECHNOLOGIES LLC,  
Patent Owner.

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IPR2025-01277  
Patent 8,230,101

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**PETITIONER'S REQUEST FOR DIRECTOR REVIEW**

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## **I. Introduction**

Petitioner Google LLC (“Google”) requests Director Review under 37 C.F.R. § 42.75 of the Director’s “Amended Notice of Decisions on Institution” (Paper 12, “Decision”) denying institution of Google’s Petition challenging U.S. Patent No. 8,230,101 (“101 patent”). The Decision violated multiple Office rules and does not comply with the Administrative Procedure Act (“APA”). Reconsideration, reversal, and issuance of a compliant institution decision are required.

First, the Decision violates existing statutes, rules, and policies governing *inter partes* review proceedings. 35 U.S.C. § 6 requires IPRs to be “heard by at least 3 members of the Patent Trial and Appeal Board.” 37 C.F.R. §§ 42.4 and 42.108 require “the Board” to decide whether to institute an IPR. Office policy prohibits the Director from being involved in the paneling or repaneling of any PTAB decision prior to the issuance of a decision by a panel. The Decision violates at least these policies and must be reconsidered in accordance with the proper framework.

Second, the Decision violates the APA. The APA requires, at a minimum, “a brief statement of the grounds for denial” when a petition or other request is made in connection with any agency proceeding. The Decision fails to comply with at least this requirement of the APA.

Director Review, reversal of the Decision, and issuance of a legally-compliant decision are respectfully requested.

## II. The Decision Violates Statutes, Rules, and Office Policy

The Director's Decision violates numerous statutes, rules, and Office policies governing IPRs, and accordingly must be vacated and corrected.

### A. The Decision Violates 35 U.S.C. § 6 and 37 C.F.R. §§ 42.4 and 42.108

As to statute, 35 U.S.C. § 6 states that “[e]ach ... inter partes review shall be heard by at least 3 members of the Patent Trial and Appeal Board, who shall be designated by the Director.” This proceeding was not conducted in compliance with this requirement, and is therefore statutorily improper.

The Decision names only Director Squires, which creates two, related statutory violations. First, there is no indication that “at least 3 members of the Patent Trial and Appeal Board” reviewed any papers in the record of the proceeding or participated to any extent that could meet the statutory requirement that the proceeding be “heard” by those Board members. 35 U.S.C. § 6. Second, there is no evidence the Director “designated” the legally-required “3 members of the Patent Trial and Appeal Board” (*id.*) to hear this proceeding: unlike the thousands of institution decision previously issued by the Office, which explicitly listed the three Board members making the institution decision, the Decision lists only the Director.

Although the Director's October 17, 2025 Memorandum titled “Director Institution of AIA Trial Proceedings” (*available at* [https://www.uspto.gov/sites/default/files/documents/Director\\_Institution\\_of\\_AIA](https://www.uspto.gov/sites/default/files/documents/Director_Institution_of_AIA)

\_Trial\_Proceedings.pdf) states that the “Director, in consultation with at least three PTAB judges, will determine whether to institute trials” (Director Institution Memo, 1-2), the Director’s Institution Memo cannot waive the statute, and there is nothing to support that “consultation” meets the statutory requirement that 3 Board members “heard” this proceeding.

Indeed, the rules specifically delegate institution authority from the Director to the Board, as 37 C.F.R. § 42.4 states that the “Board institutes the trial on behalf of the Director” and § 42.108, governing IPR institution, states that the “Board will authorize the review.” The Director himself therefore cannot perform the act of institution; that task is left to a Board panel, as Congress envisioned. *Ethicon Endo-Surgery, Inc. v. Covidien LP*, 812 F.3d 1023, 1031-32 (Fed. Cir. 2016) (“Congress assigned the Director the decision to institute, necessarily assuming that the popularity of [IPR] and the short time frame to decide whether to institute [IPR] would mean that the Director could not herself review every petition.”).

Rule 42.4(a) “specifically delegates the determination to institute a trial to the Board.” Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 48,612, 48,616 (Aug. 14, 2012). The Director has not waived the rule. While the Open Letter ([https://www.uspto.gov/sites/default/files/documents/open-letter-and-memo\\_20251017.pdf](https://www.uspto.gov/sites/default/files/documents/open-letter-and-memo_20251017.pdf)) accompanying the Director’s Institution Memo asserts that the rule’s

delegation “is non-exclusive,” neither the rule nor the Federal Register notice announcing Rule 42.4 can be read that way. Instead, the rule “specifically delegates ... to the Board” the authority to institute an IPR “on behalf of the Director” (77 Fed. Reg. at 48,616; 37 C.F.R. § 42.4(a)), without exclusion or indication that the Director retains separate “full and concurrent authority.”

Additionally, in interpreting and reviewing 35 U.S.C. § 6, the Supreme Court has held that the “Director ... may review final PTAB decisions and, upon review, may issue decisions himself on behalf of the Board.” *United States v. Arthrex*, 594 U.S. 1, 25 (2021). The Office thus created the Director Review process, and extended availability of Director Review to institution decisions. *See* <https://www.uspto.gov/patents/ptab/decisions/director-review-process>, §§ 1, 2.A. But the Supreme Court’s holding in *Arthrex* confirms that the statute requires the **Board** to issue decisions, and then those decisions might be subject to review by the Director. The statute, and the Supreme Court, do not condone the Director issuing decisions in the first place.

Accordingly, only the Board had the authority “to determine whether to institute trials in all IPR and PGR proceedings” and the Decision therefore violates 35 U.S.C. § 6 and Rules 42.4 and 42.108. The Decision is legally improper and must be vacated so that a proper institution decision in compliance with 35 U.S.C. § 6(c) and Rules 42.4 and 42.108 can be issued.

**B. The Decision Violates Numerous Other Office Rules**

In addition to the statutory violations, the Decision violates countless other regulations in Parts 42 and 43 of 37 C.F.R. that were duly adopted by notice-and-comment rulemaking, and must be vacated.

First, to the extent that the Decision itself qualifies as a Director Review decision under 37 C.F.R. § 42.75, it fails to comply with this regulation, which requires “issuance of a decision or order that provides the reasons for the Director’s disposition of the case.” 37 C.F.R. § 42.75(e)(2). The Decision does not provide any “reasons for the Director’s disposition” of this proceeding; it merely states that discretionary considerations were reviewed, not that the discretionary considerations, to the extent lawful, justified the Director’s Decision. Moreover, the Decision **cannot** qualify as a Director Review decision: the statute and Supreme Court require the Board to issue a decision that the Director then reviews within the Director Review process, but no original decision was issued, and thus nothing could have been “reviewed” by the Director, unless an unwritten decision exists (which would create its own regulatory violations of, for example, 37 C.F.R. § 1.2).

Second, though the Director’s Institution Memo was issued to “[e]nhance transparency and public trust” (Open Letter, 2) the Decision instead violates rules the Office adopted in response to a GAO report that recommended increased transparency. Part 43 of 37 C.F.R. was issued in response to GAO 23-105336,

Increased Transparency Needed in Oversight of Judicial Decision-Making (2022), available at <https://www.gao.gov/assets/gao-23-105336.pdf> (“Transparency Report”), which recommended that the Office adopt policies detailing the Director’s oversight of the PTAB. Those rules followed interim oversight procedures that “clarified that the USPTO Director would not be involved in decision-making prior to issuance” (Transparency Report, Highlights) and include, for example, 37 C.F.R. § 43.3(a), which states, “Prior to issuance of a decision by a panel, the Director ... shall not communicate, directly or through intermediaries, with any member of the panel regarding the decision.” Because the Director’s Institution Memo indicates the Director will consult with 3 PTAB judges (i.e., a panel), the Decision plainly violates this rule.

Third, in addition to the violations of written Office policies detailed below, the Decision and the Director Institution Memo suggest the existence of unwritten Office policies, violating 37 C.F.R. § 43.6. Rule 43.6 prohibits “unwritten Office or Board policy or guidance that is binding on any panel of the Board” and mandates that “[a]ll written policy and guidance binding on panels of the Board shall be made public.” 37 C.F.R. § 43.6. Contrary to the GAO report, which previewed the previous interim nature of this rule (Transparency Report, 43) and recommended adoption of this rule because of impacts to “stakeholder trust in the fairness ... of PTAB proceedings” (Transparency Report, 41), the Director Institution Memo does not

provide the public with written policies on how the Director selected the three consulting judges, or any other aspect of the policies underlying the decision-making. Accordingly, the Decision violates Rule 43.6, and cannot be sustained.

### **C. The Decision Violates Office Policies**

The Decision is also contrary to written Office policies. The PTAB's Standard Operating Procedure 1, Revision 16, titled "Assignment of Judges to Panels," available at [https://www.uspto.gov/sites/default/files/documents/sop1\\_r16\\_final.pdf](https://www.uspto.gov/sites/default/files/documents/sop1_r16_final.pdf) ("SOP 1") states, *inter alia*, "The Director will not be involved in directing or otherwise influencing the paneling or repaneling of any specific proceeding before the PTAB prior to the issuance of the panel decision." Because the Director himself convened the "three PTAB judges" he consulted in making the Decision, the Decision violates SOP 1 and must be vacated.

SOP 1 also states the "Director's authority under 35 U.S.C. § 6(c) to designate panels has been delegated to the Chief Judge." But the Director Institution Memo "[r]eturn[s]" the institution "function to the Director." Open Letter, 2. Thus, the Director did not, as SOP 1 requires, delegate his authority to the Chief Judge to designate the three Board judges consulted in rendering the Decision—the Director designated those judges himself. This second SOP 1 violation also requires vacatur.

### **III. The Decision Fails to Comply with the Administrative Procedure Act**

Notwithstanding the Decision's violation of the statute, rules, and Office

policy, the Decision does not comply with the APA, making the Decision legally improper.

The APA requires setting aside any Office actions, including preliminary actions, if they are “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.” 5 U.S.C. §§ 706, 704. Agency action is an abuse of discretion when it “(1) is clearly unreasonable, arbitrary, or fanciful; ... (3) rests on clearly erroneous fact findings; or (4) involves a record that contains no evidence on which the [agency] could rationally base its decision.” *Honeywell Int’l Inc. v. Arkema Inc.*, 939 F.3d 1345, 1348 (Fed. Cir. 2019). The APA also requires that when an agency denies “a written ... petition, or other request of an interested person,” it must provide prompt notice “accompanied by a brief statement of the grounds for denial,” unless the denial is self-explanatory or affirms a prior denial. 5 U.S.C. § 555(e).

Google’s Petition is a written “petition” within the meaning of § 555(e), and the Director’s decision whether to institute review constitutes an agency action denying that petition. Because the Decision provides no explanation, reasoning, or record citation, the Director has failed to provide the “brief statement of the grounds” required by law. This failure to give reasons for its denial violates § 555(e) and constitutes agency action taken “without observance of procedure required by law” within the meaning of 5 U.S.C. § 706(2)(D). It also renders the decision “arbitrary, capricious, [and] an abuse of discretion” under § 706(2)(A). Accordingly, the

Decision must be reversed.

The AIA provides that “[t]he Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). Section 314(c) further provides that “[t]he Director shall notify the petitioner and patent owner, in writing, of the Director’s determination under subsection (a).” 35 U.S.C. § 314(c). Section 314(c) is mandatory: the Director must make the merits determination required by § 314(a) and must communicate that determination in writing.

Because the Decision contains no reasoning, it does not articulate the basis for the statutory determination required by § 314(a), and no indication of whether, or how, the Director applied the statutory standard, making it an abuse of discretion. A written communication that does not convey the substance of the § 314(a) determination, including whether the Director found the reasonable-likelihood standard satisfied, and why, does not satisfy § 314(c). Merely listing the petition number and its outcome does not notify the parties “in writing ... of the Director’s determination under subsection (a)” as statute requires.

Knowing the basis for the Director’s determination under § 314(a) is essential, especially in this case, when the Director denies institution on discretionary grounds.

Under the Office's own *Fintiv* framework, as well as the framework pursuant to the Interim Processes for PTAB Workload Management (March 26, 2025), the strength of the merits is a relevant factor in discretionary denials. Without disclosure of the Director's § 314(a) determination, including the Director's assessment of the merits, it is impossible for this request to satisfy the requirement to identify matters the agency "misapprehended or overlooked," aside from the violations detailed above, frustrating the very purpose of the request. 37 C.F.R. § 42.71(d). Moreover, it is only institution decisions that make the required determination under § 314(a) that Congress and the Supreme Court have held may be immune from judicial review pursuant to § 314(d); the Decision does not make any determination "under this section" and is thus not "final and nonappealable."

Accordingly, by issuing a summary-notice document that contains no articulation of the required § 314(a) determination and the underlying considerations, the Decision fails to comply with the requirements of § 314(c). The Decision effectively renders meaningless the statute's requirement that the Director both make and communicate the statutorily mandated determination.

Because the Director's action violates a clear statutory command, it is in excess of statutory authority and must be set aside under 5 U.S.C. § 706(2)(C). It is also arbitrary, capricious, and contrary to law under § 706(2)(A), because the agency cannot disregard an explicit procedural requirement imposed by Congress. The

Decision must be vacated.

#### **IV. Reservation of Rights**

In the event the Decision is vacated and reissued, Google reserves the right to challenge any reissued decision that relies upon the March 26, 2025 Interim Processes for PTAB Workload Management, including that document's list of "relevant considerations," at least because that document is legally invalid as: (1) exceeding the Director's authority, (2) arbitrary and capricious, and (3) adopted without notice-and-comment rulemaking. Additionally, to the extent any reissued decision relies upon the "settled expectations" of Patent Owner, Google reserves the right to challenge the Director's application of "settled expectations" as exceeding his authority under the law and being barred by judicial estoppel based on the Office repeatedly advancing the position that a patentee lacked an expectation that its patents would not be challenged. *See Celgene Corp. v. Peter*, 931 F.3d 1342, 1361-62 (Fed. Cir. 2019); *see also* 5 U.S.C. § 706(2)(A).

#### **V. Conclusion**

The Director should vacate the Decision for the reasons above and issue a Decision that complies with all applicable statutes, regulations, and Office policies.

Respectfully submitted,

Dated: December 22, 2025

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**CERTIFICATE OF SERVICE**

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 22nd day of December, 2025, a true and correct copy of the foregoing **Petitioner's Request for Director Review** was served by electronic mail on Patent Owner's lead and backup counsel at the following email addresses:

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