

Senator Chuck Grassley
Questions for the Record for
Ms. Kathi Vidal
Nominee for U.S. Patent and Trademark Office Director

1. Based on your extensive experience litigating patent cases what are the biggest issues currently with the patent system? Please provide specific examples with explanations as to why you believe it is an issue.

ANSWER: With the rise in globalization, the development of emerging technologies like quantum physics, artificial intelligence, and personalized medicine, the evolution from industrial societies to intangible asset societies, and the spread of opportunistic behavior, we need a patent system that works for today's challenges and those we will face in the future.

We need a system that is even stronger, even more transparent and even more inclusive. We need harmonization, transparency and fairness in patent systems across the globe. We need to curb opportunistic behavior, from within the U.S. and from other countries, that does not benefit our country nor promote innovation. We need to incentivize innovation across industry sectors and constituents -- from individual inventors and start-ups to SMEs (Small and Medium-Sized Enterprises) to large entities. We need to incentivize and protect innovation from every demographic (across U.S. regions, gender, race, identity, social-economic class, veterans, and any other under-served or under-represented group).

I see these as not just issues, but opportunities. If confirmed, I would work to build on the great work the USPTO, Congress and other agencies have done and would commit to working with you, this Committee, and stakeholders to find ways to tackle these important and critical issues and to evolve our patent system so that it plays an even greater role in U.S. prosperity.

2. If you are confirmed, what policies enacted by the previous US Patent and Trademark Office Director would you keep in place and which would you change?

ANSWER: The USPTO has made advances in patent strength, trademark registry integrity, transparency and inclusiveness. If confirmed, I will continue reform in these areas.

For example, I would work closely with the USPTO and its regional offices to find better ways to incentivize and protect innovation from every demographic (across U.S. regions, gender, race, identity, social-economic class, veterans, and any other under-served or under-represented group). I would build on efforts to better support SMEs (Small to Medium-sized Enterprises). I would listen to stakeholders, large and small, who are concerned with abuses of our patent and trademark system and would continue the work to improve the integrity of the trademark registry.

If confirmed, I would also review and update as appropriate guidance on 101 (patent eligibility) based on the results of USPTO study Senators Tillis, Hirono, Cotton and Coons requested on the current state of patent eligibility jurisprudence in the United States and on how that jurisprudence

has impacted investment and innovation and based on intervening law since the last update in October 2019. I would consider the stakeholder feedback the last Director sought on the PTAB, to determine if prior policies strike the right balance and whether more is needed. If confirmed, I look forward to working with you, this Committee and stakeholders to shape USPTO policies and practices.

3. What changes, if any, would you recommend Congress make to strengthen the patent system?

ANSWER: To grow and expand U.S. innovation and ensure fair treatment and enforceability in the U.S. and across the globe, we need clear standards, and consistency in their application and enforceability. We also need balanced incentive structures across industry sectors and across all inventors and would-be inventors -- from individual inventors, start-ups, SMEs (Small and Medium-Sized Enterprises) to large entities, and from every demographic (across U.S. regions, gender, race, identity, social-economic class, veterans, and any other under-served or under-represented group). Finally, we need to keep our focus on high quality patents, including by ensuring user fees are available for hiring and training patent examiners and for new technologies and better prior art databases to support those examiners. If confirmed, I look forward to working with you, this Committee and stakeholders on opportunities for Congress to strengthen our patent system.

4. Based on your experience what changes, if any, do you believe is needed to inter partes review (IPR) and post grant review (PGR)?

ANSWER: It has been almost ten years since inter partes review (IPR) and post grant review (PGR) were first available for use on September 16, 2012. We now have ten years of data and stakeholder experiences and feedback that can help inform any future changes to these procedures.

For example, I know based on my experiences (representing both patentees and patent challengers), and through common knowledge, that there is a wide disparity in how different courts deal with the parallel proceedings issue (a patent being challenged simultaneously in both the USPTO and in another tribunal such as district court) and related issues (estoppel, motions in limine related to IPRs and PGRs). Some judges will stay a parallel proceeding once an IPR/PGR is filed, some wait for institution, and some rarely stay. Beyond that, there are other criteria for stay that vary by tribunal, judge and individual case. The impact these procedures may have on small inventors or SME's (Small to Medium-Sized Enterprises), and potential abuses of the IPR/PGR process these procedures allow, should be evaluated to inform potential changes to PTAB practice.

In view of the Supreme Court's *Arthrex* decision, it is incumbent on any Director to assess the interim procedures put in place at the USPTO and seek additional comments on the same to determine next steps to formalizing the Director review process. If confirmed, I would look forward to working with the PTAB, others at the Office, you and this Committee and stakeholders to shape future reform. I look forward to ensuring that PTAB is the very best it can

be, endeavoring to always provide high quality decisions in fair, predictable, and transparent proceedings.

5. Based on your experience do you think that IPR disadvantages small or individual inventors and favors large entities? Please explain why or why not.

ANSWER: I believe that any litigation, whether at PTAB or in other tribunals, can disadvantage parties with limited means, which is often the situation with small and individual inventors. For the U.S. to promote innovation, stimulate the economy and grow jobs, we need all hands on deck when it comes to innovation. This includes representation across industry sectors and all inventors and would-be inventors, from individual inventors and start-ups to SMEs (Small and Medium-Sized Enterprises) to large entities, as well as from every demographic (across U.S. regions, gender, race, identity, social-economic class, veterans, and any other under-served or under-represented group). If confirmed, I would continue and build on the efforts by the USPTO and PTAB to expand access, outreach, and education to level the playing field and broadly promote innovation. I look forward to working with the PTAB and others in the Office, as well as stakeholders and Congress, to ensure that all USPTO functions are as balanced as possible.

6. Do you think administrative changes are needed at the Patent Trial and Appeal Board to prevent the filing of multiple challenges against the same patent?

ANSWER: Presently the PTAB can exercise its discretion under *General Plastic Co., Ltd. V. Canon Kabushiki Kaisha*, IPR2016-01357 (PTAB Sept. 6, 2017) (precedential), to prevent the filing of multiple challenges against the same patent. On October 20, 2020, the USPTO issued a Request for Comments (RFC) that, among other items, sought public feedback on the exercise of discretion in situations involving serial petitions (later petitions challenging the same patent that was challenged previously in an AIA proceeding), and parallel petitions (multiple petitions challenging the same patent at or about the same time).

The USPTO received 822 comments from a wide range of stakeholders, including individuals, associations, law firms, companies, and members of this Committee. If confirmed, I look forward to working with the PTAB and others at the Office, as well as stakeholders, you and Congress, to assess whether further reform is necessary and what form that might take.

7. What changes, if any do you think are necessary to ensure fair and consistent results at the Patent Trial and Appeal Board?

ANSWER: The PTAB's practice of designating certain opinions precedential promotes fair and consistent results and mirrors practices used by other tribunals. The ability of the USPTO to gather stakeholder feedback, for example the October 20, 2020 RFC on PTAB Discretionary Institution of AIA Proceedings, allows the USPTO to consider stakeholder input and fairness when adapting its procedures. Furthermore, Director review of PTAB decisions in view of the Supreme Court's *Arthrex* decision can be used as a vehicle to further promote fair and consistent results. That said, to the extent there could be more clarity in functional claiming, there is an opportunity to improve the consistency and fairness of PTAB results. There has been

stakeholder feedback that the system could be better balanced. If confirmed, I look forward to working with the PTAB and others at the Office, as well as stakeholders and Congress, to assess what further reform is necessary.

8. In your opinion, what are the biggest challenges facing the Patent and Trademark Office? If you are confirmed, what would be your highest priorities in governing the conduct of proceedings at the USPTO?

ANSWER: The USPTO's biggest challenge, and also its biggest opportunity, is to grow and expand U.S. innovation and entrepreneurialism and to ensure fair protection and enforceability of intellectual property rights in the U.S. and across the globe. We also need a balanced incentive structure across industry sectors that supports all practicing inventors and would-be inventors and entrepreneurs – from individuals and start-ups to SMEs (Small and Medium-Sized Enterprises) to large entities, and from every demographic (across U.S. regions, gender, race, identity, social-economic class, veterans, and any other under-served or under-represented group).

If confirmed, my priorities would fall into three buckets. The *first* is inward-looking – to engage in reform that serves the USPTO's mission to ensure that the intellectual property system contributes to a strong global economy, encourages investment in innovation, and fosters entrepreneurial spirit. I would work with others in the Office, as well as stakeholders and Congress, to build on the great work the USPTO has done to strengthen patents and the integrity of the trademark registry while working to ensure that all USPTO functions are as balanced as possible. The *second* and *third* are outward-looking. As to the *second*, with globalization and new digital marketplaces, U.S. innovation and entrepreneurialism can only thrive if IP is protected and enforceable world-wide and the rules of each country are fair and transparent. I would work with WIPO (the World Intellectual Property Organization), the U.S. Trade Representative, the USPTO's IP attachés, this Committee, stakeholders and our allies on this very important mission. *Third*, I would work with the other Bureaus in the Department of Commerce, the USPTO and this Committee to expand the U.S. innovation footprint to stimulate our economy and create jobs. This would include incentivizing and protecting innovation and entrepreneurialism across demographics (across U.S. regions, gender, race, identity, social-economic class, veterans, and any other under-served or under-represented group).

9. The Director of the Patent and Trademark Office has a duty to “advise the President, through the Secretary of Commerce, on national and certain international intellectual property policy issues [and] advise Federal departments and agencies on matters of intellectual property policy in the United States and intellectual property protection in other countries.” If confirmed, what recommendations would you make to the President and to Congress to improve the state of intellectual property in the United States and abroad?

ANSWER: Our biggest IP challenge, and also our biggest opportunity, is to grow and expand U.S. innovation, entrepreneurialism and creativity. We need to ensure fair protection and enforceability of IP in the U.S. and across the globe. We need a balanced incentive structure across all stakeholders. We need to ameliorate opportunistic behavior and curb abusive behavior

that works against these goals. Though I am aware of many of the opportunities, and roadblocks, to accomplishing these goals, if confirmed, I would work across agencies (including with the Copyright Office), with this Committee and with stakeholders before making specific recommendations. I would want any advice I provide to be data-driven, balanced, thoughtful and in the best interest of the country.

10. What are the biggest threats to American intellectual property abroad? If confirmed, what steps will you take to protect American IP?

ANSWER: In my opinion, the threats can be broadly broken down into three categories. *First*, American intellectual property is not equally protected and enforced across the globe, particularly in some countries where their laws are not fair or transparent. Outside of the U.S., some countries' laws and enforcement mechanisms are not robust and are not used to prevent IP theft and competition from counterfeit goods. *Second*, there have been abuses or misuses of the U.S. intellectual property system by foreign entities, some of which the Trademark Modernization Act of 2020 can address. *Third*, it is essential in the standard setting area that the U.S. continue to innovate and participate to ensure that American interests are represented. If confirmed, I look forward to working with you, this Committee, others in the Administration and stakeholders on these important and complex issues.

11. I've been concerned about making sure that the Patent and Trademark Office functions properly and efficiently, reduces waste, and is not subject to fraud and abuse. In addition, I've been concerned about making sure the Patent Office issues high-quality patents in a timely manner. How do you feel the Patent Office is doing in terms of the quality of patents it is issuing? What mechanisms exist or should exist to address any shortcomings in issuing patents?

ANSWER: In my experience patent examiners do a good job overall given the significant challenges they face, such as a continually growing body of prior art to search, laws that are often difficult to apply to the unique fact patterns in front of them and the amount of time they can allocate to any given application. There is always room for improvement in quality, and if confirmed, one of my top priorities will be to ensure that patent examiners have the resources and training to do the best job possible. I would also work to ensure that USPTO has immediate access to its fee collections so that user fees can be used to improve the strength and reliability of issued patents through hiring and training patent examiners and for new technologies and better prior art databases to support patent examiners. Lastly, I would investigate what more may be needed in terms of time the patent examiners are given to examine patents, especially in cutting edge and highly complex and evolving technologies, and areas where the legal analysis is particularly complex.

12. Patent application fees cover only some of the costs of examination. In addition to filing fees, the Patent Office collects renewal fees for issued patents. Do you think this incentivizes applicants to file patent applications they never intend to complete? Do you think increasing filing fees would yield significant benefits with respect to improved efficiency and patent quality?

ANSWER: It is my understanding that the patent application fees have historically been set below the actual cost of examination to encourage inventors to pursue patent protection and to ensure that barriers to entry into the U.S. patent system remain low. While I have practiced in the field of patents for 25 years, I am not personally aware of inventors being incentivized by the fee structure to file applications they do not intend to pursue. I believe the fee structure, including the maintenance fees, should be periodically assessed to ensure it properly incentivizes innovation while, as a whole, covering the cost of examination. If confirmed, I will ensure that a complete study of the existing fee structure takes place and would work with the USPTO, you, this Committee and stakeholders on this issue.

13. Demand Justice is a progressive organization dedicated to “restor[ing] ideological balance and legitimacy to our nation’s courts.”

- a. Has anyone associated with Demand Justice requested that you provide any services, including but not limited to research, advice, analysis, writing or giving speeches, or appearing at events or on panels?

ANSWER: No. Though I regularly receive unsolicited communications, to the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I have not been asked to provide any such services.

- b. Are you currently in contact with anyone associated with Demand Justice, including, but not limited to: Brian Fallon, Christopher Kang, Tamara Brummer, Katie O’Connor, Jen Dansereau, Faiz Shakir, and/or Stasha Rhodes?

ANSWER: No. Though I regularly receive unsolicited communications, the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I am not currently in contact with any named individual or any other individual associated with the organization.

- c. Have you ever been in contact with anyone associated with Demand Justice, including, but not limited to: Brian Fallon, Christopher Kang, Tamara Brummer, Katie O’Connor, Jen Dansereau, Faiz Shakir, and/or Stasha Rhodes?

ANSWER: No. Though I regularly receive unsolicited communications, the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I have never been in contact with any named individual or any other individual associated with the organization.

14. The Alliance for Justice is a “national association of over 120 organizations, representing a broad array of groups committed to progressive values and the creation of an equitable, just, and free society.”

- a. Has anyone associated with Alliance for Justice requested that you provide any services, including but not limited to research, advice, analysis, writing or giving speeches, or appearing at events or on panels?

ANSWER: No. Though I regularly receive unsolicited communications, to the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I have not been asked to provide any such services.

- b. Are you currently in contact with anyone associated with the Alliance for Justice, including, but not limited to: Rakim Brooks and/or Daniel L. Goldberg?

ANSWER: No. Though I regularly receive unsolicited communications, the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I am not currently in contact with any named individual or any other individual associated with the organization.

- c. Have you ever been in contact with anyone associated with Demand Justice, including, but not limited to: Rakim Brooks and/or Daniel L. Goldberg?

ANSWER: No. Though I regularly receive unsolicited communications, the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I have never been in contact with any named individual or any other individual associated with the organization.

15. Arabella Advisors is a progressive organization founded “to provide strategic guidance for effective philanthropy” that has evolved into a “mission-driven, Certified B Corporation” to “increase their philanthropic impact.”

- a. Has anyone associated with Arabella Advisors requested that you provide any services, including but not limited to research, advice, analysis, writing or giving speeches, or appearing at events or on panels?

ANSWER: No. Though I regularly receive unsolicited communications, to the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I have not been asked to provide any such services.

- b. Please include in this answer anyone associated with Arabella’s known subsidiaries the Sixteen Thirty Fund, the New Venture Fund, or any other such Arabella dark-money fund.

ANSWER: My answer to Question 15(a) includes consideration of these entities.

- c. Are you currently in contact with anyone associated with Arabella Advisors? Please include in this answer anyone associated with Arabella’s known subsidiaries the Sixteen Thirty Fund, the New Venture Fund, or any other such Arabella dark-money fund that is still shrouded.

ANSWER: No. Though I regularly receive unsolicited communications, the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I am not currently in contact with any such individual.

- d. Have you ever been in contact with anyone associated with Arabella Advisors? Please include in this answer anyone associated with Arabella's known subsidiaries the Sixteen Thirty Fund, the New Venture Fund, or any other such Arabella dark-money fund that is still shrouded.

ANSWER: No. Though I regularly receive unsolicited communications, the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I have never been in contact with any such individual.

16. The Open Society Foundations is a progressive organization that “work[s] to build vibrant and inclusive democracies whose governments are accountable to their citizens.”

- a. Has anyone associated with Open Society Fund requested that you provide any services, including but not limited to research, advice, analysis, writing or giving speeches, or appearing at events or on panels?

ANSWER: No. Though I regularly receive unsolicited communications, to the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I have not been asked to provide any such services.

- b. Are you currently in contact with anyone associated with the Open Society Foundations?

ANSWER: No. Though I regularly receive unsolicited communications, the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I am not currently in contact with any such individual.

- c. Have you ever been in contact with anyone associated with the Open Society Foundations?

ANSWER: No. Though I regularly receive unsolicited communications, the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I have never been in contact with any such individual.

17. Fix the Court is a “non-partisan, 501(C)(3) organization that advocates for non-ideological ‘fixes’ that would make the federal courts, and primarily the U.S. Supreme Court, more open and more accountable to the American people.”

- a. Has anyone associated with Fix the Court requested that you provide any services, including but not limited to research, advice, analysis, writing or giving speeches, or appearing at events or on panels?

ANSWER: No. Though I regularly receive unsolicited communications, to the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I have not been asked to provide any such services.

- b. Are you currently in contact with anyone associated with Fix the Court, including but not limited to: Gabe Roth, Tyler Cooper, Dylan Hosmer-Quint and/or Mackenzie Long?

ANSWER: No. Though I regularly receive unsolicited communications, the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I am not currently in contact with any named individual, or any other individual associated with the organization.

- c. Have you ever been in contact with anyone associated with Fix the Court, including but not limited to: Gabe Roth, Tyler Cooper, Dylan Hosmer-Quint and/or Mackenzie Long?

ANSWER: No. Though I regularly receive unsolicited communications, the best of my knowledge, including to the best of my memory and after a search of my email and my LinkedIn account, I believe I have never been in contact with any named individual, or any other individual associated with the organization.

18. Please describe the selection process that led to your nomination, from beginning to end (including the circumstances that led to your nomination and the interviews in which you participated).

ANSWER: I was contacted on July 28, 2021 by the White House Office of Presidential Personnel to begin a vetting and screening process for the position of Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office. I had further contact with the Office of Presidential Personnel, including an interview for the vetting process. President Biden announced his intent to nominate me on October 26, 2021.

19. During your selection process did you talk with any officials from or anyone directly associated with the organization Demand Justice, or did anyone do so on your behalf? If so, what was the nature of those discussions?

ANSWER: No. I did not speak with any officials from or anyone directly associated with the organization Demand Justice and to the best of my knowledge nobody did so on my behalf.

20. During your selection process did you talk with any officials from or anyone directly associated with the American Constitution Society, or did anyone do so on your behalf? If so, what was the nature of those discussions?

ANSWER: No. I did not speak with any officials from or anyone directly associated with the American Constitution Society and to the best of my knowledge nobody did so on my behalf.

21. During your selection process, did you talk with any officials from or anyone directly associated with Arabella Advisors, or did anyone do so on your behalf? If so, what was the nature of those discussions? Please include in this answer anyone associated with Arabella's known subsidiaries the Sixteen Thirty Fund, the New Venture Fund, or any other such Arabella dark-money fund that is still shrouded.

ANSWER: No. I did not speak with any officials from or anyone directly associated with the Arabella Advisors or “Arabella’s known subsidiaries the Sixteen Thirty Fund, the New Venture Fund, or any other such Arabella dark-money fund that is still shrouded” and to the best of my knowledge nobody did so on my behalf.

22. During your selection process did you talk with any officials from or anyone directly associated with the Open Society Foundation, or did anyone do so on your behalf? If so, what was the nature of those discussions?

ANSWER: No. did not speak with any officials from or anyone directly associated with the Open Society Foundation and to the best of my knowledge nobody did so on my behalf.

23. List the dates of all interviews or communications you had with the White House staff or the Justice Department regarding your nomination.

ANSWER: Please see my response to question 18 from Ranking Member Grassley.

24. Please explain, with particularity, the process whereby you answered these questions.

ANSWER: These responses reflect my views and were answered to the best of my knowledge, based on my present memory and a review of my emails, calendar and LinkedIn account. In some instances, the USPTO provided additional background and recommendations, some of which I accepted while others I did not accept.

**Questions for the Record of Senator Patrick Leahy
Hearing on: “Nominations”
December 1, 2021**

Questions for Katherine Vidal

1. I am committed to transparency throughout the government. There is a lot of focus right now on the proceedings at the PTO’s Patent Trial and Appeal Board (PTAB). Under its current structure, the PTAB judges issue decisions, but we do not know if behind the scenes the PTO Director or others acting on the Director’s behalf are requiring the PTAB judges to decide certain cases certain ways.

Do you believe it is appropriate for the Director to manipulate or override the decisions of the PTAB without disclosing those interactions to the public?

ANSWER: No. I also firmly believe in transparency. I am also familiar with the concerns you note and understand that, in response to a request made by the Chairman and Ranking Member of the House Judiciary, Subcommittee on Courts, Intellectual Property and the Internet, the Government Accountability Office (GAO) opened an engagement to examine transparency and accountability of PTAB decision-making. I look forward to receiving the GAO report and working with the PTAB and others at USPTO, you, this Committee and stakeholders, to evaluate current and future measures to ensure consistent and fair treatment to all parties and to ensure maximum transparency.

2. I and others on this committee are committed to making sure we tap into and empower the diverse segments of our society and allow their brilliant ideas to make it to the market. A recent PTO study found that only 22 percent of U.S. patents list a woman as an inventor. Many Americans do not think they can afford to patent their inventions and do not know that there is a pro bono program to help lower legal costs for patent applicants. Many don’t have the tools to start the patent application process on their own. Ten years ago we created PTO satellite offices to help reach a more diverse set of inventors, and I have introduced legislation that would expand these offices to reach even more Americans.

Do you agree that improved, on-the-ground outreach throughout the country will help to boost participation in the patent system by groups that are currently underrepresented?

ANSWER: Yes. We need to incentivize innovation across industry sectors and constituents -- from individual inventors and start-ups to SMEs (Small and Medium-Sized Enterprises) to large entities. We need to incentivize and protect innovation from every demographic (across U.S. regions, gender, race, identity, social-economic class, veterans, and any other under-served or under-represented group). I see these as not just issues, but opportunities. If confirmed, I would work to build on the great work the USPTO, Congress and other agencies have done and would commit to working with you, this Committee, and stakeholders to find ways to tackle these

important and critical issues and to evolve our patent system so that it plays an even greater role in U.S. prosperity.

3. Senator Tillis and I have a bill to improve transparency in patent ownership—the Pride in Patent Ownership Act. It would require patent owners to register transfers in patent ownership so that, like a deed to a house or car, the public can look up a patent and know who owns it.

Right now, patent owners are allowed but not required to record transfers of patents with the PTO. Many have complained that, even if everyone were to record transfers, the PTO’s database does not allow adequate searching. Will you work on fixing that database?

ANSWER: I will investigate your concern with the goal of fixing any shortcomings with the database.

4. The PTO has thousands of patent examiners working to assess patent applications, and each examiner gets only 19 hours to fully examine each application. To make sure each patent application gets a complete vetting, and to make sure the inventor will have a high quality patent when she comes out of the process, the agency needs a dedicated, well-resourced patent quality group. Patent quality means, among other things, ensuring consistency among the different parts of the agency. Patent quality also means ensuring consistency more broadly within the government, such as by holding patent applicants to things they say in relevant filings at the FDA. And it means ensuring consistency with the public record, such as by making sure a patent does not issue that covers a retracted scientific paper that may undercut an applicant’s claim to have invented something.

Will you provide the resources needed to support patent quality initiatives that look at real world circumstances like what is happening in different groups at the PTO, at the FDA, and in the broader scientific community?

ANSWER: Given my experience, I understand the importance of patent quality and fully support patent quality initiatives. If confirmed, I would work with you, this Committee and the Office to explore and support patent quality initiatives and will dedicate the necessary resources.

5. In a recent study, the PTO found that foreign entities, with the backing of foreign governments, have engaged in large-scale abuses of the U.S. trademark registration system. No such study has been conducted with respect to the patent system. Given that 52 percent of U.S. patents are issued to foreign entities, it is important to know whether there are any ongoing abuses of the U.S. patent system that benefit foreign entities over U.S. companies.

As Director, will you commit to undertaking a similar study of the patent system?

ANSWER: Yes. We must stop these abuses. If confirmed, one of my top priorities will be to maintain the integrity of the U.S. patent and trademark system, including by protecting it from

abuse and fraud. I am committed to evaluating all options for enhancing the quality and integrity of USPTO's examination system, including by undertaking a similar study to the one you reference.

6. Patent applicants and patent holders are crucial stakeholders in the patent system, but the system can impact the broader public as well.

a. **Do you view the broader public as stakeholders in the patent system?**

ANSWER: Yes. When I use the term "stakeholder," I use it in its broadest sense, including not only current patent applicants and patent holders, but also the broader public as well as consumers and prospective inventors, entrepreneurs, and creators. If confirmed, I would work on expanding outreach and soliciting feedback from the larger group of stakeholders.

b. **As Director, how will you approach engaging with patent stakeholders, including members of the broader public?**

ANSWER: If confirmed, I will investigate the USPTO's current outreach with the view to expanding that outreach, promoting the importance of innovation, and soliciting feedback from a broader group of stakeholders. This group would include not only the broader public, but also prospective innovators from every demographic (across U.S. regions, gender, race, identity, social-economic class, veterans, and any other under-served or under-represented group) and the communities and organizations of which they are a part.

7. Rather than relying on the notice and comment process provided by the Administrative Procedure Act, the previous Director made significant changes to the way in which the Patent Trial and Appeal Board decides whether to institute inter partes review petitions by deeming certain decisions precedential.

a. **As Director, how would you approach making significant changes to PTO procedures?**

ANSWER: If confirmed, I will engage with the stakeholder community, including you and Congress, to gather input about USPTO procedures. I am open to achieving change using the full suite of options available, such as rulemaking, precedential decisions, and guidance, as appropriate for the particular situation. That being said, I will be guided by the belief that transparency and public input are foundational principles of a well-functioning USPTO.

b. **Under what, if any, circumstances would you consider it appropriate to make significant changes without undergoing the notice and comment process provided by the Administrative Procedure Act?**

ANSWER: If confirmed, I would comply with the requirements of the APA, and all relevant laws, executive orders, and OMB guidance. I am a firm believer that transparency and public input are foundational principles of a well-functioning USPTO. Where notice and comment is not required by the governing rules and laws, the USPTO must evaluate the particular situation

to determine the best course of action for public benefit. For example, notice and comment may be desired for situations of significant importance, even though not required. On the other hand, notice and comment may not be the best course when the key consideration is the expediency of the needed change or providing transparency in an expedient manner. Of course, should expedient action be necessary, such as putting into place interim procedures for Director review in light of *Arthrex*, that action can and often should be followed by a more formal process.

8. On December 6, the Department of Justice, the PTO, and the National Institute of Standards and Technology issued a request for comment on a new draft policy statement related to standard essential patents.

As Director, how will you work with your counterparts at these other agencies to finalize this policy statement?

ANSWER: If confirmed, I will work with my colleagues at the Department of Justice and the National Institute of Standards and Technology to ensure that any final policy statement related to SEPs accurately reflects the patent law, is informed by the public comments received, and ensures continued incentives to innovate in the standards setting context.

Senator Cornyn

Questions for the Record for Kathi Vidal

Nominee for Under Secretary for Intellectual Property and Director of the U.S. Patent and Trademark Office at the Department of Commerce

Patent Trial and Appeal Board

1. You stated during your testimony that your guiding principles as Director would be to act in the best interests of the country, to improve patent quality, and to maintain the U.S. as an innovation leader.
 - a. In your view, would these goals or any other public interest be served by allowing the enforcement of patents that are invalid?

ANSWER: No.

2. When Congress enacted the America Invents Act, it authorized patent litigation defendants to file a petition for PTAB review of a patent within one year of when they are sued for infringement. *See* 35 U.S.C. § 315(b). As the legislative history of that provision makes clear, Congress specifically set a one-year deadline to ensure that petitioners had adequate time, among other things, to conduct a proper prior art search and to learn which claims will be asserted against them. Yet in some recent cases, the Patent Office has invoked “discretion” to refuse to consider a PTAB petition on its merits, even when it was filed well within the one-year deadline of when the petitioner was sued for infringement.
 - a. Do you find the use of discretion in these situations to be appropriate?

ANSWER: I commit, if confirmed, to considering feedback on those practices, including the 822 comments made in response to the USPTO’s October 20, 2020 Request for Comment (RFC) on discretionary institution of America Invents Act (AIA) proceedings received from a wide range of stakeholders, including individuals, associations, law firms, companies, and members of this Committee. If confirmed, I look forward to working with the PTAB and others at the Office, as well as stakeholders, you and Congress, to assess whether further reform is necessary and what form that might take.

- b. Do you believe that this practice is consistent with the text and the spirit of the statute?

ANSWER: I am aware there are divergent views on whether discretionary denials based on parallel litigation are consistent with the text and spirit of the statute. In response to the October 20, 2020, Request for Comments (RFC) on this issue, the USPTO received 822 comments with a wide range of suggestions and views. If confirmed, one of my top priorities will be to take these views into consideration while working with stakeholders, you and

Congress to determine the best course moving forward and what additional reform is necessary or warranted.

- c. In your view, should American companies that are sued for patent infringement be afforded a reasonable opportunity to seek review of the asserted patents in the proceedings authorized by the America Invents Act?

ANSWER: Yes. The AIA provides a statutory framework that allows companies a reasonable opportunity to seek review of asserted patents. If confirmed, I look forward to working with stakeholders, you and this Committee to ensure that the AIA proceedings function as an efficient and effective mechanism for addressing patentability challenges as Congress intended and to determine whether and what additional reform is warranted.

4. The PTO has increasingly allowed petitioners to avoid having their petitions “discretionarily denied” in this manner by entering into stipulations not to raise prior-art defenses in district court. As a result, when they are sued, petitioners can still sometimes obtain PTAB review, but to do so they must also go through a district court infringement trial in which they cannot assert printed prior art. The AIA imposes an estoppel that prevents a PTAB petitioner from asserting prior art in district court, but it imposes this estoppel only after the PTAB review “results in a final written decision under section 318(a).” 35 U.S.C. § 315(e)(2). In other words, under the statute, if the district court refuses to stay its case pending PTAB review, the petitioner may still raise prior art defenses; the petitioner is barred from raising prior art in the district court only *after* it has had a hearing at the PTAB.
 - a. Do you believe this practice by the PTO to be in conflict with the statutory estoppel?

ANSWER: In my opinion, a petitioner’s ability to file an optional stipulation does not conflict with the AIA statutory estoppel provisions as a party may always voluntarily waive or limit its rights to challenge the validity of a patent in district court. The same holds true for some district court practices where a district court may condition a stay of a related suit on the defendant’s willingness to be bound by certain estoppel effects even though the AIA estoppel provisions would not otherwise apply. That said, in exploring what if any further reform should be made on this issue, I would want to review any related comments submitted in response to the USPTO’s October 20, 2020, Request for Comments (RFC) on discretionary institution of AIA proceedings. I would also work with you, members of this Committee and stakeholders on any future reform efforts.

- b. Do you believe it is in keeping with the AIA to proceed with an infringement trial in district court when PTAB review has been instituted?

ANSWER: While a purpose of the AIA is to provide a cheaper, faster alternative to district court litigation, there are no provisions in the AIA that prevent a district court from proceeding with an infringement trial when PTAB review has been instituted. Indeed, the courts have applied stays in view of IPR and PGRs differently than stays in view of CBMs (Covered

Business Methods) (now expired) where the AIA specifically required district courts to consider four statutory factors when deciding whether to stay patent litigation pending covered business method (CBM) review of those same patents in the USPTO. If confirmed, I would look forward to working with you, this Committee and stakeholders on this issue.

5. The NHK-Fintiv rule never went through a notice and comment period.

a. Do you believe that the USPTO is bound by the Administrative Procedures Act?

ANSWER: Yes. The USPTO is subject to and bound by the Administrative Procedures Act (APA).

b. Is a Director deeming a rule “precedential” without a notice and comment period consistent with APA rulemaking requirements?

ANSWER: Yes. PTAB decisions are not themselves rules within the meaning of the APA and the decision to deem a PTAB decision as precedential is not a rule within the meaning of the APA, so notice and comment rulemaking is not required to make the precedential designation. That said, where notice and comment is not required by the governing rules and laws, the USPTO must evaluate the particular situation to determine the best course of action for public benefit. For example, notice and comment may be desired for situations of significant importance, even though it is not required. On the other hand, notice and comment may not be the best course when the key consideration is the expediency of the needed change or providing transparency in an expedient manner. Of course, should expedient action be necessary, such as putting into place interim procedures for Director review in light of *Arthrex*, that action can and often should be followed by a more formal process.

6. Do you support the Restoring the America Invents Act, which Senator Leahy and I recently introduced?

ANSWER: I agree with your statement that, “[b]y ensuring there is a less expensive and more transparent option than drawn-out litigation, we can protect valid patents and prioritize innovation.” I believe that we need to continue to find ways to improve patent quality pre-issuance and that USPTO proceedings should be transparent and widely available to the public. If confirmed, I look forward to working with you, Senator Leahy, this Committee and stakeholders on these issues.

7. In cases where the PTO declines to institute inter partes review, there is currently no right to appeal or any internal Director-level review procedure. Instead, a Petitioner can only request rehearing from the same PTAB panel, and there is no deadline under which that panel must act. I am concerned this framework can result in uncorrected decisions not to institute review in circumstances where such review would be appropriate.

ANSWER: I understand your concerns and look forward to discussing this matter with you further.

Questions for the Record for Katherine K. Vidal, Nominee for the United States Patent and Trademark Office (USPTO)

I. Directions

Please provide a wholly contained answer to each question. A question's answer should not cross-reference answers provided in other questions. Because a previous nominee declined to provide any response to discrete subparts of previous questions, they are listed here separately, even when one continues or expands upon the topic in the immediately previous question or relies on facts or context previously provided.

If a question asks for a yes or no answer, please provide a yes or no answer first and then provide subsequent explanation. If the answer to a yes or no question is sometimes yes and sometimes no, please state such first and then describe the circumstances giving rise to each answer.

If a question asks for a choice between two options, please begin by stating which option applies, or both, or neither, followed by any subsequent explanation.

If you disagree with the premise of a question, please answer the question as-written and then articulate both the premise about which you disagree and the basis for that disagreement.

If you lack a basis for knowing the answer to a question, please first describe what efforts you have taken to ascertain an answer to the question and then provide your tentative answer as a consequence of its reasonable investigation. If even a tentative answer is impossible at this time, please state why such an answer is impossible and what efforts you, if confirmed, or the administration or the Department, intend to take to provide an answer in the future. Please further give an estimate as to when the Committee will receive that answer.

To the extent that an answer depends on an ambiguity in the question asked, please state the ambiguity you perceive in the question, and provide multiple answers which articulate each possible reasonable interpretation of the question in light of the ambiguity.

II. Questions

1. Explain the U.S. Supreme Court's holdings in *United States v. Arthrex* regarding administrative patent judges.

ANSWER: By statute and by virtue of the Leahy-Smith America Invents Act, the USPTO has a Patent Trial and Appeal Board (PTAB) that decides appeals from the decisions of patent examiners, and adjudicates the patentability of issued patents challenged by third parties in post-grant proceedings. The Supreme Court in *Arthrex* explained, "The PTAB is the last stop for review within the Executive Branch," because, by statute, "[o]nly the Patent and Trial Appeal Board may

grant rehearings.” 35 U.S.C. § 6(c). The Court went on to hold that “the unreviewable authority wielded by APJs during inter partes review is incompatible with their appointment by the Secretary [of Commerce] to an inferior office.” As a remedy, the Supreme Court “h[e]ld that 35 U.S.C. § 6(c) is unenforceable as applied to the Director insofar as it prevents the Director from reviewing the decisions of the PTAB on his own.” The Court held that the Director “need not review every decision of the PTAB,” but must have the discretion to do so.

- a. Explain your plans to develop a Constitutional review process for PTAB decisions pursuant to the *Arthrex* decision.

ANSWER: The USPTO devised an interim Director review process and is currently following that process in receiving Director review requests. The USPTO has sought stakeholder feedback about the interim Director review process. If confirmed, I will review these comments, may seek additional comments, and will engage with stakeholders and interested members of Congress to develop and formalize the Director review process.

- b. What assurances can you provide that any review process will offer transparency?

ANSWER: If confirmed, I will be guided by the belief that transparency and public input are foundational principles of a well-functioning USPTO. If confirmed, I will ensure that the review process will be transparent.

2. Should race, gender, or sexual orientation factor into the USPTO’s approach to patent and trademark claims?

ANSWER: No. The USPTO should not consider, and is prohibited from considering, race, gender or sexual orientation during the examination of patent and trademark claims.

3. If you are to join the USPTO and supervise along with your colleagues the office’s human resources programs, will it be appropriate for your office to provide its employees trainings which include the following:

- a. One race or sex is inherently superior to another race or sex;

ANSWER: No. It would not be appropriate for the Agency to provide its employees with trainings that include content that “[o]ne race or sex is inherently superior to another race or sex.”

- b. An individual, by virtue of his or her race or sex, is inherently racist, sexist, or oppressive;

ANSWER: No. It would not be appropriate for the Agency to provide its employees with trainings that include content that “[a]n individual, by virtue of his or her race or sex, is inherently racist, sexist, or oppressive.”

- c. An individual should be discriminated against or receive adverse treatment solely or partly because of his or her race or sex; or

ANSWER: No. It would not be appropriate for the Agency to provide its employees with trainings that include content that “[a]n individual should be discriminated against or receive adverse treatment solely or partly because of his or her race or sex.”

- d. Meritocracy or related values such as work ethic are racist or sexist.

ANSWER: No. It would not be appropriate for the Agency to provide its employees with trainings that include content that “[m]eritocracy or related values such as work ethic are racist or sexist.”

4. Will you commit that your office, so far as you have a say, will not provide trainings that teach that meritocracy, or related values such as work ethic and self-reliance, are racist or sexist?

ANSWER: Yes. If confirmed, I will commit that the Agency, so far as I have a say, will not provide trainings that teach that meritocracy, or related values such as work ethic and self-reliance, are racist or sexist.

5. Is the patent and trademark field systemically racist?

ANSWER: The USPTO does not consider race during the examination of patent and trademark claims. The examination of patent and trademark applications is based on whether they meet statutory and regulatory requirements. That said, there may be improvements to the system that could be made to increase greater participation across demographic groups and technologies that warrant consideration.

6. In *KSR Int'l Co. v. Teleflex Inc.*, the U.S. Supreme Court was tasked with deciding whether the Federal Circuit was correct in holding that an invention cannot be held “obvious,” and thereby ineligible for patenting, without a finding of some “teaching, suggestion, or motivation” that would have led a “person of ordinary skill in the art” to the invention by combining previously existing ideas. Explain your understanding of the Court’s holding and reasoning in this case.

ANSWER: *KSR Int'l Co. v. Teleflex Inc.* is one of a series of decisions by the Supreme Court holding that the Federal Circuit took “took rigid” an approach when attempting to impart more clarity and certainty into the law. Section 103 of our patent laws prohibits the issuance of a patent when “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.”

Addressing the Federal Circuit’s decision in *KSR*, the Supreme Court explained that: “Seeking to resolve the question of obviousness with more uniformity and consistency, the Court of Appeals for the Federal Circuit has employed an approach referred to by the parties as the ‘teaching, suggestion, or motivation’ test (TSM test), under which a patent claim *is only proved obvious* if ‘some motivation or suggestion to combine the prior art teachings’ can be found in the prior art, the nature of the problem, or the knowledge of a person having ordinary skill in the art.” (emphasis added).

The Court rejected the Federal Circuit’s rigid application of the TSM test in favor of “an expansive and flexible approach” in which, even absent an express teaching, suggestion or motivation in the references themselves, “a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” The Court characterized the TSM test as a “helpful insight,” and noted other considerations that should also be taking into account in the obviousness determination including “common sense.” The Court held that, “[w]hat matters is the objective reach of the claim.” The Court explained that the “a principal reason for declining to allow patents for what is obvious” is that a “patent for a combination which only unites old elements with no change in their respective functions . . . obviously withdraws what is already known into the field of its monopoly and diminishes the resources available to skillful men.”

7. In *Matal v. Tam*, the U.S. Supreme Court was asked to decide whether the Disparagement Clause of the Lanham Act, which prohibits trademarks that disparage members of a racial or ethnic group, is invalid under the Free Speech Clause of the First Amendment. Explain your understanding of the Court’s holding and reasoning in this case.

ANSWER: The Supreme Court, in *Matal v. Tam*, struck down the Lanham Act’s disparagement clause as unconstitutional and violative of the First Amendment’s protection of free speech. The disparagement clause in section 2(a) of the Lanham Act prohibited registration of any mark that “comprises matter which may disparage . . . persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.” After concluding that “the disparagement clause cannot be sustained under our government-speech or subsidy cases or under the Government’s proposed ‘government-program’ doctrine,” the Court in *Matal* considered “whether trademarks are commercial speech and are thus subject to the relaxed scrutiny outlined in [*Central Hudson Gas 1764*1764 & Elec. Corp. v. Public Serv. Comm’n of N. Y.*, 447 U.S. 557, 100 S.Ct. 2343, 65 L.Ed.2d 341 \(1980\)](#).” The Court concluded that “the disparagement clause cannot withstand even *Central Hudson* review,” because, under *Central Hudson*, “a restriction of speech must serve ‘a substantial interest,’ and it must be ‘narrowly drawn.’” The Court found that the clause was not “narrowly drawn” and “goes much further than is necessary to serve the interest asserted” protecting “every person living or dead as well as every institution.” The Court concluded that “[i]f affixing the commercial label permits the suppression of any speech that may lead to political or social ‘volatility,’ free speech would be endangered.”

8. Do you believe that the PTAB is adequately protecting the rights of inventors? If you believe it adequately protects these rights, please explain why you disagree inventors who allege that large corporations have an unfair advantage in this process.

ANSWER: I believe that any litigation, whether at PTAB or in other tribunals, can disadvantage parties with limited means, which is often the situation with small and individual inventors. I believe that for the U.S. to promote innovation, stimulate the economy and grow jobs, we need all hands on deck when it comes to innovation. This includes representation across industry sectors and all inventors and would-be inventors, from individual inventors and start-ups to SMEs (Small and Medium-Sized Enterprises) to large entities, as well as from every demographic (across U.S. regions, gender, race, identity, social-economic class, veterans, and any other under-served or under-represented group).

If confirmed, I would continue and build on the efforts by the USPTO and PTAB to expand access, outreach, and education to level the playing field and broadly promote innovation. As part of that effort, if confirmed, I look forward to working with the PTAB on the development of a pro bono program that can help offset the costs of PTAB procedures for those who cannot afford it. I have also heard specific concerns regarding the filing of serial PTAB petitions on a single patent. The latter is somewhat ameliorated by the PTAB's ability to exercise its discretion under *General Plastic Co., Ltd. V. Canon Kabushiki Kaisha*, IPR2016-01357 (PTAB Sept. 6, 2017) (precedential), to prevent the filing of multiple challenges against the same patent.

If confirmed, I would also explore further reform based on the responses to the USPTO's October 20, 2020, Request for Comments (RFC) that, among other items, sought public feedback on the exercise of discretion in situations involving serial petitions (later petitions challenging the same patent that was challenged previously in an AIA proceeding), and parallel petitions (multiple petitions challenging the same patent at or about the same time). I would look forward to working with the PTAB and others in the Office, as well as stakeholders and Congress, to ensure that all USPTO functions are as balanced as possible.

9. Is it appropriate for there to be multiple petitions against the same patent at the PTAB?

ANSWER: There may be situations where it is appropriate for multiple petitions to be filed against the same patent at PTAB, such as when the patent owner has asserted an excess number of claims in litigation. That said, I have heard that some are concerned that the filing of multiple petitions has been used to harass inventors with lesser means. This practice is somewhat ameliorated by the PTAB's ability to exercise its discretion under *General Plastic Co., Ltd. V. Canon Kabushiki Kaisha*, IPR2016-01357 (PTAB Sept. 6, 2017) (precedential), to prevent the filing of multiple challenges against the same patent.

If confirmed, I would also explore further reform based on the responses to the USPTO's October 20, 2020, Request for Comments (RFC) that, among other items, sought public feedback on the exercise of discretion in situations involving serial petitions (later petitions challenging the same patent that was challenged previously in an AIA proceeding), and parallel petitions (multiple petitions challenging the same patent at or about the same time).

10. If an organization files a PTAB challenge against patents that are infringed by a member of that organization, should that member be considered a real party in interest to that challenge such that it would be barred from later filing a separate challenge at the PTAB?

ANSWER: Whether a member of an organization who is not a named petitioner in a given proceeding nonetheless constitutes a “real party-in-interest” to that proceeding is a highly fact-dependent question, which is best analyzed on a case-by-case basis. That said, I am not aware of any per-se rule that would require the member, absent additional facts, to be considered a real party in interest.

**Senator Josh Hawley
Questions for the Record**

**Katherine Vidal
Nominee, Director, U.S. Patent and Trademark Office**

1. In your work at Winston & Strawn, have you ever represented Facebook, Twitter, Apple, Google, or Amazon?

ANSWER: No.

2. If you are confirmed, what steps will you take to prevent the possibility of improper influence on the USPTO from powerful companies such as those in Silicon Valley?

ANSWER: I believe we need to promote innovation across industry sectors and constituents -- from individual inventors and start-ups to SMEs (Small and Medium-Sized Enterprises) to large entities. It is not just the right and fair thing to do, it is in the best interest of our country and our biggest opportunity to increase GDP and create jobs. To promote innovation across industries and by all contingents, we also need to make sure that all USPTO functions are as balanced as possible and are not biased based on influence from any sector. I have represented companies of all types and sizes including small inventors. I am aware of the challenges they face. If confirmed, I would commit to working with you, this Committee and stakeholders to address any perceived bias or influence issues and to evolve our patent system so that it plays an even greater role in U.S. prosperity.

3. If you are confirmed, what steps, if any, do you intend to take to prevent the abuse of the Patent Trial and Appeal Board's *inter partes* review process by large companies to the detriment of smaller ones?

ANSWER: I believe that any litigation, whether at PTAB or in other tribunals, can disadvantage parties with limited means, which is often the situation with small and individual inventors. I believe that for the U.S. to promote innovation, stimulate the economy and grow jobs, we need all hands on deck when it comes to innovation. This includes representation across industry sectors and all inventors and would-be inventors, from individual inventors and start-ups to SMEs (Small and Medium-Sized Enterprises) to large entities, as well as from every demographic (across U.S. regions, gender, race, identity, social-economic class, veterans, and any other under-served or under-represented group).

If confirmed, I would continue and build on the efforts by the USPTO and PTAB to expand access, outreach, and education to level the playing field and broadly promote innovation. As part of that effort, if confirmed, I look forward to working with the PTAB on the development of a pro bono program that can help offset the costs of PTAB procedures for those who cannot afford it. I have also heard specific concerns regarding small entities being harassed by the filing of serial PTAB petitions on a single patent. The latter is somewhat ameliorated by the PTAB's ability to exercise its discretion under *General Plastic Co., Ltd. V. Canon Kabushiki Kaisha*,

IPR2016-01357 (PTAB Sept. 6, 2017) (precedential), to prevent the filing of multiple challenges against the same patent.

If confirmed, I would also explore further reform based on the responses to the USPTO's October 20, 2020, Request for Comments (RFC) that, among other items, sought public feedback on the exercise of discretion in situations involving serial petitions (later petitions challenging the same patent that was challenged previously in an AIA proceeding), and parallel petitions (multiple petitions challenging the same patent at or about the same time). I would look forward to working with the PTAB and others in the Office, as well as stakeholders and Congress, to ensure that all USPTO functions are as balanced as possible.

Senator John N. Kennedy
Questions for the Record for Katherine K. Vidal
Nominee for Under Secretary of Commerce for Intellectual Property and Director of the
United States Patent and Trademark Office

1. Please list below all meetings you have attended (in-person, by phone, or virtually) since October 1, 2021, that involved discussions/conversations pertaining to the U.S. Patent and Trademark Office (USPTO), and that have included officials from the White House, the U.S. Department of Commerce, the U.S. Department of Justice, and/or the Federal Trade Commission. Please include the date and location of each meeting, as well as the USPTO-related topics discussed at those meetings.

ANSWER: In preparation for my nomination hearing, I had numerous meetings with officials from the USPTO and the U.S. Department of Commerce. To the best of my memory after reviewing my calendar, virtual informational background briefings were held on November 17, 19, 22, 24, and 30, 2021. These educational briefings provided publicly available background information on current intellectual property issues. In addition, I participated in five mock hearing sessions held virtually on November 23, 24, 26, 29, and 30, 2021.

2. Do you believe that Big Tech receives any kind of competitive advantage over smaller inventors—intentionally or unintentionally—with respect to the USPTO patent application process and USPTO’s Patent Trial and Appeal Board (PTAB) adjudications?

ANSWER: The USPTO applies the same statutory requirements during patent examination and in PTAB adjudications for all, regardless of the size of the applicant, patent owner or petitioner. The USPTO provides fee discounts for small and micro entities for patent examination and maintenance as well as for PTAB appeals. That said, I believe that any litigation, whether at PTAB or in other tribunals, can disadvantage parties with limited means, which is often the situation with small and individual inventors.

I believe that for the U.S. to promote innovation, stimulate the economy and grow jobs, we need all hands on deck when it comes to innovation. This includes representation across industry sectors and all inventors and would-be inventors, from individual inventors and start-ups to SMEs (Small and Medium-Sized Enterprises) to large entities, as well as from every demographic (across U.S. regions, gender, race, identity, social-economic class, veterans, and any other under-served or under-represented group).

If confirmed, I would continue and build on the efforts by the USPTO and PTAB to expand access, outreach, and education to level the playing field and broadly promote innovation. As part of that effort, if confirmed, I look forward to working with the PTAB on the development of a pro bono program that can help offset the costs of PTAB procedures for those who cannot afford it. I have also heard specific concerns that smaller entities are being harassed by the filing of serial PTAB petitions on a single patent. The latter is somewhat ameliorated by the PTAB’s ability to exercise its discretion under *General Plastic Co., Ltd. V. Canon Kabushiki Kaisha*,

IPR2016-01357 (PTAB Sept. 6, 2017) (precedential), to prevent the filing of multiple challenges against the same patent.

If confirmed, I would also explore further reform based on the responses to the USPTO's October 20, 2020, Request for Comments (RFC) that, among other items, sought public feedback on the exercise of discretion in situations involving serial petitions (later petitions challenging the same patent that was challenged previously in an AIA proceeding), and parallel petitions (multiple petitions challenging the same patent at or about the same time). I would look forward to working with the PTAB and others in the Office, as well as stakeholders, you and this Committee, to ensure that all USPTO functions are as balanced as possible.

If your answer is "yes," please identify with specificity the advantages you believe Big Tech receives when availing themselves of the USPTO. If your answer is "no," please explain the basis for your belief that Big Tech and smaller inventors enjoy a level playing field with respect to the patent application and issuance process.

ANSWER: I believe the playing field is level to the extent the same statutory requirements apply during patent examination and in PTAB adjudications for all, regardless of the size of the applicant, patent owner or petitioner. In terms of any entity having advantages at the USPTO, as in any litigation, whether at PTAB or in other tribunals, and more generally, parties with limited means can be disadvantaged or have less access. As to this concern, it is somewhat ameliorated by the USPTO fee discounts for small and micro entities for patent examination as well as for PTAB appeals. That said, the USPTO fees are often dwarfed by legal fees.

To address that issue, there is a pro bono program for patent prosecution and will soon be one for PTAB appeals. I have also heard specific concerns regarding the filing of serial PTAB petitions on a single patent. The latter is somewhat ameliorated by the PTAB's ability to exercise its discretion under *General Plastic Co., Ltd. V. Canon Kabushiki Kaisha*, IPR2016-01357 (PTAB Sept. 6, 2017) (precedential), to prevent the filing of multiple challenges against the same patent.

If confirmed, I would also explore further reform based on the responses to the USPTO's October 20, 2020, Request for Comments (RFC) that, among other items, sought public feedback on the exercise of discretion in situations involving serial petitions (later petitions challenging the same patent that was challenged previously in an AIA proceeding), and parallel petitions (multiple petitions challenging the same patent at or about the same time). If confirmed, I would look forward to working with the PTAB and others in the Office, as well as stakeholders and Congress, to ensure that all USPTO functions are as balanced as possible.

3. There are concerns about a "revolving door" between Big Tech companies, such as Google and Apple, and the USPTO. A revolving door between a federal agency and industry insiders blurs the line between the regulated industry and the regulatory agency. In some instances, a revolving door results in the "regulatory capture" of an agency—

where the regulatory body regulates the industry in a manner that serves the interest of certain companies rather than in a neutral, unbiased manner toward all parties. Given the technical nature of the patent application process and the exclusivity afforded to patent holders through the issuance of a patent, a revolving door between the USPTO and Big Tech is a concern for some American innovators.

If you are confirmed as USPTO Director, what steps will you take to promote agency independence and ensure the American people that the USPTO is not a regulatory agency “captured” by Big Tech?

ANSWER: I agree that in serving the nation, the USPTO must remain impartial to the interests of any particular sector or party. I believe that confidence in the USPTO and its ability to fairly serve all entities, and confidence that it dutifully and, without bias, carries out its mission to ensure that the intellectual property system contributes to a strong global economy, encourages investment in innovation, and fosters entrepreneurial spirit, is critical the success of the Agency and the Agency’s role in enhancing stimulating our economy, creating jobs and enhancing U.S. prosperity. If confirmed, I would make all my decisions with this as one of my guiding principles.

4. If confirmed, what specific steps will you take as USPTO Director to ensure that small-time inventors and patent applicants will receive the same level of access and opportunity to be heard before the USPTO as Big Tech companies, specifically with respect to adjudications before the PTAB?

ANSWER: If confirmed, in addition to ensuring fair consideration of comments submitted to the USPTO, I would expand outreach to ensure that feedback is solicited not only from the USPTO current users and those with greater means but also more broadly from other stakeholders and organizations in which other stakeholders are involved.

5. You are the Managing Partner at Winston & Strawn’s Silicon Valley office.

If you are confirmed, how will you handle matters impacting clients of Winston & Strawn, and any financial or professional conflict that may arise for you as a result of your work for that law firm?

ANSWER: During the nomination process, I have worked closely with the Department of Commerce’s Ethics Law and Programs Division (ELP) to identify potential conflicts of interest arising from my representation of clients, personal financial interests, or otherwise. I fully understand my ethical obligations, and will recuse myself from any party-specific matter for the duration of the underlying conflict. I also commit to continued engagement with ELP to ensure that my leadership at the USPTO is beyond reproach and gives our stakeholders confidence in the fundamental fairness and impartiality of the process.

6. Do you believe that administrative patent judges (APJs) should have to comply with a Code of Conduct? If so, will you commit to the establishment of a Code of Conduct applicable to APJs while you are in office, if you are confirmed?

ANSWER: Yes. APJs should and to the best of my knowledge do comply with a Code of Conduct. APJs are currently bound by the Standards of Ethics Conduct set forth by the provisions of 5 C.F.R Part 2635.

7. How are the bonuses, if any, determined for APJs? Please provide in detail the source of the funds used for bonuses and describe any conflicts that you believe may arise as a result.

ANSWER: If confirmed, I will investigate the facts relating to bonuses and will report back to you. I commit to working with you on any concerns you may have on this matter.

Questions from Senator Thom Tillis
for Kathi Vidal
Nominee to be Under Secretary for Intellectual Property and Director of the United States
Patent and Trademark Office

1. What is your plan to improve the quality of patents, particularly before they are granted?

ANSWER: If confirmed, I commit to building on the important efforts the USPTO has undertaken to improve patent quality and would look forward to working with you, the Committee and the stakeholders on this critical issue. In particular, I would want to review improving the thoroughness of the initial prior art search and databases related to the same, what additional data and technology could be used to enhance examination, what additional support, training or guidance could assist the examiners, and any best practices used by our allies.

I would also work to ensure that the USPTO continues to hire top talent and provide them with what they need to do the best job possible. My work would also include efforts to ensure that USPTO continues to have full and immediate access to its fee collections so that user fees can be used to improve the strength and reliability of issued patents. I would also explore public-private partnerships and the exchange of information between agencies as you have suggested in your *Letter from Senator Tillis and Senator Leahy to Acting Director Andrew Hirshfeld re Inconsistent Statements by Patent Applicants* (Sept. 9, 2021). I would look forward to working with you, this Committee and stakeholders on this important issue.

2. How can you improve the patent examination process as it relates to novelty, non-obviousness, written description, and enablement?

ANSWER: If confirmed, I would build on the important efforts the USPTO has undertaken to improve patent examination as it relates to novelty, non-obviousness, written description, and enablement and would look forward to working with you, the Committee and the stakeholders on this issue. In particular, I would want to explore what additional data and technology could be used to enhance examination, what additional support, training or guidance could assist the examiners, and any best practices used by our allies. I would also work to ensure that the USPTO continues to hire top talent and provide them with the tools they need to do the best job possible. My work would also include efforts to ensure that USPTO continues to have full and immediate access to its fee collections so that user fees can be used to improve the strength and reliability of issued patents. I would also explore public-private partnerships and the exchange of information between agencies. It would look forward to working with you, this Committee and stakeholders on this important issue.

3. Do you believe patent examiners are given enough time to examine each patent application assigned to them?

ANSWER: I believe this issue should be further analyzed and periodically reevaluated as technology areas evolve. I support providing additional examination time in areas where the analysis shows additional time could improve the strength and durability of issued patents. Such

areas include cutting edge, highly complex and evolving technologies, and areas where the legal analysis is particularly complex.

4. Should patent examiners be given more time to conduct rigorous examinations under the requirements of Section 112?

ANSWER: I believe this is a question that could benefit from further analysis. If confirmed, I would support additional examination time wherever the analysis shows it is needed.

5. What are your thoughts about creating a so-called “gold plated patent.” Such a patent would go through a more rigorous examination process which would include some opportunity for the public to challenge it during examination. However, in return for going through this more rigorous and time consuming process, once granted, this patent would be virtually impossible to invalidate. Do you believe such “gold-plated” patents would both improve quality and provide certainty to America’s inventors and innovators?

ANSWER: If confirmed, I would work with you, the Committee and stakeholders to explore all creative solutions to strengthen the patent system, to incentivize innovation and investment and to stimulate our economy. The concept of a “gold plated patent” that would reduce uncertainty for innovators after applying a more rigorous examination process warrants further consideration.

6. Recently, Senator Cotton and I asked the USPTO to initiate a pilot program to improve patent examination as it relates to patent eligibility determinations. Under the proposed pilot program, patent examiners would conduct the more rigorous examination required under sections 102, 103, and 112 before making an eligibility determination. My understanding is that the USPTO is in the process of initiating the program. Will you commit to continuing the pilot program if you are confirmed?

ANSWER: Yes. If I am confirmed, I will commit to continuing the pilot program, and also to explore all ways to improve patent examination as it relates to patent eligibility determinations.

7. Do you support ending fee diversion at the USPTO? Do you believe USPTO needs additional resources to hire more patent examiners?

ANSWER: I believe the USPTO should have immediate and full access to its fee collections so that it can effectively and efficiently use those fees for the examination of high quality trademarks and patents, including the hiring of more patent examiners.

8. Are you concerned about the rise in investor-funded patent litigation and the impact this has on American manufacturing and ultimately American innovation? If so, what can you do to address this situation?

ANSWER: I am concerned that new patent markets create and incentivize opportunities for abuses of the system, impose a tax on American manufacturing and ultimately American innovation, and divert innovators. If confirmed, I would work with you, the Committee and

stakeholders to strengthen patents and provide more clarity and certainty to reduce the opportunities for abuse.

9. Do you support efforts to increase transparency in patent ownership – such as the recently introduced Pride in Patent Ownership Act, sponsored by myself and Senator Leahy – that would allow the public to know who the true owners of patents are?

ANSWER: Yes, I support efforts to increase transparency in patent ownership.

10. I understand that the USPTO recently authorized over \$56 million of user fee money to be given to a private government contracting company so that it could set up operations to serve as the second contractor to process patent applications. I also understand there is an existing company who has been successfully processing patent applications for the agency for several decades. I am concerned that this use of \$56 million might not be in the best interest of the USPTO users. Can you look into that for me and report back exactly why so much in the way of user fees was authorized to provide for a second contractor to do what an existing contractor had already been doing successfully for years at a quality standard that is much better than the Agency's requirements?

ANSWER: If confirmed, I will investigate the facts relating to any second private government contracting by the USPTO and will report back to you. I commit to working with you on any concerns you may have on this matter.

11. What efforts will you take as USPTO Director to increase participation by women, people of color, veterans, LGBTQ+ Americans, and other underserved groups in the patent system?

ANSWER: I have spent my entire career working to increase participation by women, people of color, veterans, LGBTQ+ Americans, and other underserved groups in the innovation ecosystem. If confirmed, I would work with you, this Committee, the Administration and with the Council for Inclusive Innovation (CI²), including Secretary Raimondo, CI²'s chair, to build on the important work the USPTO has started and to find new and creative ways to expand the reach of USPTO services and promote access to innovation opportunities. I would explore working with allies, forming private-public partnerships, adopting best practices used by other organizations, expanding outreach and training, and expanding pro bono efforts. I would also look forward to hearing the ideas of others including on getting the right team in place to make real and meaningful progress.

12. Throughout the past decade, the Supreme Court has repeatedly waded into the area of patent eligibility, producing a series of opinions in cases that have only muddled the standards for what is patent eligible. The current state of eligibility jurisprudence is in abysmal shambles. What are your thoughts on the Supreme Court's patent eligibility jurisprudence?

ANSWER: I have been on all sides of this issue including arguing the *SAP v. InvestPic* appeal (supporting a finding of unpatentability) for which certiorari was sought and petitioning the Supreme Court for certiorari in *Chamberlain v. TTI* (opposing a finding of unpatentability). I agree with the views of the Solicitor General in response to Calls for the View of the Solicitor

General (CVSG's), urging the Supreme Court to find the proper vehicle for providing much-needed clarity in this area of law. That said, given the myriad of technologies and fact patterns from which patent eligibility issues arise, it may be difficult for the Supreme Court to find an optimal vehicle to clarify all aspects of the law as it relates to all technological fields. If confirmed, I would look forward to working with you and this Committee on this issue.

13. Do you believe the current jurisprudence provides the clarity and consistency needed to incentivize innovation?

ANSWER: No. As I believe every sitting Federal Circuit judge has recognized, the current jurisprudence provides neither clarity nor consistency.

14. As you know, the previous USPTO Director issued examiner guidance related to patent eligibility. Do you support that guidance? What steps can you take to provide further clarity as it relates patent eligibility determinations in the examination process?

ANSWER: Given the uncertainty in the law, USPTO examination guidance was and is necessary to optimize consistent decision-making across art units and examiners. I support the principle of such guidance. If confirmed, I look forward to reviewing the results of USPTO study you and Senators Hirono, Cotton and Coons requested on the current state of patent eligibility jurisprudence in the United States and on how that jurisprudence has impacted investment and innovation. I also commit to reviewing the existing guidance, last updated in October 2019, in view of those comments and intervening law. I look forward to working with you, this Committee and stakeholders to determine if there is more the USPTO can do with its guidance to better incentivize innovation while staying within the confines of existing law.

15. Do you support legislative efforts to reform patent eligibility to provide greater certainty to innovators?

ANSWER: If confirmed, I would look forward to working with you and this Committee on any such effort. Given the myriad of technologies and fact patterns from which patent eligibility issues arise, it may be difficult for the Supreme Court to find an optimal vehicle to clarify all aspects of the law as it relates to all technological fields. Congressional action may be the most efficient and effective way to impart clarity and certainty into this area of law.

16. Do you believe business or financial methods should be per se patent eligible as a matter of public policy?

ANSWER: It is difficult to have a per-se rule as the outcome of each analysis should be dependent upon the facts of each case. That said, I do not believe that disembodied business or financial methods should be eligible as a matter of public policy. If confirmed, I would work with you, this Committee, the Commerce Department, and stakeholders on this important issue.

17. Do you believe there should be a technicality or "field of technology" requirement in order for a patent to be eligible for protection?

ANSWER: I believe that to incentivize innovation, spur investment and stimulate our economy, the law needs to move away from the line-drawing the “directed to” language of *Alice* and *Mayo* has invited and provide more concrete criteria for determining what should, or should not be, patent eligible. If confirmed, I would look forward to exploring whether there should be a technicality or “field of technology” requirement with you and working with you, the Committee and the stakeholders on this important issue.

18. In some judicial districts, plaintiffs are allowed to request that their case be heard within a particular division of that district. When the requested division has only one judge, these litigants are effectively able to select the judge who will hear their case. In some instances, this ability to select a specific judge appears to have led to individual judges engaging in inappropriate conduct to attract certain types of cases or litigants. I have expressed concerns about the fact that nearly one quarter of all the patent cases filed in the U.S. are assigned to just one of the more than 600 district court judges in the country.

a. Do you see “judge shopping” and “forum shopping” as a problem in litigation?

ANSWER: “Judge shopping” and “forum shopping” are problematic to the extent they encourage abuses of our intellectual property system. Setting aside certain jurisdictions being preferred venues given their intellectual property expertise and experience and/or the venue laws (i.e., jurisdictions in which companies are incorporated or have their principal places of business), to the extent “judge shopping” and “forum shopping” are used to abuse our system of justice, those practices warrant further consideration. If confirmed, I would look forward to working with you on this issue.

b. If so, do you believe that district court judges have a responsibility not to encourage such conduct?

ANSWER: I believe district court judges should be fair and impartial.

c. Do you think it is *ever* appropriate for judges to engage in “forum selling” by proactively taking steps to attract a particular type of case or litigant?

ANSWER: I believe district court judges should be fair and impartial.

d. If so, please explain your reasoning.

ANSWER: N/A.

19. When a particular type of litigation is overwhelmingly concentrated in just one or two of the nation’s 94 judicial districts, does this undermine the perception of fairness and of the judiciary’s evenhanded administration of justice?

ANSWER: I believe the perception of fairness and of the judiciary’s evenhanded administration of justice could be undermined by any practice that is not blind, fair and consistently applied. Setting aside certain jurisdictions being preferred venues given their intellectual property

expertise and experience and/or the venue laws (i.e., jurisdictions in which companies are incorporated or have their principal places of business), to the extent cases are concentrated based on perceived abilities to use the practices in those jurisdictions to abuse our justice system, that warrants further consideration. If confirmed, I would look forward to working with you on this issue.

If litigation does become concentrated in one district in this way, is it appropriate to inquire whether procedures or rules adopted in that district or at the USPTO have biased the administration of justice and encouraged forum shopping?

ANSWER: If the concentration of cases is resulting in abuses of our system, it is incumbent on our leaders to inquire.

20. As you know, I am a big supporter of the changes made to PTAB proceedings during the past administration. I believe these changes have re-balanced the PTAB and ensured it is no longer simply a death squad for the patent rights of small businesses and independent inventors. My support for your nomination is contingent on you continuing these policies. Will you commit to continuing these reforms? Please answer Yes or No. Anything other than an unequivocal Yes will cause me to oppose your nomination and put a hold on the floor.

ANSWER: Yes. Numerous changes were made during the past Administration. I commit, if confirmed, to considering feedback on those practices, including the 822 comments made in response to the USPTO's October 20, 2020 Request for Comment (RFC) on discretionary institution of America Invents Act (AIA) proceedings that were received from a wide range of stakeholders, including individuals, associations, law firms, companies, and members of this committee. If confirmed, I look forward to working with the PTAB and others at the Office, as well as stakeholders, you and Congress, to assess whether further reform is necessary and what form that might take.

21. As you know, *Fintiv* instructs the PTAB not to institute an Inter Partes Review ("IPR") procedure to challenge a patent's validity if the panel deems it to be more efficient to allow parallel district court litigation to proceed based on a balancing test comprising six non-dispositive factors. I strongly believe in the policies and utility of *Fintiv*. *Fintiv* ensures that large, market-dominant actors cannot use the threat of parallel litigation to bankrupt their competitors and steal their intellectual property. Will you commit to continue applying the *Fintiv* factors for PTAB proceedings?

ANSWER: I commit, if confirmed, to considering feedback on *Fintiv* including the responses to the October 20, 2020, USPTO Request for Comment and including your concerns that the PTAB may be relying on "trial dates are not appropriate indicators of actual time-to-trial." *Letter from Senator Tillis to Acting Director Andrew Hirshfeld re Fintiv and "Unrealistic" Trial Dates* (Nov. 2, 2021). I commit to continue reforms taking into consideration the feedback, the USPTO's mission, and congressional intent regarding the AIA trials.

22. While I strongly support the policies underlying *Fintiv*, I am concerned about the PTAB's application of the second of these factors: the proximity of the court's trial date to the PTAB's

projected statutory deadline for a final written decision. Specifically, I am concerned about the PTAB's historical practice of crediting unrealistic trial schedules. This has not only produced outcomes that are untethered from the policy underpinnings of the *Fintiv* rule, but it has also created harmful incentives for forum shopping and inappropriate judicial behavior. If confirmed, would you undertake a study and review of this matter and consider whether *Fintiv* should be modified to account for unrealistic trial scheduling?

ANSWER: Yes. If confirmed, I commit to undertake a study and review of whether the USPTO is crediting unrealistic trial schedules and I commit to considering whether *Fintiv* should be modified.

23. What steps will you take as USPTO Director to support independent inventors, startups, and small and medium size businesses as they secure intellectual property rights?

ANSWER: I have a long history of representing and investing in independent inventors, startups, and small and medium size businesses. If confirmed, I would work with you, this Committee, and the Department of Commerce to build on the important work the USPTO has started and to find new and creative ways to support those entities. In particular, I would explore expanding access to innovation opportunities, education and outreach services, pro bono offerings, private-public partnerships and engaging with key stakeholders and organizations like the Small Business Association or industry groups nation-wide to form allies and partnerships in this effort.

24. The previous Administration took the view that the policies of the patent laws and the antitrust laws are aligned, with the mutual aim of fostering dynamic competition through innovation. In that regard:

a. Do you agree that reliable, predictable, quality patent rights promote vigorous, dynamic competition to the benefit of consumers and that the USPTO and the Administration should continue to support patent rights as a key driver of innovation and a competitive American economy?

ANSWER: Yes. I agree that reliable, predictable, quality patent rights promote vigorous, dynamic competition to the benefit of consumers and that the USPTO and the Administration should continue to support patent rights as a key driver of innovation and a competitive American economy.

b. Do you agree that universities, companies and small inventors that commit time, resources, and capital to engage in risky R&D activities to develop the next generation of standards, and that seek to be rewarded for their successful innovations, should be allowed and encouraged to assert their patent rights in good faith and to receive fair and adequate compensation for the use of their patented technologies?

ANSWER: Yes. I agree that universities, companies and small inventors that commit time, resources, and capital to engage in risky R&D activities to develop the next generation of standards, and that seek to be rewarded for their successful innovations, should be allowed and

encouraged to assert their patent rights in good faith and to receive fair and adequate compensation for the use of their patented technologies.

25. The President's Executive Order on Promoting Competition in the American Economy called on the Attorney General and Secretary of Commerce to consider whether to revise the 2019 Joint USPTO, NIST, and DOJ Policy Statement on Remedies for Standards-Essential Patents Subject to Voluntary F/RAND Commitments. Can you assure this Committee that in any review of that Policy Statement, you will work with NIST and DOJ to ensure that injunctive relief and other exclusionary remedies will remain available to SEP owners against infringers that are unwilling licensees or who refuse or constructively refuse to enter into licenses on FRAND terms and conditions, at least to the same extent that such remedies are available to other patent holders?

ANSWER: If confirmed, I will work with my colleagues at the Department of Justice and the National Institute of Standards and Technology to ensure that any finalized policy statement related to SEPs accurately reflects the patent law (presently *Apple, Inc. v. Motorola, Inc.*, Case No. 2012-1548, -1549 (April 25, 2014) and *eBay*), is informed by the public comments received, and ensures continued incentives to innovate in the standards setting context.

26. There is increasing evidence that Chinese companies are threatening to dominate wireless telecommunications standards and are engaging in widespread holdout practices aimed at free riding on the patented technologies of American technology companies, threatening the continued leadership of the United States in the wireless telecommunications field. These hold-out practices are now being assisted by the Chinese courts, which have agreed to hear cases filed by Chinese manufacturers to set the global royalty rates for a license to the worldwide SEP portfolio of non-Chinese patent holders, over their objection, and have issued *ex parte* anti-suit injunctions against U.S. and other non-Chinese patent owners prohibiting them from enforcing their patents in any other country. How will the USPTO under your leadership play an effective role in addressing this serious threat?

ANSWER: This is a critical and complex issue that must be addressed on multiple fronts. The U.S. has always been an innovation leader when the playing field has been level and transparent. This innovation has not only benefited U.S. citizens and the U.S. economy, but also the world at large. To the extent unfair and opaque practices are negatively impacting U.S. innovation, it is incumbent on us to use every resource at our disposal to create fair and transparent systems across the globe.

If confirmed, I would engage with and support the USTR, and work with WIPO and our allies, and explore expanding our Attaché program with this goal in mind. Furthermore, I would not stop there. To the extent the U.S. needs to maintain leadership positions in the standard setting context, I would work with you, this Committee and stakeholders to explore ways to increase U.S. innovation generally and in particular in standardized technology as well as U.S. participation in standard setting organizations. As for other countries working to divest U.S. courts of their jurisdiction and/or attempting to set low world-wide royalties that devalue U.S. innovation, I would look forward to engaging with you, the Committee and across agencies and the courts on this issue.

27. Do you support establishing a USPTO regional office in North Carolina's Research Triangle? Will you work with me to establish such an office?

ANSWER: The regional offices have played a key role in conducting outreach to a broader base of inventors, a concept I support and believe is critical to expanding innovation and stimulating our economy. Having worked for companies in North Carolina's Research Triangle, from start-ups to companies that have gone public, I have seen first-hand the value of clusters of innovation. *See, e.g.,* Porter, Michael E. "[Clusters of Innovation Initiative: Research Triangle.](#)" Council on Competitiveness, Washington, DC, January 2002. (Report.) If confirmed, I would look forward to working with you to explore the best ways for the USPTO to support and help further stimulate innovation in Research Triangle and North Carolina generally.

28. In your confirmation hearing you suggested that patents may issue on a biopharmaceutical simply by changing the color of a pill from red to blue. As you know, that is simply false. Just changing the color of a pill wouldn't meet the requirements of patentability. Do you want to clarify that statement in any way?

ANSWER: I agree that simply changing the color of a pill from red to blue would not meet the requirements of patentability. I would be surprised if the USPTO has ever issued any such patent and I have seen no evidence of the same. As to my testimony, in response to Senator Leahy's question articulating concerns that patent thickets and systemic abuses are stifling competition and increasing drug prices for American consumers, I noted my awareness of the concerns around patent abuses and potential patent abuses and stated that "I do think that one thing the Patent Office can do is to make sure the Patent Office is always issuing the highest quality patents." I then referred to the "conversation that I have heard is that there are follow-on patents that add marginal value – that have ... additions to the original patent, for example changing the color of a particular drug."

My discussion of the changing color of the pill was simply meant to acknowledge my awareness of the "conversation", *see, e.g.,* slideshare.net/altaciglobal/patent-thickets ("Thickets arise when trivial modifications like changes in size, color, dosage, delivery mechanism and composition, around a known and patented molecule are either simultaneous or subsequently protected."). To the extent there are any actual or perceived abuses of the patent system that contribute to higher drug prices, if confirmed, I would work with you, the Committee, the USPTO and stakeholders to explore ways to curb any abuse, as well as addressing any misconceptions and quality concerns.

Senator Marsha Blackburn
Questions for the Record to Katherine Vidal
Nominee for the USPTO

1. During Michelle Lee's tenure as Director of the USPTO from 2015 to 2017, she drew criticism for favoring certain companies. There is a pending lawsuit against former USPTO officials, Lee included, in the U.S. District Court for the Western District of Tennessee accusing the officials of "stacking the intellectual property system against inventors" and favoring powerful companies over smaller creators. If you are confirmed, how would you address concerns that the USPTO and the patent system are stacked to favor large companies and against small inventors?

ANSWER: We need to promote innovation across industry sectors and constituents -- from individual inventors and start-ups to SMEs (Small and Medium-Sized Enterprises) to large entities. It is not just the right and fair thing to do, it is in the best interest of our country and our biggest opportunity to increase GDP and create jobs. To the extent there is concern the USPTO and the patent system are stacked to favor large companies and against small inventors, that can diminish confidence in our IP system and can impact innovation and investment in the same. It needs to be investigated.

If confirmed, I would continue and build on the efforts by the USPTO and PTAB to expand access, outreach, and education to level the playing field and broadly promote innovation. As part of that effort, if confirmed, I look forward to working with the PTAB on the development of a pro bono program that can help offset the costs of PTAB procedures for those who cannot afford it. I have also heard specific concerns regarding smaller entities being harassed by the filing of serial PTAB petitions on a single patent. The latter is somewhat ameliorated by the PTAB's ability to exercise its discretion under *General Plastic Co., Ltd. V. Canon Kabushiki Kaisha*, IPR2016-01357 (PTAB Sept. 6, 2017) (precedential), to prevent the filing of multiple challenges against the same patent.

If confirmed, I would also explore further reform based on the responses to the USPTO's October 20, 2020, Request for Comments (RFC) that, among other items, sought public feedback on the exercise of discretion in situations involving serial petitions (later petitions challenging the same patent that was challenged previously in an AIA proceeding), and parallel petitions (multiple petitions challenging the same patent at or about the same time). I have represented companies of all types and sizes including small inventors. I am aware of some of the challenges they face. If confirmed, I would commit to working with you, this Committee, and stakeholders to find ways to tackle these important and critical issues, to work on initiatives related to any perceived biases and to evolve our patent system so that it plays an even greater role in U.S. prosperity.

2. Critics of Director Lee pointed to Lee's time at Google and connections to Silicon Valley as evidence of her biases. What kind of clients you have represented in patent matters?

ANSWER: Though I have certainly represented Fortune 100 companies and companies in Silicon Valley, I have given just as much focus and attention to the needs of my smaller

clients. For most of my individual inventor and smaller clients, including women and other underrepresented individuals, I have sympathized with their challenges and have provided my patent prosecution legal services at no charge, charging only for the time of my colleagues. As an example, I represented former University of South Carolina Basketball Coach Susan Walvius and former All-American collegiate and professional basketball player Michelle Marciniak when they invented sheets constructed from advanced athletic-performance fabrics. I helped them secure patents and enforce those patents against foreign companies who stole their IP. I have also represented SME's (small to medium-sized enterprises) such as small company that invented a way to extend Infiniband to larger ranges and a start-up that invented sustainable alternatives in the food and beverage industry. As to medium-sized U.S. companies, one of my most active clients over the past decade is a family founded and owned garage door opener company in Illinois with over 350 patents, many protecting the safety and security of American homes.

In terms of technology, though I have certainly litigated my fair share of high-tech electrical engineering, semiconductor, computer, cell phone and software cases, I have also represented consumer products companies including hockey and golf equipment manufactures. I drafted a patent for a pharma company and defended key medical device patents including a life-saving invention that revolutionized colon cancer detection. I have also represented U.S. companies across the country including Tennessee-based FedEx, North Carolina-based Red Hat, Texas-based Dell amongst many others.

If confirmed, I would commit to working with you, this Committee, and stakeholders to work on initiatives related to any perceived biases, build confidence in our IP system and promote access, education and support for all stakeholders.

3. Since the Supreme Court decided *United States v. Arthrex* this past summer, the USPTO has been using an interim procedure for reviewing PTAB decisions. If confirmed, you will likely play a role in developing the mechanism for reviewing PTAB decisions in compliance with the Supreme Court's decision. How do you intend to approach this process?

ANSWER: As you note, the USPTO devised an interim Director review process and is currently following that process in receiving Director review requests. It is my understanding that the USPTO has sought stakeholder feedback about the interim Director review process. I will review comments, seek further stakeholder input and engage with interested members of Congress, to develop and formalize the Director review process.