

2023 WL 3301069 (PERSONNET)

Merit Systems Protection Board - Initial Decisions

FITZPATRICK, MICHAEL  
V.  
DEPARTMENT OF COMMERCE

No. DC-1221-21-0423-W-2  
May 5, 2023

Before: NIEDRICK, ANDREW, AJ

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' CAUTION! '  
' MSPB INITIAL DECISIONS ARE NOT PRECEDENTIAL '  
' AND CANNOT BE CITED AS SUCH IN SUBMISSIONS '  
' TO THE BOARD OR THE FEDERAL COURTS. '  
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UNITED STATES OF AMERICA  
MERIT SYSTEMS PROTECTION BOARD  
WASHINGTON REGIONAL OFFICE

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)  
MICHAEL FITZPATRICK, ) DOCKET NUMBER  
Appellant, ) DC-1221-21-0423-W-2  
)  
v. )  
)  
DEPARTMENT OF COMMERCE, ) DATE: May 5, 2023  
Agency. )  
)

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John L. Abramic, Esquire, Robert Kappers, Esquire, and Christopher A. Suarez, Esquire, Steptoe & Johnson, L.L.P., Chicago, Illinois, and Washington, D.C., for the appellant.

William Horrigan, Esquire, Alexandria, Virginia, for the agency.

**BEFORE**

Andrew Niedrick  
Administrative Judge

**INITIAL DECISION**

On May 18, 2021, the appellant filed an Individual Right of Action (IRA) appeal with the Merit Systems Protection Board (Board) and alleged that senior management officials at the Department of Commerce, Patent and Trademark Office (USPTO, PTO or agency), retaliated against him for his protected whistleblowing activity. Initial Appeal File (IAF), Tab 1.<sup>1</sup> After finding that the appellant established jurisdiction over his appeal, I held his requested hearing on May 11, 12, and 24, 2022 and the appeal record closed on August 8, 2022. *Id.*, Tab 30 (Mar. 15, 2022 Order) and Tabs 41, 43, 45 (Recorded Hearing) and RAF, Tabs 2, 11-12 (Closing Briefs); *see also* Hearing Transcripts 1-3 (HT 1-3).

For the reasons discussed below, the appellant's request for corrective action is GRANTED.

## ANALYSIS AND FINDINGS

### Background

During the relevant time period, the agency employed the appellant in the position of Administrative Patent Judge (APJ), AD-1222-00, on the USPTO's Patent Trial and Appeal Board (PTAB), headquartered in Alexandria, Virginia. IAF, Tab 1 at 1, 56 and Tab 5 at 7.<sup>2</sup>

On May 18, 2021, the appellant electronically filed this appeal and alleged the agency took several personnel actions in retaliation for his protected whistleblowing activity. IAF, Tab 1.

After considering the parties' jurisdictional submissions, I determined the appellant had satisfied his jurisdictional burden and was entitled to a hearing on the merits of his claims. IAF, Tab 30. In making my jurisdictional findings, I concluded the appellant nonfrivolously alleged he engaged in protected whistleblowing activity as follows: (1) he disclosed that agency management officials secretly and illegally interfered with the inter partes review (inter partes review or IPR) process in *Adidas AG v. Nike, Inc.*, No IPR2013-00067 (*Adidas/Nike IPR*) when they expanded the PTAB review panel from three to five judges after the original three-judge panel had fully decided the case and improperly delayed the issuance of the final decision without notifying the parties that the panel had been expanded; and (2) he disclosed that the United States Deputy Solicitor General had provided “erroneous” information to the United States Supreme Court on behalf of the agency during oral arguments in *Oil States Energy Service, LLC v. Greene's Energy Group, LLC* (No. 16-712) (*Oil States*).<sup>3</sup> *Id.*, at 12-23. I also determined that the appellant nonfrivolously alleged that as a result of these disclosures, the agency took the following personnel actions: (1) in May 2018, USPTO Director Andrei Iancu “voiced a desire to USPTO management to terminate” the appellant and the “threat was conveyed” to the appellant through intermediaries; (2) in or around April 2018,

management officials pressured the appellant to omit a portion of his concurring opinion in the *Adidas/Nike* IPR that discussed the “expansion on the panel”; (3) on May 30, 2018, management officials removed him from the *Adidas/Nike* IPR panel, reassigned his inter partes review cases to other APJs, and assigned him to *ex parte* appeals; and (4) on May 30, 2018, management officials issued him a verbal performance appraisal “using a contrived and factually erroneous negative ‘performance appraisal’ of [his] work.” *Id.*, at 24-26 (citations omitted). Finally, I determined the appellant proved by preponderant evidence<sup>4</sup> that he exhausted these claims before the Office of Special Counsel (OSC) before timely filing his Board appeal. *Id.*, at 11-12.<sup>5</sup>

On May 2, 2022, I held a prehearing teleconference and the parties agreed that the only material issues to be decided in this appeal, to the exclusion of all other issues, are as follows: (1) Did the appellant prove by preponderant evidence that he engaged in whistleblowing activity by making one or both of the protected disclosures identified above?; (2) Did the appellant prove by preponderant evidence that his disclosures were a contributing factor to any of the four personnel actions identified above?; and (3) If the appellant satisfied his burden of proof in paragraphs (1) and (2), did the agency prove by clear and convincing evidence that it would have taken the same personnel action(s) in the absence of the protected disclosure(s)? IAF, Tab 34 at 4-5.

On May 11, 12 and 24, 2022, I held the appellant's requested hearing via video teleconference and listened to the testimony of 10 witnesses, to include the appellant. IAF, Tabs 41, 43, 45 (Recorded Hearing) and HT 1-3. On August 8, 2022, the parties filed closing briefs and the record closed. RAF, Tabs 2, 11-12.<sup>6</sup>

### Applicable Law

When reviewing the merits of an IRA appeal under the circumstances herein, the Board will first consider whether the appellant established by preponderant evidence that he made a protected disclosure under 5 U.S.C. § 2302(b)(8) that served as a contributing factor in the alleged personnel action. *Sistek v. Department of Veterans Affairs*, 955 F.3d 948, 953-54 (Fed. Cir. 2020); *Whitmore v. Department of Labor*, 680 F.3d 1353, 1367 (Fed. Cir. 2012); *Smith v. Department of the Army*, 2022 MSPB 4, ; 19 (2022); *Benton-Flores*, 121 M.S.P.R. 428, ; 5 (2014) (citing *Chavez v. Department of Veterans Affairs*, 120 M.S.P.R. 285, ; 17 (2013)). A protected disclosure under the Whistleblower Protection Act and its progeny is a disclosure of information the individual reasonably believes evidences a violation of law, rule, or regulation, gross mismanagement, gross waste of funds, abuse of authority, or substantial and specific danger to public health or safety. 5 U.S.C. § 2302(b)(8)(A)(i); 5 C.F.R. § 1209.4(b). The test to determine whether an alleged whistleblower has a reasonable belief is an objective one and our reviewing court has described it as follows: “could a disinterested observer with knowledge of the essential facts known to and readily ascertainable

by the employee reasonably conclude that the actions of the government evidence” one of the categories of wrongdoing protected by the Whistleblower Protection Act statutes. *Lachance v. White*, 174 F.3d 1378, 1381 (Fed. Cir. 1999); *see also Ferrell v. Department of Housing and Urban Development*, 2023 WL 1846231, (Fed. Cir. Feb. 9, 2023).

The “most common way of proving the contributing factor element is the 'knowledge/timing test.’” *Smith*, 2022 MSPB 4, ; 19; *Wadhwa v. Department of Veterans Affairs*, 110 M.S.P.R. 615, ; 12 (2009), *aff'd*, 353 F.Appx 435 (Fed. Cir. 2009), *cert denied*, 130 S.Ct. 2084 (2010) (quoting *Gonzalez v. Department of Transportation*, 109 M.S.P.R. 250, ; 19 (2008)). Under this test, “an appellant may prove the contributing factor element through evidence that the official taking the personnel action knew of the whistleblowing disclosure and took the personnel action within a period of time such that a reasonable person would conclude that the disclosure was a contributing factor in the personnel action.” *Smith*, 2022 MSPB 4, ; 19. Once an appellant has satisfied the knowledge/timing test, he “has demonstrated that a protected disclosure was a contributing factor in a personnel action.” *Id*; *see also* 5 C.F.R. § 1209.4(d).

If the appellant is able to offer such proof, the Board must order corrective action unless the agency can establish by clear and convincing evidence<sup>7</sup> that it would have taken the same personnel action in the absence of the disclosure. *Sistek*, 955 F.3d at 953-54; *Whitmore*, 680 F.3d at 1367; *Smith*, 2022 MSPB 4, ; 23; *Benton-Flores*, 121 M.S.P.R. 428, ; 5. In determining whether an agency has satisfied this burden, the Board will consider the following non-exclusive factors: (1) the strength of the agency's evidence in support of its action; (2) the existence and strength of any motive to retaliate on the part of the agency officials who were involved in the decision; and (3) any evidence that the agency takes similar actions against employees who are not whistleblowers but who are otherwise similarly situated. *Carr v. Social Security Administration*, 185 F.3d 1318, 1323 (Fed. Cir. 1999); *Wilson v. Department of Veterans Affairs*, 22 MSPB 7, ; 43 (2022).

The appellant demonstrated by preponderant evidence that he made protected disclosures and that his disclosures were a contributing factor to the personnel actions at issue in this appeal.

As discussed above, the appellant contends that he made two protected whistleblower disclosures that resulted in retaliatory personnel actions and I have discussed each disclosure in turn below. Because an understanding of the PTAB process and the context within which the appellant made his disclosures are crucial to the parties' respective burdens of proof, I have provided a comprehensive and detailed discussion of the material facts.

### Disclosure 1-PTAB Panel Expansion

The appellant first contends he disclosed that agency management officials secretly and illegally interfered with the inter partes review process in the *Adidas/Nike* IPR when they expanded the PTAB review panel from three to five judges after the original three-judge panel had fully decided the case and then delayed the issuance of the final decision without notifying the parties that the panel had been expanded.

### *The PTAB & Inter Partes Review*

The USPTO is “responsible for the granting and issuing of patents” in the name of the United States. 35 U.S.C. §§ 1(a), 2(1)(1). Congress has vested the “powers and duties” of the USPTO in the “Under Secretary of Commerce for Intellectual Property and Director United States Patent and Trademark Office” (Director) who is “appointed by the President, by and with the advice and consent of the Senate.” 35 U.S.C. § 3(a)(1). The Director is “responsible for providing policy direction and management supervision” for the issuance of patents and registration of trademarks and must exercise these “duties in a fair, impartial and equitable manner.” 35 U.S.C. § 3(a)(2)(A).

The PTAB is an adjudicatory body within the USPTO that was established by the Leah-Smith America Invents Act of 2011 (AIA). *See* 125 Stat 313; *see also United States v. Arthrex, Inc.*, 141 S.Ct 1970, 1977 (2021). The PTAB is comprised of the “Director, the Deputy Director, the Commissioner for Patents, the Commissioner for Trademarks, and the administrative patent judges [APJs].” 35 U.S.C. § 6(a).<sup>8</sup> APJs are “persons of competent legal knowledge and scientific ability who are appointed by the Secretary, in consultation with the Director.” *Id.* The PTAB is charged with: (1) reviewing appeals from adverse patent examiner decisions pursuant to 35 U.S.C. § 134(a); (2) reviewing appeals of reexaminations pursuant to 35 U.S.C. § 134(b); (3) conducting derivation proceedings pursuant to 35 U.S.C. § 135; and (4) conducting inter partes review and post-grant reviews pursuant to chapters 31 and 32. 35 U.S.C. § 6(b)(1)-(4) (Duties). The controlling statute requires that “[e]ach appeal, derivation proceeding, post-grant review, and [IPR] shall be heard by at least 3 members of the [PTAB], who shall be designated by the Director.” 35 U.S.C. § 6(c) (3-Member Panels); *see also* Manual of Patent Examining Procedure (MPEP), § 1002.02(f) (9<sup>th</sup> Ed., Mar. 2014).<sup>9</sup> The Director has delegated his authority to designate panel members to hear the actions to the “Chief Administrative Patent Judge [CJ] who is authorized to re-delegate the authority to the Deputy Chief Judge [DCJ], to a Vice Chief Administrative Patent Judge [VCJ], a Lead Administrative Patent Judge [Lead APJ], or to an Administrative Patent Judge [APJ].” MPEP § 1002.02(f).<sup>10</sup>

As relevant here, an inter partes review is an adversarial process where PTAB panel members “reconsider whether existing patents satisfy the novelty and nonobviousness requirements for inventions.” *Arthrex*, 141 S.Ct. at 1977 (citing § 6a of the AIA, 125 Stat. 299). Any person other than the patent owner may file a petition and the Director will institute an inter partes review only if, among other requirements, the Director determines that the petition is reasonably likely to prevail on at least one challenged patent claim. 35 U.S.C. §§ 311(a), 314(a). “Congress has committed the decision to institute inter partes review to the Director's unreviewable discretion,” and by regulation “the Director has delegated this authority to the PTAB itself.” *Arthrex*, 141 S.Ct. at 1977 (citing 37 C.F.R. § 42.2(a)). As a practical matter, however, the decision to institute an IPR is decided by a three member PTAB panel but on occasion, the decision may be made by only one or two members. *See* HT-2 at 54-56 (Weidenfeller testimony); *see also* IAF, Tab 6 at 446, fn. 1 (SOP 1).<sup>11</sup>

After the PTAB makes a decision to institute an IPR, the parties are provided a notice identifying the judges designated to adjudicate the IPR<sup>12</sup> and the panel “assumes control of the process, which resembles civil litigation in many respects.” *Arthrex*, 141 S.Ct. at 1977 (citing 35 U.S.C. §§ 6(c), 316(c)). This part of the process is referred to as the “trial phase” of the proceeding. HT-3 at 152-53 (Ruschke testimony); *see also id.*, at 341-42 (Paulraj testimony).

The panel must then issue a final written determination “not later than 1 year after the date on which the Director notices the institution of a review” and “the Director may, for good cause shown, extend the 1-year period by not more than 6 months.” 35 U.S.C. § 316(a)(11). A panel's final decision from an IPR may involve “billions of dollars” and/or may determine the “fates of entire industries.” *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019), *vacated and remanded by Arthrex, Inc.*, 141 S.Ct. 1970.<sup>13</sup>

A party dissatisfied with the PTAB's final decision may appeal to the Court of Appeals for the Federal Circuit (Federal Circuit) and the Director can intervene before the court to defend or disavow the PTAB's final decision. 35 U.S.C. §§ 143 and 319. Upon the expiration of the time to appeal or termination of any appeal, “the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent by operation of the certificate any new or amended claim determined to be patentable.” 35 U.S.C. § 318(b).

### *Expanded Panels*

During the relevant time period, the PTAB's Standard Operating Procedure 1 (Revision 14) (hereinafter SOP 1) described the agency's procedures and requirements to expand the number of



PTAB panel members beyond the statutory requirement of “at least” three members. IAF, Tab 6 at 448-50 (SOP). Specifically, SOP 1, Section III entitled “Expanded Panels” provided as follows:

An expanded panel is not favored and ordinarily will not be used. From time to time, however, it may be necessary to expand a merits or interlocutory panel. The following applies to the use of expanded panels.

A. Reasons for expanding a panel include:

1. The proceeding or AIA Review involves an issue of exceptional importance, such as where serious questions have been raised about the continuing viability of an apparently applicable precedential decision of the Board, or a panel of the Board renders a decision that conflicts with a precedential decision of the Board or an authoritative decision of the Board's reviewing courts.

2. Consideration by an expanded panel is necessary to secure and maintain uniformity of the Board's decisions, such as where different panels of the Board render conflicting decisions on issues of statutory interpretation or rule interpretation, or a substantial difference of opinion among judges exists on issues of statutory interpretation or rule interpretation.

3. A written request from the Commissioner for Patents or the Commissioner's delegate identifying a particular matter before the Board as one containing an issue of first impression, which written request shall become part of the administrative record. This request may be made in advance of decision by the Board or in connection with a request for rehearing.

4. A written request from the Commissioner for Patents or the Commissioner's delegate identifying a particular matter before the Board as one presenting an issue governed by a prior decision of the Board,

a) representing that the Commissioner for Patents has determined that it would not be in the public interest to follow the prior decision, and

b) asking the Board to reconsider and overrule the prior decision, which written request shall become part of the administrative record. This request may be made in advance of decision by the Board or in connection with a request for rehearing.

B. Generally, an odd number of judges will be designated to decide cases in which an expanded panel is to be used. The Chief Judge will determine when an expanded panel is to be designated.

C. A judge, a merits panel, or an interlocutory panel may suggest to the Chief Judge, Deputy Chief Judge, and/or Vice Chief Judges the need for the designation of an expanded panel. Likewise, the Patent Examining Operation, an applicant or patent owner in an ex parte appeal, a party in an inter partes reexamination appeal, a party in an interference, or a party in a AIA Review may suggest the need for an expanded panel.

D. When a judge, a merits panel, or an interlocutory panel (1) suggests an expanded panel or (2) receives a suggestion for an expanded panel, the judge, merits panel, or interlocutory panel shall notify the Chief Judge, Deputy Chief Judge, and the Vice Chief Judges of the suggestion, in writing (for purposes of this SOP, a notification “in writing” includes a notification transmitted by e-mail). The written notification shall identify the reason for the suggestion, as well as which, if any, of the factors set forth in Section III.A. apply.

E. When an expanded panel is designated (1) after a case initially has been assigned to a merits or interlocutory panel and (2) before a decision is entered by the panel, the judges initially designated shall be designated, if available, as part of the expanded panel.

F. When an expanded panel is designated (1) after entry of a decision by a merits or interlocutory panel and (2) to consider a request for rehearing of the decision of the panel, the judges on the initial panel shall, if available, be designated as part of the expanded panel. The expanded panel shall decide the rehearing on its merits.

G. Expanded panels will include additional judges to be assigned by the Chief Judge. The selection of the additional judges shall be based on the technical or legal expertise of the judges.

H. In an appropriate circumstance, the Chief Judge may designate an expanded panel consisting of any number of judges to decide a case.

*Id.*

#### *PTAB Management Structure & The Appellant's Supervisory Chain*

The executive team at the PTAB consists of a CJ, a DCJ, and approximately four VCJs. HT-2 at 13-14 (Weidenfeller testimony); IAF, Tab 6 at 441-46. Each VCJ supervises approximately six Lead APJs who in turn supervise between eight and thirteen APJs. *Id.* As relevant here, the appellant's first-line supervisor was Lead APJ Susan Mitchell,<sup>14</sup> his second-line supervisor was VCJ Scott Weidenfeller,<sup>15</sup> and his third-line supervisor was DCJ Scott Boalick.<sup>16</sup> *Id.* The



executive in charge of the PTAB was CJ David Ruschke.<sup>17</sup> HT-1 at 37-38 (app's testimony); HT-2 at 20 (Weidenfeller testimony); IAF, Tab 33 at 143, 162.

*The Adidas AG v. Nice, Inc. Inter Partes Review*

In early 2013, Adidas AG (Adidas) filed a petition to institute an IPR pursuant to 35 U.S.C. § 311 to challenge a number of patents held by Nike, Inc. (Nike). *See Adidas AG v. Nike, Inc.*, No. IPR2013-00067, 2014 WL 1713368 (PTAB Apr. 28, 2014); IAF, Tab 7 at 29-30 and Tab 32 at 170-212. The PTAB designated a three-judge panel consisting of the appellant, APJ James Arpin and APJ Josiah Cocks to consider the petition and notified the parties accordingly. HT-1 at 63 (app's testimony); HT-3 at 29-30 (Ruschke's testimony). After deciding to institute an IPR, the panel held a hearing and, on April 28, 2014, issued a Final Written Decision (Decision) in accordance with 35 U.S.C. § 318(a). The Decision granted some of Nike's claims and denied others. *Id.* Nike appealed the Decision to the Federal Circuit and, on February 11, 2016, the court affirmed the Decision in part and vacated it in part. *See Nike, Inc., v. Adidas AG*, 812 F.3d 1326 (Fed. Cir. 2016), *overruled in part by Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) (*en banc*). The court also remanded the case back to the PTAB for further proceedings consistent with its Decision. *Id.*, at 1351.

On remand, the original three-judge panel prepared a written decision in accordance with the court's instructions.<sup>18</sup> In doing so, APJ Arpin authored the majority decision<sup>19</sup> and the appellant prepared a concurring opinion that was critical of a nonprecedential PTAB decision in an IPR captioned *Idle Free Systems, Inc. v. Bergstrom*, No. IPR2012-00027 (PTAB June 11, 2013).<sup>20</sup> IAF, Tab 5 at 43, Tab 7 at 21-22, 30, 110-54 and Tab 29 at 13; *see also* HT-1 at 49-64, 70 (app's testimony).

On September 30, 2016, APJ Arpin sent a copy of the panel's final decision to the AIA Review Committee's (ARC) email box per agency protocol. IAF, Tab 7 at 21-22, 30, 110-54; HT-1 at 49-60 (app's testimony) and HT-2 at 189-90, 264-65 (Boalick testimony) and HT-3 at 59-60, 232-33 (Ruschke testimony). The ARC is a group of volunteer PTAB members<sup>21</sup> that review panel decisions before issuance. *Id.* The purpose of the ARC is to provide the adjudicating panel with suggested edits, helpful comments or insights, and citations to relevant PTAB authority and precedent. *Id.* The ARC also reviews decisions for consistency and uniformity with other PTAB decisions. *Id.* In some instances, the ARC may “flag” a decision and notify the panel that management-level review is recommended or suggested, particularly when the panel's decision contains a motion to amend, or a concurring and/or dissenting opinion. *Id.* The ARC may also ask the panel to send the decision to the Management Review Committee (MRC), a committee

composed exclusively of high-level management officials from the PTAB and/or other parts of the agency. *Id.*<sup>22</sup> Typically, the ARC review process is completed within a week. *Id.*

On October 4, 2016, the ARC notified the panel that it completed its review of the *Adidas/Nike* IPR decision and “suggested” that the panel send a copy of the decision to CJ David Ruschke and DCJ Scott Boalick “for informational purposes prior to mailing.” IAF, Tab 7 at 156. Although the panel could have mailed the decision without following the ARC’s “suggestion,” APJ Arpin sent the decision to CJ Ruschke and DCJ Boalick on October 14, 2016 with a copy to the panel and advised them that the panel “would like to mail this decision as soon as possible” given the age of the case. *Id.*, at 155-56; HT-3 at 233-34 (Ruschke testimony).

CJ Ruschke and DCJ Boalick did not respond to the email and, on October 24, 2016, APJ Arpin followed up with another email to CJ Ruschke and DCJ Boalick with a copy to the other panel members and the ARC as follows:

Because November 4, 2016, will be the seven month anniversary of the issuance of the Federal Circuit’s mandate in this case and over eight months since the issuance of the Federal Circuit’s remand, I would like to submit this decision for mailing by Friday, October 28, 2016. If you have any questions regarding this decision, please do not hesitate to contact us. Thanks!

IAF, Tab 7 at 155. On October 26, 2016, the ARC responded, “We understand that David [CJ Ruschke] and Scott [DCJ Boalick] are reviewing this decision, and they have conveyed they have some concerns,” adding “[p]lease hold off on mailing this decision until you hear back from them.” *Id.* APJ Arpin responded and thanked the ARC for the update. *Id.*, at 159. He also indicated that the panel would “wait to hear from the Chief and Deputy Chief before mailing the decision” and asked, “[p]lease keep us informed of the progress of their review.” *Id.*

On November 4, 2016, APJ Arpin sent another email to the ARC and stated:

Today is the seventh month anniversary of the issuance of the mandate in this case. Next Friday, it will have been nine months since the Federal Circuit issued its decision in this case. It has been two weeks since I forwarded this case to the CJ and the DCJ for information purposes prior to mailing, but the panel has not heard from the CJ or the DCJ concerning this case. Please inform me of the progress of the review.

*Id.*, at 158; HT-1 at 71 (app’s testimony). The ARC responded later that day copying CJ Ruschke and DCJ Boalick and advised, “Scott [DCJ Boalick] will address your question.” *Id.* A few minutes later, DCJ Boalick replied to all and stated,

This panel is being expanded to add David [Ruschke] and me. We will need to find a time to meet and confer as an expanded panel. A decision will issue in due course by the expanded panel.

*Id.* This same day, the appellant received an email from the PTAB administrative staff (“AIA Paneling”) confirming that the panel had been expanded. IAF, Tab 7 at 31. Although the agency formally notified the panel members that the panel’s composition had changed, it did not notify the parties in the *Adidas/Nike* IPR.

On November 15, 2016, the expanded panel met for the first time to discuss the case. IAF, Tab 176-77 (Arpin’s Jan. 31, 2017 email indicating that the panel first met to confer on Nov. 15, 2016).

By late November 2016, the original panel members, to include the appellant, were concerned that the delay in issuing a decision from the court’s remand reflected poorly on the original panel members through no fault of their own. HT-1 at 73-74 (app’s testimony). As such, APJ Arpin sent another email to CJ Ruschke and DCJ Boalick on November 28, 2016, and stated,

It has been six weeks since we forwarded this decision for your review and almost two weeks since our conference. Please let us know how you suggest that we proceed to get this decision ready for mailing. Thanks!

IAF, Tab 7 at 195.

On November 29, 2016, the appellant sent CJ Ruschke and DCJ Boalick an email with a copy to APJ Arpin and APJ Cocks. IAF, Tab 7 at 195.<sup>23</sup> In his email, he explained that because CJ Ruschke had expanded the panel “internally” without providing notice to the parties, there would be no public record if the CJ and DCJ decided to remove themselves from the panel and the “delay in issuing a decision will reflect on the original panel even though the original panel is ready to issue its decision.” *Id.* As such, he “respectfully request [ed] that imminently either (1) a one-page order be issued to reflect that the panel has been expanded, or (2) the original panel be permitted to issue its decision.” *Id.*

On December 9, 2016, the expanded panel met again<sup>24</sup> to confer and discussed “at least four possible options for going forward.” IAF, Tab 7 at 191 (Arpin Dec. 19, 2016 email summary); *see also id.*, at 176-77 (Arpin’s Jan. 31, 2017 email indicating that the panel first met to confer on Nov. 15 and Dec. 9, 2016).

On December 19, 2016, APJ Arpin sent the expanded panel members an email that included a detailed summary of the procedural history of the remand decision. IAF, Tab 7 at 191-92. In addition, he described and commented on the four options that the panel had apparently discussed during the December 9, 2016 conference in an effort to resolve the apparent impasse: Option 1, CJ Ruschke and DCJ Boalick withdraw from the panel and let the existing panel issue the original decision, noting that the “delay is at the point of becoming embarrassing” and that this option would allow CJ Ruschke, DCJ Boalick, and the PTAB to “distance themselves from the remand decision and avoid any panel stacking concerns, such as those currently being raised in the *Zhongshan* appeal [] and amicus brief [].”; Option 2, CJ Ruschke or DCJ Boalick remain on the panel and join the majority or concurrence decisions, adding that this option would allow the PTAB to avoid “panel stacking criticisms” while at the same time provide “an easy and apparent explanation for the delay.”; Option 3, CJ Ruschke or DCJ Boalick remain on the panel and write “additional views” to express a “policy position, but avoid panel stacking criticism” which would once again provide the panel with “an easy and apparent explanation for the delay.”; and Option 4, “Reconstruct the Decision” as a *per curiam* decision, noting that this option was “the least desirable” and, “[a]lthough the appearance of CJ Ruschke and DCJ Boalick on the panel again gives an easy and apparent explanation for the delay, this approach would leave little doubt that panel stacking had occurred.” *Id.* At the end of his email, APJ Arpin made clear that the “review for this remand has simply taken too long” and urged CJ Ruschke and DCJ Boalick to “act quickly.” *Id.* CJ Ruschke and DCJ Boalick did not respond to the email. *Id.*, at 33.

On December 21, 2016, the appellant replied to APJ Arpin's December 19 email and stated as follows:

David and Scott,

The public record shows this case on remand and *pending* before *only* Judges Arpin, Fitzpatrick, and Cocks. But, that is not an accurate status, as those 3 judges have already decided the remanded issues months ago. I think the public record should be updated immediately by either allowing the publicly-disclosed panel to issue its ruling or publicly disclosing a different panel.

Respectfully,

Michael.

IAF, Tab 7 at 191 (emphasis in original).<sup>25</sup> CJ Ruschke and DCJ Boalick did not respond to the email. *Id.*, at 34; HT-1 (app's testimony).

On January 3, 2017, APJ Arpin sent an email to the expanded panel members and noted that it had been approximately 11 months since the Federal Circuit had remanded the *Adidas/Nike* IPR and stated the “review of this remand decision has dragged on far too long.” IAF, Tab 7 at 177-78. He further explained that the “[patent] bar is aware that this decision is overdue” as evidenced by a recent article and he urged CJ Ruschke and DCJ Boalick to withdraw from the panel if they had yet to decide “on which option to pursue” and “allow the decision approved by the original panel to issue.” *Id.* CJ Ruschke and DCJ Boalick did not respond to the email. HT-1 (app's testimony).

On January 31, 2017, APJ Arpin sent yet another lengthy email reiterating that the decision was well overdue and that the official record “does not reflect publicly that the panel has been expanded.” IAF, Tab 7 at 176-77. He also requested once again that CJ Ruschke and DCJ Boalick “inform the original panel how they wish to proceed to move this Remand to conclusion,” adding that, “at this late date” he respectfully suggested that they “withdraw from the panel and allow the decision approved by the original panel to issue.” *Id.* CJ Ruschke and DCJ Boalick did not respond to the email. HT-1 (app's testimony).

On February 10, 2017, APJ Arpin sent an email to CJ Ruschke and DCJ Boalick with a copy to the appellant and APJ Cocks, and explained that it had been a full year since the Federal Circuit's remand in the *Adidas/Nike* IPR, adding that “the patent bar is watching” as evidenced by a February 7, 2017 article that he attached to the email that reported that the *Adidas/Nike* remand “is the oldest unresolved remand” at the PTAB. IAF, Tab 7 at 176. He ended his email by stating, “I have yet to receive any response from either of you to my e-mails of January 3, or 31, 2017” and, “[a]s members of the panel for this case, please have the courtesy of responding to my e-mails.” *Id.* CJ Ruschke and DCJ Boalick did not respond to the email. HT-1 (app's testimony).

On February 24, 2017, APJ Arpin emailed CJ Ruschke and DCJ Boalick and informed them that as a result of their “long and continuing delay in acting on the Remand,” their failure to respond to his numerous emails requesting input and/or action, and “the recognition by the public that a Decision on Remand is well overdue,” he had prepared an “Expanded Panel Notification” that he wanted to issue to the parties on February 28. IAF, Tab 7 at 199-200. He also explained that APJ Cocks and the appellant agreed with his proposed course of action. *Id.* Once again, however, CJ Ruschke and DCJ Boalick did not respond to the email. HT-1 (app's testimony).

On February 28, 2017, APJ Arpin left a voicemail message for DCJ Boalick and then sent him another email copying the expanded panel members. IAF, Tab 7 at 198-99. This time, CJ Ruschke responded to APJ Arpin's email and stated, “As we instructed you previously, PTAB does not issue Notifications of Expanded Panels.” *Id.* CJ Ruschke also advised, “We will address this remand

as soon as we can” adding that “certain cases require additional time and deliberation, and this is one of those cases.” *Id.*

The next day, APJ Arpin responded and explained that the original panel members appreciated “the time demands on PTAB management” and requested that CJ Ruschke consider appointing panel members that had the time necessary to devote to the remand so that it could “proceed to a prompt decision.” IAF, Tab 7 at 198. APJ Arpin also explained that the relevant SOP discussing the agency's panel expansion policy (*see* SOP 1, Sect. III *supra*) did not prohibit a public notification while “Rule 42.5 grants the panel broad authority to issue such a notification.” *Id.*<sup>26</sup>

On June 9, 2017, APJ Arpin sent CJ Ruschke and DCJ Boalick an email and copied the appellant and APJ Cocks stating in pertinent part:

Today is the six month anniversary of our third conference of this case (i.e., December 9, 2016), and last Sunday marked the fourteen month anniversary of the issuance of the Federal Circuit's mandate returning jurisdiction over this case to the Board (i.e., April 4, 2016) and the seven month anniversary of the expansion of the panel (i.e., November 4, 2016). With the departure of Director Lee and the placement on hold of major Office policy initiatives, there can no longer be any reason to delay promptly resolving all remaining issues associated with this remand and expeditiously issuing a decision.

The original panel has tried to be patient, but the time for you to act is overdue. Further, because you have prevented us from informing the parties that the panel has been expanded, it looks to all the world as if the original panel has - and, in particular, I, as APJ1, have - been improperly delaying a decision in the remand of this case. As judges, our reputations are essential to our effectiveness. Further delay in this case is unfair to the parties and is unacceptable to the original panel.

On May 31, 2017, Chief Judge Ruschke informed Judge Cocks and me that you recently began drafting your opinion in this remand. We look forward to receiving that opinion shortly.

*Id.*, at 193-94 (emphasis in original).

On June 22, 2017, the appellant forwarded a copy of APJ Arpin's June 9, 2017 email to CJ Ruschke and noted that the email had “gone unanswered, as have many prior emails before it.” IAF, Tab 7 at 193. The appellant provided a procedural history of the draft decision and panel expansion as described above and also explained as follows,



I have called you twice, and you have not returned my calls. The first call was on May 24, 2017. An assistant answered the telephone, and I overheard you instruct him that you could not take the call because you were headed to a meeting. However, my call was never returned. A week or so later, I called again, and let your assistant know that I had yet to hear from you and that I would like to speak with you. He politely asked me if he instead could help me. I explained that he could not because you and I are on a panel together in IPR2013-00067 and we need to discuss the case. He took the message, but my call was not returned.

*Id.* CJ Ruschke did not respond. *Id.*, at 36.

On July 31, 2017, CJ Ruschke circulated a “PREDECISIONAL . . . draft majority opinion” to the expanded panel members and asked them to review it and provide comments. IAF, Tab 7 at 234-35.

On August 3, 2017, the appellant responded, provided his feedback, and notified the panel that he did not intend to join the majority opinion. IAF, Tab 7 at 234.

On August 14, 2017, APJ Arpin notified the ARC and the expanded panel members that the “draft decision is ready for ARC Review.” IAF, Tab 7 at 234 and 241.<sup>27</sup>

On August 15, 2017, the ARC responded with its “suggested edits/comments.” IAF, Tab 7 at 309. On August 26, 2017, APJ Arpin sent another email to the expanded panel and stated, “I think we need to act in *Nike* now.” *Id.*, at 189. He also provided a proposed course of action to move forward. *Id.* On August 28, 29, 30, and 31, 2017, APJ Arpin emailed the panel again and reiterated his opinion that “we should try to act quickly to enter our decision in *Nike*,” adding that edits had been accepted and the decision was ready to be mailed. *Id.* He also added in his August 31 email that “[a]bsent a clear explanation of why the decision cannot be mailed tomorrow morning and precisely what needs to be done to place it in condition for mailing, I intend to submit the decision for mailing at 9:00am ET on Friday, September 1, 2017.” *Id.*, at 188.

On August 31, 2017, CJ Ruschke responded and advised that he had “instructed Dave and Maria not to mail this decision until they hear directly from” him. IAF, Tab 7 at 187. He further explained that the concurrences in the decision “disclose[d] confidential, pre-decisional information re: our expanded panel notification process” and this information would “have to be removed prior to mailing.” *Id.*

On October 4, 2017, the Federal Circuit issued its *en banc* decision in *Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) (*en banc*).<sup>28</sup>

On October 5, 2017, VCJ Jacqueline Wright Bonilla sent an email to certain PTAB members and explained that the parties in IPRs pending before them, to include the *Adidas/Nike* IPR, should be provided an opportunity to provide further briefing in light of the court's opinion *Aqua Products*. IAF, Tab 7 at 313-15.

The next day, APJ Arpin sent an email to VCJ Bonilla taking issue with the October 5th directive, noting that the court's decision in *Aqua Products*<sup>29</sup> had “no effect on [the *Adidas/Nike* IPR] remand decision.” IAF, Tab 7 at 311-12.<sup>30</sup> He also explained that CJ Ruschke was “leaving for a two week trip to Australia” and inquired, “How soon is the panel expected to reach out to the parties?” and, “if soon, should the remaining panel members reach out to the parties in the CJ's absence.” *Id.*

VCJ Bonnilla responded the same day and explained that she was able to speak with CJ Ruschke before he boarded his plane to Australia and he told her to instruct the original panel members to conduct a status conference with the parties and to allow additional briefing at either parties' request. IAF, Tab 7 at 311. She further explained as follows:

In this case, [CJ Ruschke] has indicated that the original 3-judge panel can proceed with this course of action without him. After you reach out to the parties, assuming at least one party indicates they would like a call, you can conduct the conference call - perhaps with [DCJ Boalick] on the phone as a silent participant - without mentioning panel expansion yet. (I'll let [DCJ Boalick] indicate whether he'd like to be a silent participant on the call when he's back). After the call, you can draft a subsequent order listing you three. Please send the draft to [CJ Ruschke] and [DCJ Boalick] before mailing, so they both know what happened during the call and what's happening next.

*Id.*

On October 10, 2017, APJ Arpin responded to the October 6 email with an email to DCJ Boalick and explained that the original panel members had conferred and agreed that no further briefing was necessary in the *Adidas/Nike* IPR and therefore they could not proceed with CJ Ruschke's prescribed course of without CJ Ruschke's and DCJ Boalick's participation. IAF, Tab 7 at 310-11.

The next day, DCJ Boalick responded to APJ Arpin's email and stated, “To be clear, I expect you to follow VCJ Bonnilla's October 5 and 6 directions.” IAF, Tab 7 at 310. He also explained that he saw no reason to delay reaching out to the parties “until the Chief is back in the office,” adding that this “outreach could easily be done without involving the entire panel, or even a single judge of the panel - it could be done through paralegals.” *Id.*

Later this same day, APJ Arpin sent an email to the PTAB staff, with a copy to the panel, and instructed the staff to send an email to the parties in the *Adidas/Nike* IPR and ask them if they wanted “to discuss the impact of *Aqua Products* with the panel.” IAF, Tab 7 at 316-17.<sup>31</sup> The PTAB staff sent the email as directed. *Id.*

On October 27, 2017, the parties in the *Adidas/Nike* IPR replied and jointly requested permission to submit additional briefing, adding that they would be available for a conference with the panel to discuss further if necessary. IAF, Tab 7 at 318-20. After reviewing the parties' response, APJ Arpin notified the expanded panel members once again that he believed further briefing was unnecessary and a “waste of the parties' and our time and an unnecessary expense to the parties.” *Id.*, at 321-22. The appellant immediately followed up with an email stating, “I vote no briefing. But, if I am outvoted, and the parties are permitted to brief, they should know who their panel is.” *Id.*

On October 30, 2017, CJ Ruschke sent an email to all of the PTAB members and informed them that the Board would be issuing “written Guidance to the public shortly” in response to the court's *Aqua Products* decision along with “detailed internal guidance for the Board to aid in implementing the Guidance.” IAF, Tab 7 at 327-31. He also notified the expanded panel in the *Adidas/Nike* IPR that they would “have to wait until DOC approves our written Guidance before proceeding.” *Id.* The appellant responded and explained that he believed the authority to “grant briefing” belonged to the panel members and could not be overridden by “internal guidance.” *Id.* APJ Arpin responded and stated that the panel's delay was “inexcusable,” noting “we have managed to make this case a special situation” and that it “is the responsibility of the panel to decide what briefing is appropriate.” *Id.* CJ Ruschke replied and indicated that the panel would have to “wait for the Guidance to make sure there is nothing strange that DOC comes up with that is not in line with what PTAB is already doing” but assured the panel that they “should be able to proceed to final decision right after the Guidance becomes public.” *Id.*

On October 31, 2017, the appellant sent an email to the expanded panel and provided a justification for his conclusion that further briefing was unwarranted in the *Adidas/Nike* IPR. IAF, Tab 7 at 333. In this email, he also explained in pertinent part as follows:

The panel was expanded on November 4, 2016. At the instruction of the Chief Judge, the expansion of the panel has yet to be disclosed to the parties. The current plan appears to be authorizing briefing still without disclosing the expansion of the panel. I think due process requires the parties to be informed that they are addressing an expanded panel. There is an undeniable significance to an expanded panel, particularly one comprising the Chief and Deputy Chief Judges.

*Id.*; see also HT-1 at 87-88 (app's testimony).

Later that same day, the PTAB staff sent an email to the parties in the *Adidas/Nike* IPR and advised, “No conference call is necessary.” IAF, Tab 7 at 339. The email also provided the parties with a briefing schedule so that they could “address the impact of the *Aqua Products* decision on the Remand.” *Id.* This email did not notify the parties that CJ Ruschke and DCJ Boalick had been added to the panel. *Id.*

On November 21, 2017, CJ Ruschke issued a memorandum to the PTAB entitled “Guidance on Motion to Amend in view of *Aqua Products*” and this memorandum was added to the agency's public website. IAF, Tab 7 at 934-38. The next day, VCJ Bonilla circulated “additional guidance for judges (non-public pdf document),” that notified PTAB members that, “[f]or the time being, when speaking to parties or issuing orders/decision, the Board should not state that the burden of persuasion is on either party.” *Id.*, at 77-85.<sup>32</sup>

In early March 2018, the expanded panel circulated another final decision identifying CJ Ruschke as the authoring judge. IAF, Tab 7 at 391-471. The decision included concurring opinions by APJ Arpin and the appellant. *Id.* In his concurring opinion, the appellant provided a “Procedural History” of the IPR and discussed his conclusion that the panel's expansion “was Not Authorized by the Director” and “not Authorized by Statute and is Inconsistent with Statutes.” *Id.*, at 425-39 (citing and discussing *inter alia*, 35 U.S.C. §§ 6, 314, 316, 318, MPEP § 1002.02(f), SOP 1, Sec. III, the Administrative Procedures Act and due process); *see also* HT-1 at 88-93 (app's testimony).<sup>33</sup> He also alleged that the agency's failure to timely notify the parties that the panel had expanded deprived them of their opportunity “to argue that the expansion is inconsistent with due process, the [Administrative Procedures Act], or other legal authority.” *Id.*, at 439. In closing, he explained that although the “Director clearly retains authority over many aspects of the Board's procedures,” the Director does not have the authority to “expand previously designated panels during instituted inter partes review” and therefore could not have delegated this authority to the CJ in this case. *Id.*

On March 20, 2018, APJ Cocks sent the latest *Adidas/Nike* IPR decision to the ARC and the ARC returned it with suggested edits on March 27, 2018. IAF, Tab 7 at 472-556. The ARC also directed the panel to forward the decision to the management review committee “so that management [could] review the decision before mailing.” *Id.*<sup>34</sup>

On April 9, 2018, the expanded panel revised the decision after considering the ARC's suggestions and APJ Cocks forwarded the final version to the management review committee. IAF, Tab 7 at 557.

On April 19, 2018, the appellant's first-line supervisor, Lead APJ Susan Mitchell, notified him that management had identified "confidential information" in his concurring opinion in the *Adidas/Nike* IPR and she wanted to discuss the matter with him telephonically. IAF, Tab 7 at 559-602; HT-1 at 104-07 (app's testimony). She also attached a copy of the opinion "with the confidential information highlighted in yellow." *Id.*, at 599, 601-02. The highlighted information described the date that the panel was expanded, the identity of the additional panel members (i.e., CJ Ruschke and DCJ Boalick), the fact that the expansion prevented the original panel from entering their decision, and that the PTAB's email communications with the parties following the issuance of *Aqua Products* occurred over the appellant's objections and left the parties with the impression that the original panel had authorized the additional briefing. *Id.* The appellant spoke to Lead APJ Mitchell the same day and agreed to remove the highlighted information if CJ Ruschke agreed to issue the decision, adding however that he did not agree that the highlighted material was confidential. HT-1 at 104-07 (app's testimony).

On April 20, 2018, the appellant and his second-line supervisor, VCJ Scott Weidenfeller, spoke telephonically and VCJ Weidenfeller thanked the appellant for agreeing to remove the highlighted material and expressed optimism that the decision would be issued expeditiously. IAF, Tab 7 at 48. VCJ Weidenfeller subsequently sent an email on behalf of the management review committee to the expanded panel providing a status update which indicated that some panel members had expressed an interest in further revising the majority opinion. *Id.*, at 642-44. The appellant responded and stated as follows:

I just want to clarify that my edits were sought to protect from the disclosure of allegedly confidential information. I do not agree with the premise that such content may not be disclosed but I am agreeable to making the edits if they facilitate the prompt mailing of this decision. Thus, I ask all members of the panel to timely get their opinion ready for mailing.

Josiah, can you circulate a hyperlink to the decision so that I may enter my edits?

*Id.*, at 644 (emphasis in original). In response, APJ Cocks circulated the hyperlink per the appellant's request and the appellant edited his concurring opinion to remove the material at issue and notified the expanded panel accordingly. *Id.*, at 647; *see also id.*, at 49. On April 22, 2018, APJ Cocks sent an email to CJ Ruschke and DCJ Boalick with a copy to APJ Arpin and the appellant, and provided a status update in an attempt to move the decision forward. *Id.*, at 658.

On April 23, 2018, the appellant emailed the expanded panel and asked, "could the majority advise a date by when they can commit to mailing this decision?" IAF, Tab 7 at 650. The appellant did not receive a response. *Id.*, at 50.

The next day, the appellant emailed Director Iancu and stated as follows:

I know these are busy times, especially today. I nonetheless request your time to help resolve this lingering case. As I reported to you previously, the Chief Judge expanded the panel in this case on November 4, 2016. (The case is on remand [from] the CAFC so no statutory deadline applies.) To date, the Chief Judge has not allowed a decision to be entered. In my view, the decision has been unjustifiably delayed for years and should be entered immediately. I think your involvement in resolving the delay may be necessary. I am happy to talk with you one on one, with the Chief Judge present, or with all expanded panel members present.

IAF, Tab 7 at 51, 654; HT-1 at 108-09 (app's testimony).<sup>35</sup> Director Iancu did not respond to the appellant's email. *Id.*

On April 26, 2018, APJ Cocks sent an email to the expanded panel with some updates and advised, "I think, at this point, the majority opinion is suitably updated in the manner suggested by PTAB Management Review." IAF, Tab 7 at 657-58.

On April 30, 2018, the appellant sent an email to CJ Ruschke and DCJ Boalick with a copy to APJ Arpin and APJ Cocks and asked them to enter the decision in the absence of any additional edits. IAF, Tab 7 at 656-57. In his email, the appellant also stated as follows:

Since Scott Weidenfeller's suggestion that you might want to update the majority opinion, I have repeatedly requested whether you, in fact, have any such edits. Neither of you have responded to that simple question. I am concerned that you are delaying entering this order while you posture yourselves for removal from the panel. I understand that the Chief has previously expanded a panel in an inter partes review only to later un-expand it, all without disclosing those facts to the parties. I believe such a process would further exacerbate the serious legal concerns my concurring opinion raises with respect to panel expansion at the Board.

*Id.*

On May 1, 2018, CJ Ruschke responded to the email and stated that he was unable to look at the appellant's edits because he was away on international travel and just returned on April 30, adding that he did not know if DCJ Boalick had reviewed the edits either. IAF, Tab 7 at 656. He also indicated that a teleconference "may be the most efficient way to move this along." *Id.*



On May 7, 2018, CJ Ruschke held a teleconference with panel members and advised that the panel expansion in the *Adidas/Nike* IPR was “completely legal” and consistent with an opinion prepared by the PTO's Office of General Law (OGL). IAF, Tab 7 at 51; HT-1 at 107-08 (app's testimony). He also stated that the appellant's concurring opinion identifying the date that the panel had been expanded and/or any discussion relating to the legality of the expansion would not be entered. *Id.*<sup>36</sup>

On May 10, 2018, the appellant sent an email to CJ Ruschke with a copy to the expanded panel and stated as follows:

I was disappointed that, during the May 7, 2018, conference call among the expanded panel members, you stated that the decision on remand will not go out so long as I continue to discuss panel expansion in my concurring opinion (my view being that it was not authorized by statute or by the Director and that it was contrary to 35 USC 6, 316, and 318). Preventing me from issuing an opinion explaining my legal reasoning is not a legitimate use of any authority you may have as Chief Administrative Patent Judge.

Given your continued refusal to allow the decision to enter, I have removed the edits to my concurring opinion that management (via VCJ Weidenfeller) had sought. I never desired those edits. I agreed to them on the now unfulfilled condition that the decision would be timely entered. (See attached email sent April 20, 2018).

During the call, you asserted that you have an opinion from the Office of General Law opining that the panel's expansion was “completely legal.” Will you please provide me that opinion?

Also, I was disturbed by your suggestion, during the call, that the panel could be unexpanded and a decision be entered that would not discuss the panel's expansion, which decision could erroneously characterize the cause of the enormous delay in ruling on other factors.

IAF, Tab 7 at 656; HT-1 at 108 (app's testimony). CJ Ruschke and/or DCJ Boalick did not respond to the appellant's email and/or request. *Id.*

On May 15, 2018, the appellant sent an instant message to Director Iancu asking him if he was available to speak. IAF, Tab 7 at 52, 662; HT-1 at 109 (app's testimony). Director Iancu did not respond to his message. *Id.*<sup>37</sup>

On May 29, 2018, VCJ Weidenfeller sent the appellant and Lead APJ Mitchell an electronic invitation for a teleconference to be held at 4:30 p.m. on May 30, 2018 and the appellant accepted the invitation. IAF, Tab 7 at 663-64; HT-1 at 113-14 (app's testimony).

On May 30, 2018 at 3:08 p.m., the appellant received an email from “PTAB AIA Paneling” regarding “IPR2017-00359” stating as follows:

Judges,

Judge Fitzpatrick is unavailable to serve on the above case. Because the deadline is far enough in the future, we have been directed to repanel the case according to our normal procedure. Judge Fitzpatrick is replaced by Judge Zado. Please note the FWD, originally due 6/1, has a six month extension.

The new panel is as follows:

Moore, B/Weinschenk/Zado.

IAF, Tab 7 at 665. The email was also sent to APJs More, Weinschenk and Zado. *Id.*

At 4:30 p.m., this same day the appellant participated in the scheduled teleconference with VCJ Weidenfeller and Lead APJ Mitchell, and VCJ Weidenfeller informed the appellant that he was being removed from every IPR panel on his docket, to include the *Nike/Adidas* IPR, and would only be assigned ex parte appeals moving forward. IAF, Tab 6 at 12-13 (Weidenfeller Performance Summary notes) and Tab 7 at 53; HT-1 at 113-28 (app's testimony). He also notified him that he was having a number of performance problems to include “repeatedly show[ing] a lack of discretion and judgment” when interacting with his fellow judges, failing to timely provide his draft opinions to colleagues as required by agency procedures, refusing to compromise “on even seemingly minor issues” before the statutory due date to comply with time deadlines, and openly refusing to follow the Director's guidance. *Id.* In addition, VCJ Weidenfeller told him that he would rate his performance as being “marginal” in Critical Element 1 of his performance plane (“Internal/External Stakeholder Interaction” a.k.a “Customer Service”) if he had to rate him at this time. *Id.*; *see also id.*, Tab 33 at 139, 142 (2018 Mid-Year Review).<sup>38</sup>

Although the appellant was removed from the *Adidas/Nike* IPR panel on May 30, 2018, the agency did not provide the parties with any notice of the change at this time.

On or about June 20, 2018, PTAB management added APJ Scott Daniels to the *Adidas/Nike* IPR panel as a replacement for the appellant and, on June 28, 2018, DCJ Boalick informed the panel members that management had “unexpanded” the panel by removing himself and CJ Ruschke. HT-1 at 139-42 (app's testimony); HT-2 at 560 (Ruschke testimony); *see also* IAF, Tab 7 at 54-55

(app's IG Statement). He also directed the three-judge panel “to rule without further delay.” *Id.* The agency did not, however, notify the parties that CJ Ruschke had designated a new panel member at this time. *Id.*

On September 17, 2018, DCJ Boalick issued an Order to the parties that notified them that CJ Ruschke had removed the appellant from the panel and replaced him with APJ Daniels. IAF, Tab 32 at 79-82 (Boalick Order dated 9/17/18); HT-1 at 246-47 (app's testimony).

On September 18, 2018, a PTAB panel consisting of APJs Cocks, Arpin and Daniels issued a “DECISION ON REMAND” in the *Adidas/Nike* IPR. IAF, Tab 32 at 14-78; *Adidas AG v. Nike, Inc.*, No. IPR2013-00067, 2018 WL 4501969 (PTAB Sept. 18, 2018). The decision made no mention of CJ's Ruschke's action that expanded the panel on November 14, 2016 and unexpanded it on June 28, 2018. *Id.*

#### *The Appellant's Informal and Formal Grievances*

On June 14, 2018, the appellant filed an informal grievance under the agency's Administrative Grievance Procedures challenging his removal from AIA cases and VCJ Weidenfeller's May 30, 2018 performance appraisal to include VCJ Weidenfeller's allegations that he repeatedly failed to comply with internal deadlines and refused to compromise with his fellow judges. IAF, Tab 6 at 68-74 (Informal Grievance).<sup>39</sup> On September 25, 2018, the agency denied the informal grievance and the appellant filed a formal grievance on October 9, 2018. *Id.*, Tab 5 at 24-29 (Formal Grievance). On December 7, 2018, DCJ Boalick, who was serving as the Acting CJ at this time, issued a decision denying the formal grievance. *Id.*, at 22-23 (Grievance Decision); HT-1 at 140-43 (app's testimony).

The appellant proved by preponderant evidence that his disclosures relating to the expansion of the *Adidas/Nike* IPR panel are protected under 5 U.S.C. § 2302(b)(8).

The appellant first contends that he disclosed that agency management officials illegally interfered with the *Adidas/Nike* IPR process when they: (a) secretly expanded the PTAB review panel from three to five judges after the original three-judge panel had fully decided the case; (b) improperly delayed the issuance of the final decision; and (c) failed to notify the parties that the panel had been expanded as discussed in turn below. In support of these claims, the appellant contends that the agency's actions and/or inactions in this regard violated 35 U.S.C. § 6(c), MPEP § 1002.02(f), and SOP 1, Sec. III. The appellant also contends that the agency's actions and/or inactions constituted an abuse of authority under the Whistleblower Protection Act (5 U.S.C. § 2302(b)), a violation of the Administrative Procedures Act (5 U.S.C. §§ 551-559), and a violation of the Due Process

clauses of the Fifth and Fourteenth Amendments. IAF, Tab 7 at 8-11, 16-17, 54, 66; 430-39, 674, Tab 27 at 10; *see also* HT-1 at 152-53 (app's testimony).<sup>40</sup> I have provided a brief discussion of the protections afforded by the Whistleblower Protection Act, the Administrative Procedures Act, and the Fifth and Fourteenth Amendments below.

### *Whistleblower Protection Act*

As relevant here, the Whistleblower Protection Act (WPA) protects a federal employee from “abuse of authority.” 5 U.S.C. § 2302(b)(8). An abuse of authority occurs when there is an arbitrary or capricious exercise of power by a federal official that adversely affects the rights of any person or that results in personal gain or advantage to himself or to preferred other persons. *Mithen v. Department of Veterans Affairs*, 122 M.S.P.R. 489, ; 27 (2015), *aff'd per curiam*, 652 F.App'x 971 (Fed. Cir. 2016) (citing *Linder v. Department of Justice*, 122 M.S.P.R. 14, ; 15 (2014)). It is well settled, however, that “a communication concerning policy decisions that lawfully exercise discretionary authority” is not a protected disclosure under the WPA, unless the employee providing the disclosure “reasonably believes” that the disclosure separately constitutes an abuse of discretion under 5 U.S.C. § 2302(b)(8)(A). 5 U.S.C. § 2302(a)(2)(D); *Lachance*, 174 F.3d at 1381 (“The WPA is not a weapon in arguments over policy . . .”).

### *The Administrative Procedures Act*

The Administrative Procedures Act (APA) was implemented to, *inter alia*, provide a transparent and procedurally sound process for Executive branch agencies to adjudicate disputes. *See* 5 U.S.C. §§ 552 (“Public information; agency rules, opinion, orders, records and proceedings”), 554 (“Adjudications”), 555 (“Ancillary matters”), 556 (“Hearings; presiding employees; powers and duties; burden of proof; record as basis of decision”), 557 (“Initial decisions; conclusiveness; review by agency; submissions by parties; contents of decision; record”). As relevant here,

the Administrative Procedures Act requires the PTO to “timely inform[ ]” a patent owner of “the matters of fact and law asserted” in an inter partes review of its patent, 5 U.S.C. § 554(b)(3), to give “all interested parties opportunity for . . . the submission and consideration of facts [and] arguments . . . [and] hearing and decision on notice,” § 554(c), and to permit a party “to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts,” § 556(d). *See Bowman Transp., Inc. v. Arkansas-Best Freight Sys., Inc.*, 419 U.S. 281, 288 n. 4, 95 S.Ct. 438, 42 L.Ed.2d 447 (1974); *Pension Benefit Guaranty Corp. v. LTV Corp.*, 496 U.S. 633, 655, 110 S.Ct. 2668, 110 L.Ed.2d 579 (1990).

*Belden Inc. v. Berk-Tek, LLC*, 805 F.3d 1064, 1080 (Fed. Cir. 2015); *see also Cuozzo Speed Technologies, LLC v. Lee*, 136 S.Ct. 2131, 2141-42 (2016) (In an IPR proceeding, the APA “enables reviewing courts to 'set aside agency action' that is 'contrary to constitutional right,' 'in excess of statutory jurisdiction,' or 'arbitrary [and] capricious.’”) (citations omitted); *SAS Institute Inc. v. Iancu*, 138 S.Ct. 1348, 1353-54 (2018) (same); *In re NuVasive, Inc.*, 841 F.3d 966, 971 (Fed. Cir. 2016) (“While 'the rules and practice of the Board *generally* protect against loss of patent rights without the required notice and opportunity to respond,' *Belden*, 805 F.3d at 1080 (emphasis added), those rules and practices protect against such loss in a given case only when, upon a proper request, the PTO actually provides the opportunities required by the APA and due process.”).

The APA also generally prohibits the “substantive review and supervision of the quasi-judicial functions” of Executive branch adjudicators. *Abrams v. Social Security Administration*, 703 F.3d 538, 545 (Fed. Cir. 2012). Accordingly, in an IPR proceeding, the APA protects the adjudicating judge from management interference that might infringe on the judge's obligation to provide an independent and legally sufficient decision free from pressure and outside influence. *Id.*; *see also Butz v. Economou*, 98 S.Ct. 2894, 2914 (1978) (“[T]he process of agency adjudication, under the APA, is “currently structured to assure that the hearing examiner exercises his independent judgement on the evidence before him, free from pressures by the parties or other officials within the agency.”); *Brennan v. Department of Health and Human Services*, 787 F.2d 1559, 1562 (Fed. Cir. 1986) (“The APA has provisions to insure the decisional independence of the ALJs and prohibits substantive review and supervision of an ALJ's performance of his quasi-judicial functions.”); *Tunik v. Merit Systems Protection Board*, 407 F.3d 1326, 1332 (Fed. Cir. 2005) (“A substantial driving force behind the enactment of the APA was the need for greater independence of those adjudicating private rights.”). That said, a judge's right to “decisional independence does not prohibit 'appropriate administrative supervision that is required in the course of general office management.’” *Abrams*, 703 F.3d at 545 (quoting *Brennan*, 787 F.2d at 1562).

### *Procedural Due Process Under The Constitution*

The Fifth and Fourteenth Amendments of the Constitution prohibit Federal and State governments respectively from depriving persons of life, liberty, or property without due process of law. *Mathews v. Eldridge*, 96 S.Ct. 893, 901 (1976) (“Procedural due process imposes constraints on governmental decision which deprive individuals of 'liberty' or 'property' interests within the meaning of the Due Process Clauses of the Fifth or Fourteenth Amendment” of the Constitution.”). The Supreme Court has made clear that the due process requirement of a fair trial in a fair tribunal “applies to administrative agencies which adjudicate as well as to courts.” *Withrow v. Larkin*, 95 S.Ct. 1456, 1464 (1975) (citation omitted). That said, the Court has explained that in administrative adjudications, due process is an “elusive concept” and its “exact boundaries are



undefinable, and its content varies according to the specific factual contexts.” *Hannah v. Larche*, 80 S.Ct. 1502, 1514 (1986). Nevertheless, “when governmental agencies adjudicate or make binding determinations which directly affect the legal rights of individuals, it is imperative that those agencies use the procedures which have traditionally been associated with judicial process.” *Id.*<sup>41</sup> In this regard, the Federal Circuit has made clear that “a patent is a property right protected by the Due Process Clause” and therefore the parties in an IPR are entitled to notice and opportunity to be heard by a disinterested decision maker. *Abbott Labs.*, 710 F.3d 1318, 1328 (Fed. Cir. 2013) (“The indispensable ingredients of due process are notice and an opportunity to be heard by a disinterested decision-maker.”) (citing *Fla. Prepaid Postsec. Educ. Expense Bd. v. College Sav. Bank*, 119 S.Ct. 2199 (1999) and *Patlex Corp v. Missinghoff*, 758 F.2d 594, 599 (Fed. Cir. 1985)).

*(a) Secret/Unlawful Panel Expansion*

As detailed above, the unrefuted evidence proves that, on May 17, 2013, the PTAB instituted the *Adidas/Nike* IPR, appointed the appellant, APJ Arpin, and APJ Cocks to adjudicate the review, and notified the parties accordingly. On April 28, 2014, the panel issued its decision and Nike filed a petition with the Federal Circuit from the decision. On February 11, 2016, the Federal Circuit affirmed the Decision in part and vacated in part, and remanded the IPR back to the PTAB for further processing. The PTAB returned the remand to the original panel and the panel prepared a decision in accordance with the court's instructions. On September 30, 2016, the panel forwarded a copy of its decision to the ARC and the ARC returned the decision on October 4, 2016 and “suggested” the panel send the decision to CJ Ruschke and DCJ Boalick “for informational purposes prior to mailing.” On October 14, 2016, the original panel forwarded a copy of the final written decision prior to mailing to CJ Ruschke and DCJ Boalick per the ARC's suggestion. On November 4, 2016, CJ Ruschke notified the original panel that he was expanding the panel to include himself and DCJ Boalick.<sup>42</sup>

The unrefuted evidence also demonstrates that the appellant subsequently notified management officials that he believed CJ Ruschke had usurped his delegated authority when he expanded the *Adidas/Nike* IPR panel after the originally designated panel had completed its decision from the Federal Circuit's remand. *See* IAF, Tab 7 at 434-39 (concurring opinion). Specifically, he explained in his concurring opinion that MPEP § 1002.02(f) only permits the CJ to expand a panel when an IPR is initially instituted or on a request for reconsideration. *Id.* He also argued that 35 U.S.C. § 6(c) authorizes the Director to designate a panel of “at least” three PTAB members but does not provide him with the authority to expand the panel in the middle of an IPR adjudication or after the originally designated panel has rendered its decision. *Id.*, at 435 (citing *Lyng v. Payne*, 476 U.S. 926, 937 (1986) (“[A]n agency's power is no greater than that delegated to it by Congress.”); *Killip v. Office of Personnel Management*, 991 F.2d 1564, 1569 (Fed. Cir. 1993) (“An agency is but



a creature of statute. Any and all authority pursuant to which an agency may act ultimately must be grounded in an express grant from Congress.”)). For these reasons, he alleged that “midstream panel expansion amounts to an end run around the statutes that directly vest authority to hear, conduct, and decide instituted *inter partes* reviews with the Patent Trial and Appeal Board.” IAF, Tab 7 at 439; *see also* HT-1 at 230-38 (app's testimony).

In support of the appellant's claim that his disclosure was reasonable, he relies, in addition to the legal authority cited in his concurring opinion as noted above, on statements made by Chief Justice John Roberts during oral argument before the Supreme Court in *Oil States Energy Service, LLC v. Greene's Energy Group, LLC*. During the oral argument, Chief Justice Roberts asked Deputy Solicitor General Malcolm Stewart, “Does it comport to due process to change the composition of the adjudicatory body halfway through the proceeding?” IAF, Tab 7 at 10 (quoting *id.*, at 732-34 (transcript of oral arguments). Mr. Stewart responded, “This has been done on three occasions. It's been done at the institution stage,” to which Chief Justice Roberts replied, “So I'll rephrase the question.” *Id.* “Was it illegal under those three occasions?” *Id.* Later in the exchange, Mr. Stewart informed the Court that the composition has never changed “at the merits stage” of an IPR “when patentability was actually being determined.” *Id.* The appellant contends that the Chief Justice's inquiry demonstrates that the legality of a panel expansion halfway through an IPR proceeding is arguably unauthorized and perhaps illegal. *Id.*, at 7.

For its part, the agency contends that the decision to expand the *Adidas/Nike* IPR panel was a valid and permissible exercise of agency discretion under the law. IAF, Tab 5 at 16 (citing *Webb v. Department of Interior*, 122 M.S.P.R. 248, ; 8 (2015) (“The Board has held that the statutory protection for whistleblowers is not a weapon in arguments over policy or a shield for insubordinate conduct.”) and Tab 28. First, the agency notes that the plain language in 35 U.S.C. § 6(c) permits the Director and/or his delegate (i.e., the PTAB's CJ) to designate an IPR panel that may exceed the statutory minimum of “at least” 3 members. IAF, Tab 5 at 13-17. In addition, the agency cites to SOP 1, Section III discussing “Expanded Panels” to support its claim that the CJ has the authority to expand a panel at any time. *Id.* More specifically, the agency notes that Section III permits expansion from “time to time” when, for example, “the proceeding or AIA Review involves an issue of exceptional importance,” “is necessary to secure and maintain uniformity of the Board's decisions,” and/or a “written request from the Commissioner for Patents or the Commissioner's delegate” is received. *Id.*, at 14 (quoting *id.*, Tab 6 at 447-48 (SOP 1, III. Expanded Panels)); *see also id.*, Tab 26 at 10-12.

The agency also provides a citation to a dissenting opinion by Supreme Court Justice Neil Gorsuch in *Oil States* wherein Justice Gorsuch indicated that “the Director can add more members to the panel - including himself - and order the case reheard” if the originally designated panel “reach[es]

a result he does not like.” *Oil States*, 138 S.Ct. at 1381 (Justice Gorsuch citing 35 U.S.C. §§ 6(a); (c); *In re Alappat*, 33 F.3d 1526, 1535 (Fed. Cir. 1994) (en banc); *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co. Ltd.*, 868 F.3d 1013, 1020 (Fed. Cir. 2017) (Dyk, J., concurring)).

After considering the evidence and argument in this record, I find that the appellant proved by preponderant evidence that he had a reasonable basis to conclude that CJ Ruschke unlawfully expanded the panel in the *Adidas/Nike* IPR under the circumstances of this case.<sup>43</sup> It is well settled that “[t]he power of an administrative agency to administer a congressionally created . . . program necessarily requires the formulation of policy and the making of rules to fill any gap left, implicitly or explicitly, by Congress.” *Chevron, U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 104 S.Ct. 2778, 2782 (1984) (citing *Morton v. Ruiz*, 94 S.Ct. 1055, 1072 (1974)). “If Congress has explicitly left a gap for the agency to fill, there is an express delegation of authority to the agency to elucidate a specific provision of the statute by regulation” and the “legislative regulations are given controlling weight unless they are arbitrary, capricious, or manifestly contrary to the statute.” *Id.*

In this case, I agree with the appellant that MPEP § 1002.02(f)(3) controls and the plain language therein indicates that the authority to designate a panel is permitted at two times during the IPR process, i.e., “initially and on request for reconsideration.”<sup>44</sup> Thus, CJ Ruschke's decision to expand the panel nine months after the Federal Circuit's remand and only after the originally designated panel had rendered its decision exceeded the scope of his authority as provided under § 1002.02(f)(3) because the designation action did not occur initially or on a request for reconsideration as provided by the plain language of the regulation.

Moreover, in contrast to the agency's claim, SOP 1, Section III, appears to contemplate the expansion of an IPR panel under only two scenarios: (1) “after a case initially has been assigned to a merits or interlocutory panel and [] **before a decision is entered by the panel**”; or (2) “after entry of a decision by a merits or interlocutory panel and [] **to consider a request for rehearing** of the decision of the panel.” SOP 1, Sec. III, ; (E) and (F) (emphasis added). In this case, CJ Ruschke expanded the panel after the original panel had completed deliberations and rendered its final decision following ARC review,<sup>45</sup> and his decision to expand was unrelated to any request for rehearing.<sup>46</sup>

Moreover, I find that the Supreme Court's decision in *Arthrex* provides compelling support for the appellant's contention that CJ Ruschke lacked the authority to expand the panel and/or otherwise interfere with the process after the agency designated the original panel to adjudicate the IPR.

In *Arthrex*, the Court explained that after the Director designates a panel to conduct an IPR proceeding, the panel “then assumes control of the process” and the Director can only intervene if a dissatisfied party seeks judicial review before the Federal Circuit. *Arthrex*, 141 S.Ct. at 1977-78<sup>47</sup>; see also *SAS Institute*, 138 S.Ct. at 1353-54 (“Once the Director institutes an inter partes review, the matter proceeds before the Board with many of the usual trappings of litigation.”). The Court also explained that although the Director has “administrative oversight” of the IPR process that includes the “power” to select panel members, promulgate regulations, issue guidance, and designate a prior decision as “precedential,” the Director does not have the authority to direct or supervise the APJs’ “decisions on patentability.” *Arthrex*, 141 S.Ct. at 1980. Rather, the Court held that APJs wielded “unreviewable authority” during the IPR process, adding that the “chain of command runs not from the Director to his subordinate, but from the APJs to the Director.” *Id.*, at 1980-85.

Moreover, the Court flatly rejected the suggestion that the Director could “manipulate” and/or “stack” the composition of an IPR panel to “indirectly influence the course of inter partes review,” stating that “such machinations” would “blur the lines of accountability” and leave the parties “with neither an impartial decision by a panel of experts nor a transparent decision for which a politically accountable officer must take responsibility.” *Arthrex*, 141 S.Ct. at 1981-82.<sup>48</sup> Thus, I find that the Court’s description of the IPR process during the time period relevant to this appeal supports the appellant’s claim that the Director lacked the authority to expand the panel and/or otherwise interfere with the IPR process under the circumstances of this case.

In addition, I agree with the appellant that Chief Justice Roberts’ inquiry during the *Oil States* oral arguments unmistakably demonstrates that he was concerned that a change in the composition of an IPR “halfway through the proceeding” could constitute a violation of the parties’ due process rights. In fact, I am unable to discern and the agency has failed to offer any other explanation for the inquiry.

Finally, I find that the agency’s reliance on Justice Gorsuch’s understanding of the process as described in his *Oil States* dissent tends to detract from rather than advance its claim that expansion is permitted at any phase of the IPR proceeding. In his dissent, Justice Gorsuch states that a decision in an IPR may only be “reheard” after the originally designated panel has “reached a result” the Director does not like. *Oil States*, 138 S.Ct. at 1381. In support of his position, Justice Gorsuch cites to the Federal Circuit’s holding in *In re Alappatt*, which describes the Director’s authority to “control the PTO’s position in any appeal through the Solicitor of the PTO” after a panel “rejects an application” or by refusing to “to sign a patent” after “the Board approves an application.” *Id.*, (citing *In re Alappatt*, 33 F.3d at 1535<sup>49</sup>). Justice Gorsuch also cites to Judge Timothy Dyk’s concurring opinion in *Nidec* wherein Judge Dyk expressed his concern with the Director’s authority to expand an IPR panel on a parties’ request for rehearing. *Oil States*, 138 S.Ct. at 1381 (citing

*Nidec*, 868 F.3d at 1020). Thus, I find that Justice Gorsuch's reliance on these holdings suggests that he believes the Director has the authority to intervene only under the limited scenarios described in *In re Alapatt* and *Nidec*, that is, after a panel renders a decision or on a request for rehearing. Thus, contrary to the agency's contention, I find that the process described by Justice Gorsuch does not support the agency's claim that expansion is permitted at any time but instead supports a finding that the panel can only be expanded in limited circumstances, none of which are relevant here.

Consequently, for all of the reasons discussed above, I find that a disinterested observer with knowledge of the essential facts known to and readily ascertainable to the appellant at the time of his disclosure could have reasonably concluded that CJ Ruschke exceeded the scope of his authority in violation of 35 U.S.C. § 6, MPEP § 1002.02(f), and SOP 1, Sec. III, when he expanded the *Adidas/Nike* IPR panel after the originally designated panel had rendered its decision in early November 2016.

*(b) Unlawful Delay*

The unrefuted evidence as summarized above demonstrates that on February 11, 2016, the Federal Circuit issued its remand decision followed by its mandate on April 4, 2016. On October 14, 2016, the designated IPR panel notified management that their final written decision was ready for mailing. On November 4, 2016, CJ Ruschke expanded the panel to include himself and DCJ Boalick. On May 30, 2018, VCJ Weidenfeller removed the appellant from the *Adidas/Nike* IPR panel. On June 20, 2018, management added APJ Scott Daniels to the *Adidas/Nike* IPR panel as a replacement for the appellant. On June 28, 2018, DCJ Boalick unexpanded the panel by removing himself and CJ Ruschke and directed the panel to rule without further delay. On September 17, 2018, DCJ Boalick notified the parties that the appellant was being replaced by APJ Daniels. On September 18, 2018, or 2 years, 7 months, and 7 days after the Federal Circuit's remand, the PTAB panel consisting of APJs Arpin, Cocks, and Daniels issued its decision in the *Adidas/Nike* IPR.

The evidence also shows that beginning in late November 2016 through May 2018, the appellant repeatedly notified CJ Ruschke and/or DCJ Boalick that their failure to conscientiously and timely comply with their obligations as panel members in the *Adidas/Nike* IPR impermissibly interfered with the efficient adjudication of the IPR to the detriment of the parties and original panel members. The evidence also shows that the lengthy delays arguably damaged the reputation of the PTO and the original panel members before the parties, the court, the patent bar, and the public.

After carefully considering the record evidence, I find that the appellant proved by preponderant evidence that a disinterested observer with knowledge of the essential facts could reasonably conclude that management's actions and/or inactions in this case constituted: (1) an “abuse of

authority” within the meaning of 5 U.S.C. § 2302(b)(8)(A)(i); (2) unlawful interference in violation of the APA; and (3) a violation of the litigants' rights to due process under the 5<sup>th</sup> Amendment for the reasons provide below.

As discussed above, 35 U.S.C. § 316(a)(11) obligates the PTAB to issue a final written decision no more than 18 months after an IPR is instituted, assuming that good cause has been shown to extend the one-year statutory deadline by an additional six months. *See also Arthrex*, 141 S.Ct. at 1977 (“The PTAB must issue a final written decision on all of the challenged patent claims within 12 to 18 months of institution.”); HT-2 at 40 (Weidenfeller testimony (The AIA “sets forth certain deadlines by which the Board must issue decision and the Board takes those statutory deadlines very seriously.”)). At the hearing, the agency introduced testimony to support its claim that this statutory deadline is inapplicable to IPR decisions *following a remand*. Specifically, CJ Ruschke testified that the one-year statutory deadline did not apply to the *Adidas/Nike* IPR because the IPR had “come back on remand” and therefore was not “governed by any particular clock.” HT-3 at 61, 235-36 (Ruschke testimony).

Although this claim is arguably defensible as a technical matter, it runs contrary to the spirit of the AIA and Congress's unmistakable intent to have the PTAB expeditiously adjudicate IPRs given the significant impact that these decisions have on the rights of the litigants, and in some instances, on the “fates of entire industries.” *Arthrex*, 941 F.3d 1320.<sup>50</sup> Thus, I find that the agency had, at a very minimum, a legal obligation to expeditiously adjudicate the IPR following the Federal Circuit's remand decision. *See also* 37 C.F.R. § 42.1(b) (“This part shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding.”); HT-3 at 56-57, 61, 235-36 (Ruschke testimony stating the PTAB had a “policy” to make the one-year statutory deadline for final written decisions and that he had set a “goal of a sixth month time frame in order to do remands” assuming the same panel and “fairly limited” issues); HT-2 at 364-65 (Boalick testimony acknowledging that management was aware of the Federal Circuits concern regarding the timeliness of remand decisions and noting that the agency now has an SOP setting forth a “goal” of completing a remand decision within 6 months “from the time a mandate issues.”); HT-3 at 292 (Fink testimony explaining that the agency will “go to heroic lengths not to violate” the “strict” deadlines with regard to timely case processing).

Notwithstanding this obligation, however, I find that the appellant had a reasonable basis to believe that management officials abused their authority in violation of the parties' rights to due process when they expanded the panel in November 2016 and then prevented the expanded panel from timely processing the IPR thereafter. At the hearing, the agency introduced evidence to support its claim that its decision to expand the panel in November 2016 and the subsequent delay in case processing were justified and reasonable under the circumstances. As for its decision to



expand, CJ Ruschke testified that he initially expanded the panel because management officials had collectively determined that the IPR involved issues of “exceptional importance” and “uniformity” of decision within the meaning of SOP 1, Section III, ; (A)(1) and (A)(2). HT-3 at 63-69 (Ruschke testimony). More specifically, he explained that the *Adidas/Nike* IPR involved, *inter alia*, issues relating to the appropriate process for adding substitute claims in an IPR and the parties' related burdens of proof when the claims are reviewed.<sup>51</sup> *Id.* He also noted that the *Adidas/Nike* IPR provided the Board with an effective vehicle to inform PTAB members and stakeholders of the Board's position on these issues, noting that panels had been issuing conflicting decisions and “stakeholders were asking for advice” on how to proceed. *Id.* In fact, he explained that the issues in this case were so significant that he added himself and DCJ Boalick to the panel in order to “send a definitive signal” to the Board, its stakeholders, and “the public” that the guidance provided in the final decision would essentially constitute the Board's official positions on these issues moving forward.<sup>52</sup> *Id.*; *see also* HT-2 at 188-91, 202-06, 211 (Boalick testimony corroborating significance of *Adidas/Nike* IPR, referencing IAF, Tab 7 at 158 (Nov. 4, 2016 email from Boalick to panel re expansion)).

In contrast to CJ Ruschke's explanation, however, the unrefuted record shows that agency management officials delayed the issuance of the decision for almost two years following the panel's expansion because, for the most part, CJ Ruschke and DCJ Boalick were too busy with other management responsibilities to actively participate with the original panel to process their own decisions. In fact, CJ Ruschke testified that although the *Adidas/Nike* IPR was an important case and he appreciated the panel's concerns relating to timeliness, these matters were “not a super high priority” for him given his responsibilities as the CJ, adding that “the day to day operation of any particular case was not necessarily something that was on the top of my to do list every day.” HT-3 at 178; *see also e.g.*, IAF, Tab 7 at 198-99. He also testified that he does “not think that the parties were harmed in any way” notwithstanding the fact that their IPR “got dragged out ad infinitum.” HT-3 at 241.<sup>53</sup> Similarly, DCJ Boalick testified that “it took a while to get around to looking at it and coming to focus our attention on it” because there “were a million other things happening at the Board in parallel with the *Nike* case that both the Chief Judge and I were involved in and demanded our attention.” HT-2 at 204-06, 363-66 (Boalick testimony). As such, he stated that he “might have spent, total time, a couple of days on it, broken up in chunks, reading opinions, looking at different issues.” *Id.*<sup>54</sup>

Thus, although the record arguably supports a finding that the initial decision to expand the panel was justified as a matter of policy based on the agency's claim that a timely decision was exceptionally important for continuity of decision and to provide the PTAB and its stakeholders with requested guidance on important legal issues,<sup>55</sup> management's actions following the



expansion that delayed the issuance of the decision for almost two years because they were too busy with other matters suggests that the stated basis for expansion is not particularly credible.<sup>56</sup>

As for the delay following the expansion, CJ Ruschke and DCJ Boalick offered testimony to show that the delay in processing the IPR was not based solely on their unavailability to participate on the panel but also on other matters beyond their control. More specifically, they testified that the issuance of the court's decision in *Aqua Products*<sup>57</sup> on October 4, 2017 followed by the addition of a new PTO Director (Andrei Iancu) in February 2018 demonstrates that the delay in processing was justified and reasonable. HT-3 at 74-95, 108, 126 (Ruschke testimony); HT-2 at 365-66, 371-73 (Boalick testimony). Significantly, however, the period of delay arguably attributable to these matters, in context, was relatively insignificant compared with the nearly two-year delay associated with management's interference in the timely processing of the IPR. Indeed, the record shows that CJ Ruschke's and DCJ Boalick's failure to timely prepare their decisions and/or actively participate in the panel's adjudication process prevented it from issuing a final decision for a full year before the court's decision in *Aqua Products* and for another six months after the parties' deadline to brief the decision had expired.

Moreover, at the hearing, DCJ Boalick testified that after the Federal Circuit issued its decision in *Aqua Products* on October 4, 2017, “it was appropriate to unexpand” the panel because the court had resolved the important legal issues and the “split of authority” that justified the expansion in the first place. HT-2 at 363 (Boalick testimony).<sup>58</sup> Nevertheless, the record shows that CJ Ruschke and DCJ Boalick continued to actively interfere with the efforts of the original panel members to issue the decision for another eight-and-a-half months notwithstanding the vociferous objections by the original panel members leading up to the appellant's removal from the panel on May 30, 2018. In short, I find that the record supports the appellant's claim that management officials abused their authority in violation of the parties' rights to due process by arbitrarily and capriciously impeding the efficient processing of the IPR.

I also find troubling the notice that DCJ Boalick provided to the parties by Order dated September 17, 2018, to explain the delay in the adjudication. IAF, Tab 32 at 79-82. In pertinent part, he stated:

On October 4, 2017, the Federal Circuit issued an *en banc* decision in *Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) (“*Aqua Products*”). In that decision, the court overruled its *Nike* decision to the extent it was inconsistent with *Aqua Products* as to the burden of persuasion with respect to the patentability of substitute claims presented in a motion to amend. *Aqua Products*, 872 F.3d. at 1296 n.1.

On June 1, 2018, in view of *Aqua Products*, the Board de-designated as precedential *MasterImage 3D, Inc. v. RealD Inc.*, Case IPR2015-00040 (PTAB July 15, 2015) (Paper 42) and de-designated as informative *Idle Free Sys., Inc. v. Bergstrom, Inc.*, Case IPR2012-00027 (June 11, 2013) (Paper 26). Also on June 1, 2018, the Board designated as informative *Western Digital Corp. v. SPEX Techs., Inc.*, Case IPR2018-00082 (PTAB Apr. 25, 2018) (Paper 13).

Due to the impact these cases had on the Board's policies and procedures, and in order to ensure consistency of the Board's decision with Federal Circuit precedent, the Board delayed the issuance of the panel decision on remand from the Federal Circuit.

*Id.*, at 80. Although this Order accurately describes a justification to explain the delay for the period October 4, 2017 through November 2, 2017,<sup>59</sup> and for a brief period after June 1, 2018, it does provide an accurate and/or complete explanation for the rest of the delay, a period that exceeded two years. As such, I find that this notice lacks transparency and candor, and is arguably misleading. In addition, this notice appears to violate the policy described by management officials in their correspondence with the original *Adidas/Nike* panel members and in their hearing testimony wherein they claimed that party notification of a change in the panel's composition was prohibited prior to issuance of the final decision. *See* HT-2 at 191-93, 218-19 (Boalick testimony); HT-3 at 154 (Ruschke testimony) (“the announcement of the expanded panel was not done until the decision was actually mailed.”); IAF, Tab 7 at 198-99. *Id.*

In sum, I find that preponderant evidence establishes that a disinterested observer with knowledge of the material facts could reasonably conclude that management's actions/inactions: (1) constituted an abuse authority under 5 U.S.C. § 2302(b)(8) and a violation under the APA because their actions were arbitrary and capricious and adversely affected the rights of the litigants; (2) violated the original panel's authority under the APA by interfering with the IPR process after it had rendered a final decision on October 14, 2016 and then prevented the original panel members from timely adjudicating the IPR after expansion in a manner free from management interference and influence; and (3) violated the litigants rights to due process under the 5<sup>th</sup> Amendment by arbitrarily and capriciously delaying the issuance of IPR.

*(c) Failure to Notify*

The unrefuted evidence as summarized above demonstrates that the PTAB notified the parties and the public in 2013 that the appellant, APJ Arpin and APJ Cocks had been designated as the PTAB panel for the *Adidas/Nike* matter and they remained the designated panel members following the Federal Circuit's remand decision in February 2016. On November 4, 2016, CJ Ruschke expanded the panel by designating himself and DCJ Boalick as new panel members without notifying the

parties. Thereafter, he prohibited the original panel from issuing an Order to notify the parties of the new designations. On May 30, 2018, VCJ Weidenfeller removed the appellant from the panel and the agency did not notify the parties that the composition of the panel had changed. On June 20, 2018, CJ Ruschke designated APJ Daniels as a panel member but did not notify the parties. On June 28, 2018, CJ Ruschke unexpanded the panel leaving APJs Arpin, Cocks, and Daniels as the designated members without notifying the parties. On September 17, 2018, DCJ Boalick issued an Order to the parties and informed them that CJ Ruschke had replaced the appellant with APJ Daniels as the third panel member. The next day, the three-judge panel consisting of APJs Arpin, Cocks and Daniels issued the decision in the *Adidas/Nike* IPR.

The unrefuted evidence also shows that the appellant informed agency management via email and in his concurring opinion that the secret<sup>60</sup> expansion of the panel under the circumstances violated the parties' due process rights. He also alleged that the refusal to notify the parties of the changes in panel composition over the objection of the original panel members coupled with the surreptitious behavior of management officials behind the scenes constituted further due process and APA violations which he alleged were a product of the agency's desire to avoid the stigma associated with “panel stacking” and to dodge responsibility for the lengthy delay following the court's remand.<sup>61</sup>

At the hearing, the agency introduced evidence to support its claim that the agency had no obligation to disclose the identity of the panel members and/or its change in composition in the *Adidas/Nike* IPR until the final decision from the IPR was issued. Specifically, CJ Ruschke testified that all of the procedural machinations that take place prior to the issuance of the final decision constituted “confidential information.” HT-3 at 83-85, 92-94, 241-44 (Ruschke testimony). As such, he explained that an action to expand or unexpand a panel would never be disclosed “in the public domain” during the time period relevant to this appeal because this information was part of the Board's deliberative process and therefore privileged. *Id.* In addition, he asserted that SOP 1, Section III essentially prohibited such disclosure in the absence of a specific waiver by his superiors. *Id.*, at 243 (“I would have to raise it to the Undersecretary and his senior advisors” and there “would have been ramifications” and we would “have to announce it for everybody or nobody . . . for all of the cases.”).<sup>62</sup> He also explained that “under the procedures that we were operating under during this time frame, the announcement of the expanded panel was not done until the decision was actually mailed.” *Id.*, at 154.

When addressing the appellant's claim that the parties had a due process right to this information during cross examination, CJ Ruschke provided a somewhat convoluted and strained response. HT-3 at 162-66. As an initial matter, he testified that there are no “constraints on the Director's authority” as it relates to due process unless the Director does “something criminal, then that's a

constraint.” *Id.* Although he acknowledged that a transparent IPR process “is very, very important” and that it is “important that [the parties] know who makes the decision on their case,” he testified that a “panel is not expanded technically until the decision goes out,” at which time the parties will discover the identities of the panel members because their names will appear on the published decision. *Id.*, at 93-96, 139-40, 225-29.<sup>63</sup> He also testified that the Director has the “ability to decide the merits and the procedural issues” in an IPR on his own. *Id.* He further explained that he does not believe that the Court’s decision in *Arthrex* “necessarily changed anything,” noting that the Director continues to have the authority “to tell a panel of APJs how to rule on a particular case.” *Id.*<sup>64</sup>

For his part, DCJ Boalick testified that the agency had no obligation to notify the parties or the public that a panel had been expanded because “[t]his is something we considered to be internal operations of the Board and deliberative process-type information,” noting that the CJ had the authority to expand or unexpand a panel “at any time” without providing notice to the parties or the public. HT-2 at 188-91, 259-62, 334-36 (Boalick testimony).<sup>65</sup> Like CJ Ruschke, he indicated that the parties would discover the panel’s composition “when a decision issues” because the decision would list the names of the judges who “are actually on the panel at the time making that decision.” *Id.*, at 191-93, 218-19. In fact, he stated that this is the same process that the agency “used even if a judge had to drop off a case, say, due to a conflict of interest that arose or some other issue where they weren’t able to continue participating.” *Id.*, (citing *e.g.*, IAF, Tab 32 at 253 (expanded panel in *Idle Free* not noticed until decision issued)). Although he acknowledged that the agency has since revised this policy such that notice is required when a panel is expanded or unexpanded, he noted that this was not “our practice at the time.” HT-2 at 295-96, 301-04, 335, 354-55; IAF, Tab 32 at 333-48 (SOP 2 (Revision 15)).<sup>66</sup> Coincidentally, the agency’s new policy that DCJ Boalick referenced during his testimony was published on September 20, 2018, or just two days after the reconstituted panel finally issued the decision in the *Adidas/Nike* IPR. *Id.*

In contrast to CJ Ruschke’s testimony, however, VCJ Weidenfeller stated that APJs maintain judicial independence insofar as they are “free to apply the law and policy to the facts of a case based on the arguments and the evidence presented in each case before the panel, and each panel member independently decides how the case should come out, although panels do conference and confer on the case.” *Id.*, at 185-86; *see also* HT-2 at 20-22 (Weidenfeller testimony stating that APJs have judicial independence in that they are “given the opportunity to apply their independence in applying law to fact but they have to follow law, controlling law and governing policy at the agency,” adding that the Director has the authority to “set policy” when “the law is unsettled or potentially unclear.”).

After considering the evidence and argument in this case, I find that the appellant demonstrated by preponderant evidence that a disinterested observer with knowledge of the essential facts known to and readily ascertainable could reasonably conclude that the parties in the *Adidas/Nike* IPR had a due process right under the APA and the Fifth Amendment to notice when a panel member was designated to adjudicate their IPR at the time of the designation and/or of any related changes to the panel's composition thereafter. As a starting point, I find that the unrefuted evidence demonstrates that during the pertinent time period, the agency provided the parties and the public with the names of the individuals designated to adjudicate their IPR at the outset of the IPR process. *See also* 37 C.F.R. § 42.14 (“The record of a proceeding, including documents and things, shall be made available to the public, except as otherwise ordered.”). In fact, this was the process the agency followed in the *Adidas/Nike* IPR and is consistent with “procedures which have traditionally been associated with judicial process” (*Hannah*, 80 S.Ct at 1514) to include “notice and opportunity to be heard by a disinterested decision maker.” *Abbott Labs.*, 710 F.3d at 1328. This practice also created a reasonable expectation on behalf of the parties and the public that the agency would provide a notice identifying the panel members at the time of designation and before any work and/or the trial phase commenced on the IPR.

In addition, by providing the parties with this notice before the designated panel members initiated their work on the IPR, the parties could confirm that the designated judges were in fact “disinterested” decision makers and file a motion to recuse if they concluded otherwise as contemplated by the APA.<sup>67</sup> *See* 5 U.S.C. § 556(b); IAF, Tab 32 at 336-37 (Revised SOP discussing “Avoidance of conflicts of interest”); *Brennan*, 787 F.2d at 1562, n.2 (A decision maker under may disqualified from a case under § 554(d) “only upon petition by either the agency or a private party.”); *see also Mullane v. Central Hanover Bank & Tr. Co.*, 70 S.Ct. 652, at 656 (1950) (“An elementary and fundamental requirement of due process in any proceeding which is to be accorded finality is notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.”) (citations omitted); *Turney v. Ohio*, 47 S.Ct. 437, 441 (1927) (“That officers acting in a judicial or quasi-judicial capacity are disqualified by their interest in the controversy to be decided is of course the general rule.”) (citations omitted). This process also allowed the parties to tailor their pleadings to address the interests and/or concerns raised by the panel members in prior decisions, a practice traditionally associated with litigation in a judicial setting, and also to confirm that the members were properly qualified to serve on the PTAB as required by 35 U.S.C. § 6(a).

Although CJ Ruschke's asserted that it “is very, very important” to have an IPR process that is transparent, I find that the agency's contention that it had no obligation to disclose the composition of the panel until after a decision was rendered to be inconsistent with this assertion and antithetical to even the most basic notions of due process and “the procedures which have traditionally been



associated with judicial process.” *Hanna*, 80 S.Ct at 1514; *see also In Re Murchison*, 75 S.Ct. 623, 625 (1955) (“A fair trial in a fair tribunal is a basic requirement of due process.”).<sup>68</sup> I also find CJ Ruschke's actions in directing the original panel members to include DCJ Boalick “as a silent participant” on a conference call with the parties in the *Adidas/Nike* IPR “without mentioning panel expansion” to be particularly offensive to even the most basic concepts of transparency and due process. IAF, Tab 7 at 311.

In addition, apart from its conclusory claim that the act of designating a panel member is protected by the “deliberative process” privilege, the agency has never provided persuasive legal support for this claim. Similarly, the agency has failed to offer any practical explanation to justify a reasonable basis for such a policy. Rather, the agency's alleged informal policy prohibiting disclosure creates the appearance of impropriety and only fuels the suspicion that the IPR process may be manipulated by staking a panel behind the scenes to reach a predetermined result. *See e.g., Utica Packing Co. v. Block*, 781 F.2d 71, 78 (6<sup>th</sup> Cir. 1986) (“Such manipulation of a judicial, or quasi-judicial, system cannot be permitted. The due process clause guarantees as much.”).

I also find that the appellant reasonably believed CJ Ruschke violated the APA when he prohibited the original panel members from issuing a Notification Order to the parties describing the panel change after the original panel informed him that the failure to do so would constitute a violation of the parties' right to due process. Indeed, his actions not only arguably violated the litigants' rights to have the IPR adjudicated in a manner that comports with due process under the APA but also the original panel members' rights to adjudicate the IPR in a manner that they believed was consistent with the litigants' right to due process, free from management pressure, interference, and influence. *Abrams*, 703 F.3d at 545 (“Decisional independence [as provided by the APA] ensures that 'the hearing examiner exercises his independent judgment on the evidence before him, free from the pressures by the parties or other officials within the agency.’”) (citations omitted); *see also* HT-2 at 324-25 (Boalick testimony indicating that the Director may not mandate that an APJ adjudicate an IPR in a way that is “inconsistent with the Constitution and laws.”). Although the agency's *justification* for expanding and/or unexpanding a panel under the SOP is arguably protected as privileged information, the identities of the newly designated and/or undesignated decision makers are not and the agency's unsupported arguments to the contrary are simply not persuasive.

Furthermore, I find no support for CJ Ruschke's suggestion that agency policy prohibited notification of a change in panel composition prior to the issuance of a final decision. Indeed, there is nothing in SOP 1, Sec. III that expressly or implicitly prohibits party notification when a panel is expanded or unexpanded.<sup>69</sup> *See* IAF, Tab 6 at 448-50. Although the agency may have had some sort of informal policy or practice in this regard, it failed to introduce any documentary evidence to support such a finding. Moreover, the appellant introduced unrefuted evidence to show that he



had issued a Notification Order in another IPR without management objection. *See* IAF, Tab 7 at 35 and 201-02 (Jan. 30, 2017 Order in *Hologic v. Enzo Life Sciences, Inc.*, no. IPR2016-00820 and 00822, citing 37 C.F.R. § 42.5(a)) (Jan. 30, 2017, Order advising the parties in an IPR that the CJ had decided to expand a panel).

Even assuming the agency could have established that an agency SOP and/or informal PTAB policy precluded notification under the circumstances herein, I find that the panel had an absolute obligation to disclose a change in panel composition at the time of designation and throughout the processing of the IPR to satisfy its obligations under the APA and the Fifth Amendment. I also find that the agency implicitly acknowledged this obligation when it revised its SOP to require timely notification when the composition of a panel is changed, a decision that further reinforces the appellant's claim that he had a reasonable belief that the parties had a due process right to this information at the time of designation. *See* IAF, Tab 32 at 346 (SOP-a “Panel Change Order” will be issued notifying the parties and “will identify the new panel and provide the reason for the panel change . . .”).

In sum, I find that the appellant proved by preponderant evidence that a disinterested observer with knowledge of the essential facts could reasonably conclude that management violated the parties' rights to due process under the APA and the Fifth Amendment when they failed and then refused to notify the parties that the composition of the panel had changed during the processing of the IPR. *Disclosure 2-Misrepresentations to the Supreme Court*

The appellant contends that, on November 29, 2017, he notified agency management officials that Deputy Solicitor General Malcolm Stewart had provided “erroneous” information to the U.S. Supreme Court during oral arguments in *Oil States*. IAF, Tab 7 at 8-9; *see also id.*, Tab 1 at 5.<sup>70</sup> In support of the contention, the appellant introduced a copy of a November 29, 2017 email that he sent to CJ Ruschke with a copy to VCJ Bonilla and the other members of the expanded *Adidas/Nike* panel that included a copy of the transcript of the *Oil States* oral argument. *Id.*, Tab 7 at 685-764; HT-1 at 93-96 (app's testimony). The appellant sent the email with a “High” importance designation and stated as follows:

Chief Judge Ruschke,

On Monday, November 27, 2017, the Supreme Court heard arguments in *Oil States Energy Services, LLC v. Greene's Energy Group, LLC et al.* (No. 16-712). The transcript of the arguments is attached. As you can see on page 45 of the transcript, counsel for the Federal Respondent, i.e., the U.S. Patent & Trademark Office (“the Office”), represented the following:

CHIEF JUSTICE ROBERTS: Does it comport to due process to change the composition of the adjudicatory body halfway through the proceeding?

MR. STEWART: This has been done on three occasions. It's been done at the institution stage.

45:15-21. Mr. Stewart subsequently stated, in no uncertain terms, that panel expansion “has not been done at the merits stage, if you will, when patentability was actually being--being determined.” 47:12-15.

These representations by Mr. Stewart, on behalf of the Office, are erroneous, as panel expansion has occurred in at least one additional inter partes review, well after the institution stage, and when patentability was being determined. Specifically, in *Adidas AG v. Nike, Inc.* (No. IPR2013-00067) (“*Nike*”), the panel was expanded on November 4, 2016, which was after the Court of Appeals had partially vacated the original panel's final written decision and remanded the case back to the Patent Trial and Appeal Board. That panel expansion also occurred after the original panel had decided patentability of the claims on remand and had circulated its decision to management.

I am concerned with the status quo. I believe that the Office and its counsel may have an obligation to correct the erroneous statements made at the Supreme Court. It behooves someone to inform Acting Director Matal of the situation so he may appropriately instruct the Office's counsel in that regard. Please let me know if you have any concern with me so informing Mr. Matal of the situation.

Regards,

Michael

*Id.*, at 685-86.<sup>71</sup> None of the recipients responded to his email. HT-1 at 96 (app's testimony).

On December 5, 2017, the appellant sent an email to Acting Director Joseph Matal with a copy to Brendan McCommas<sup>72</sup> and the members of the expanded *Adidas/Nike* panel with a “High” importance designation and a subject line that stated as follows: “misstatements made during S. Ct. oral argument in *Oil States*.” IAF, Tab 7 at 765-67 (Matal email); HT-1 at 97-99 (app's testimony). In his email, the appellant reiterated the concerns he raised in his November 29, 2017 email and concluded, “would you be so kind as to notify me whether and how the matter raised in this email is resolved?” Once again, however, nobody responded to the appellant's email. HT-1 at 98 (app's testimony).

On February 14, 2018, the appellant forwarded a copy of his complete December 5, 2017 email correspondence to Director Iancu with a “High” importance designation and stated as follows:

I write to inform you about what I consider circumstances that call for prompt attention and perhaps action. The circumstances are outlined below in the emails to Chief Judge Ruschke and Acting Director Matal, but I am happy to answer any questions you may have. To date, I have not received any response to either of my emails below.

IAF, Tab 7 at 768, 772; HT-1 at 98-101 (app's testimony). The appellant did not receive a response to his email. *Id.* In early March 2018, the appellant did have a telephone conversation with Director Iancu wherein they discussed *Oil States* and the procedural history of the *Adidas/Nike* IPR. *Id.*

Based on this evidence, the appellant contends that he disclosed that “the Agency made a misrepresentation about panel expansion to the Supreme Court in the *Oil States* case” that “violated laws, rules, regulations, including the Rules of the Supreme Court of the United States and rules of professional conduct governing the conduct of the Agency's counsel.” RAF, Tab 12 at 11. At the hearing, the appellant reiterated this claim and explained that he believed Mr. Stewart had made a “misrepresentation to the Court” when he informed the justices that “panel expansion has never occurred after institution,” which is precisely what happened in the *Adidas/Nike* IPR. HT-1 at 93-96, 197-99 (app's testimony). He further explained that Chief Justice Roberts was “clearly bothered by the idea of changing the panel while decisions are being made.” *Id.* As such, he testified that the PTO “had an ethical obligation to correct the misstatement.” *Id.*

The agency contends that the appellant's disclosure is not protected because “no one involved in that email chain could have believed” that the appellant was disclosing a violation of law “for the simple reason that the Appellant was factually wrong.” IAF, Tab 26 at 33. Specifically, the agency argued that Mr. Stewart “was obviously referring to IPRs that had proceeded through to a final decision, not open matters.” *Id.* Consequently, the agency contends Mr. Stewart and the agency appropriately omitted any reference to the *Adidas/Nike* IPR because a final decision “had not yet issued.” *Id.* The agency also argued that, even assuming that Mr. Stewart had “misspoken” and further that he knowingly failed to correct his mistake, “that is not a crime.” *Id.*, at 34.<sup>73</sup>

At the hearing, VCJ Weidenfeller testified that he was intimately involved in the agency's litigation in *Oil States* and had “handled the legal arguments” when he was working in the agency's “Solicitor's Office” prior to his appointment as a VCJ. HT at 103-09. After his VCJ appointment, he remained involved in the litigation and participated in two moot court sessions with Mr. Stewart in preparation for his Supreme Court oral argument. *Id.* As part of the preparation, Mr. Stewart asked the PTO to provide him with information regarding “how many panel expansions

had occurred.” *Id.* After reviewing the agency's records, VCJ Weidenfeller notified Mr. Stewart that panel expansion had occurred on only three occasions “at the institution stage.” *Id.* VCJ Weidenfeller explained that after he received the appellant's email alleging that Mr. Stewart had provided inaccurate information during the oral argument, he “went and rechecked [the agency's] numbers and confirmed” that “no decision had been issued at the time in the *Nike* case by an expanded panel.” *Id.* As such, he determined that Mr. Stewart's responses to the Court had been accurate and therefore did not “go back” to the Solicitor's office and/or the Solicitor's General's Office (i.e., Mr. Stewart) to correct the record “because there was no need to correct it.” *Id.*

DCJ Boalick corroborated VCJ Weidenfeller's claim that Mr. Stewart's oral argument responses were “accurate,” noting that the appellant's assertions to the contrary are “unreasonable.” HT-2 at 245-46, 279, 357-59. Specifically, he stated, “in our way of understanding expanded panels, *Nike* versus *Adidas* never issued as an expanded panel.” *Id.* Instead, the panel “was expanded and unexpanded, and no expanded panel ever had issued so it did not make Mr. Stewart's statement untrue.” *Id.* Nevertheless, he indicated that he discussed the appellant's concerns with CJ Ruschke and they both decided that “it was important to bring it to the attention of the Solicitor” even though they disagreed with the appellant's assertions. *Id.* The Solicitor's Office, however, “concurred with [their] view that Mr. Stewart had not made any misstatement” to the Court. *Id.*<sup>74</sup>

For his part, CJ Ruschke testified that he attended the oral arguments in *Oil States* and does not “believe that any misrepresentation was made at the Supreme Court.” HT-3 at 131-33, 197-99 (Ruschke testimony). He explained that the *Adidas/Nike* IPR panel had not been “technically expanded” at that point because it had not been “announced publicly.” *Id.* Although he could not recall the specifics of the appellant's email communication, he indicated that he would have likely discussed the appellant's concerns with his team and then delegated someone on the team to “run it to ground on [his] behalf.” *Id.* On cross examination and after reading the exchange between Mr. Stewart and Chief Justice Roberts, CJ Ruschke testified that he was “not sure what [Chief Justice Roberts] was referring to” and that his inquiry “could mean a lot of different things . . . in his mind,” adding that he was “not sure how familiar [Chief Justice Roberts] is with the whole PTAB proceeding.” *Id.*<sup>75</sup>

Based on this record, I find that the appellant has demonstrated by preponderant evidence that he disclosed a violation of law, rule or regulation. More specifically, I find that a disinterested observer with the appellant's knowledge of essential facts could reasonably conclude that the agency, through the Solicitor General, provided inaccurate, erroneous, and/or incomplete information that was material to the issue before the Court during oral arguments in *Oil States* in violation of the Supreme Court's Rules, Professional Responsibility Obligations, and ethical obligations. *See* generally Rules of the Supreme Court of the United States (2019), Rule 5; ABA Model Rules of

Professional Conduct, Rule 3.3 (Candor Toward the Tribunal); 5 C.F.R. § 2635.101; *see also* 37 C.F.R. § 42.11 (Duty of Candor-“Parties and individuals involved in the proceeding have a duty of candor and good faith to the Office during the course of a proceeding.”); *cf.*, *Kingsland v. Dorsey*, 70 S.Ct. 123, 124 (1949) (“By reason of the nature of an application for patent, the relationship of attorneys to the Patent Office requires the highest degree of candor and good faith.”).

To be sure, I find that a plain reading of the transcript in context supports the appellant's assertion that Chief Justice Roberts made his inquiry because he was concerned that a change in the composition of an IPR panel “halfway through the proceeding” might be illegal and/or constitute a violation of the parties' rights to due process under the Constitution. Moreover, Mr. Stewart's response indicating that the PTO had never changed the composition of a panel “at the merits” stage “when patentability was actually being determined” was inaccurate because this is precisely when the change occurred in the *Adidas/Nike* IPR on November 4, 2016 when CJ Ruschke first expanded the panel as demonstrated above.

In addition, I find unavailing the agency's evidence offered to support its contention that Mr. Stewart's response was accurate at the time because the *Adidas/Nike* panel had yet to issue its decision for two reasons. First, Chief Justice Roberts' inquiry makes no mention of the panel's composition at the time of a final decision but rather is specific to a change in composition “halfway through the proceeding” thereby indicating that he was specifically referring to a composition change while the matter was still pending. Second, Mr. Stewart did not provide a response indicating that the composition had never changed *when a final decision was issued* but rather indicated that it had never occurred “when patentability was actually *being* determined.”<sup>76</sup> Moreover, the agency's attempt to interpret the plain language of the transcript to include qualifying language that does not exist does nothing to advance its claims on appeal. In any event, I find that the agency's arguments, at best, suggest that there is some ambiguity as to the nature and purpose of the Court's inquiry, its understanding of the “whole PTAB process,” and the clarity of Mr. Stewart's response. As such, the Government had an unmistakable obligation to clarify the record for the Court under the circumstances of this case.

In sum, I find that the appellant proved by preponderant evidence that he made a protected whistleblower disclosure within the meaning of 5 U.S.C. § 2308(b)(8) under the circumstances herein.

The appellant proved that his protected disclosures were a contributing factor to the alleged personnel actions.



To prevail on the merits of his claims, the appellant must next demonstrate that his protected disclosures were a contributing factor in the agency's decision to take the alleged personnel actions in April and May 2018 as described above. *Karnes v. Department of Justice*, 2023 MSPB 12, ; 8 (Mar. 20, 2023), 2023 WL 2575938. The Board has held that the “most common way of proving the contributing factor element is the 'knowledge/timing' test.” *Scoggins v. Department of the Army*, 123 M.S.P.R. 592, ; 21 (2016) (quoting *Chavez v. Department of Veterans Affairs*, 120 M.S.P.R. 285, ; 18 (2013)). Under this test, the appellant may demonstrate that his disclosures were “a contributing factor in the personnel action through circumstantial evidence, such as evidence that - (A) the official taking the personnel action knew of the disclosure []; and (B) the personnel action occurred within a period of time such that a reasonable person could conclude that the disclosure [] was a contributing factor in the personnel action.” 5 U.S.C. § 1221(e)(1)(A), (B); *Scoggins v. Department of the Army*, 123 M.S.P.R. 592, ; 21.

Once an appellant has satisfied the knowledge/timing test, “an administrative judge must find that the appellant has shown that his whistleblowing was a contributing factor in the personnel action at issue, even if after a complete analysis of all of the evidence a reasonable factfinder could not conclude that the appellant's whistleblowing was a contributing factor in the personnel action.” *Mastrullo v. Department of Labor*, 123 M.S.P.R. 110, ; 18 (2015); *see also Schnell v. Department of the Army*, 114 M.S.P.R. 83, ; 21 (2010) (same); *but see Mikhaylov v. Department of Homeland Security*, ---F.4<sup>th</sup> --- (4<sup>th</sup> Cir. Mar. 15, 2023), 2023 WL 2518346 (“a disclosure is a contributing factor only when the confluence of the official's knowledge and the timing of the action reasonably suggests a connection between the two.”).

In this case, I find that preponderant evidence proves that the responsible agency officials, to include CJ Ruschke, DCJ Boalick, VCJ Weidenfeller and Director Iancu, had knowledge of the appellant's disclosures and that the alleged retaliatory personnel actions occurred within a period of time such that a reasonable person could conclude that the disclosures were a contributing factor in the personnel actions. *See* HT-1 at 98-101 (appellant's testimony indicating, *inter alia*, that he spoke to Director Iancu about “*Oil States* and the Nike case” and repeatedly discussed his concurring opinion in *Adidas/Nike* with VCJ Weidenfeller); HT-2 at 79-81, 95-99, 103-09 (Weidenfeller testimony); HT-2 at 226-28, 234-35, 245-46, 279, 357-59 (Boalick testimony); HT-3 at 78-86, 93-97 (Ruschke testimony); IAF, Tab 7 at 48, 51, 599-602, 642-44, 650-57, 765-772; RAF, Tab 11 at 11<sup>77</sup>; *see also Wadhwa v. Department of Veterans Affairs*, 110 M.S.P.R. 615, ; 13 (2009) (Board held that a personnel action that followed six months after disclosure was “well within the range of time between a disclosure and personnel action from which an inference of causation arises.”) (citing *Gonzalez v. Department of Transportation*, 109 M.S.P.R. 250, ; 20 (2008)).<sup>78</sup>



Consequently, I find that the appellant proved by preponderant evidence that his protected disclosures were contributing factors to the alleged retaliatory personnel actions.

The appellant proved by preponderant evidence that two of the four alleged personnel actions are covered within the meaning of 5 U.S.C. § 2302(a)(2)(A).

As discussed above, the appellant has alleged that the agency took the following retaliatory personnel actions as a result of his whistleblowing activity: (1) In May 2018, USPTO Director Iancu “voiced a desire to USPTO management to terminate” him and the “threat was conveyed” to the appellant through intermediaries; (2) in or around April 2018, management officials pressured the appellant to omit a portion of his concurring opinion in the *Adidas/Nike* IPR that discussed the “expansion on the panel”; (3) on May 30, 2018, management officials removed him from the *Adidas/Nike* IPR panel, reassigned his IPR cases to other APJs, and assigned him to ex parte appeals; and (4) on May 30, 2018, management officials issued him a verbal performance appraisal “using a contrived and factually erroneous negative 'performance appraisal' of [his] work.” IAF, Tab 1 at 5, Tab 7 at 10-11, Tab 27 at 14; Tab 30 at 24-26 (Jurisdictional Findings).

Under the WPA and as relevant here, a “personnel action” is defined as “an action under chapter 75 of this title or other disciplinary or corrective action,” a “reassignment,” “a performance evaluation under 5 U.S.C. § chapter 43,” and “any other significant change in duties, responsibilities, or working conditions.” 5 U.S.C. § 2302(a)(2)(A)(iii), (iv), (viii), and (xii); *see also* 5 C.F.R. § 1209.4(a)(3), (4), (8), and (12).

#### (1) *Desire to Terminate*

As discussed above, a disciplinary action such as a removal under 5 U.S.C. § 7513 qualifies as a covered personnel action under the WPA. 5 U.S.C. § 2302(a)(2)(A)(iii); 5 C.F.R. § 1209.4(a)(3). Further, the Board has made clear that a threatened disciplinary action can constitute a personnel action in an IRA and “the term 'threaten' in section 2302 should be interpreted broadly.” *Rebstock Consolidation v. Department of Homeland Security*, 122 M.S.P.R. 61, ; 10 (2015) (citing *Campo v. Department of the Army*, 93 M.S.P.R. 1, ; 5 (2002) (a memorandum of warning threatening an appellant with disciplinary action is a personnel action under the WPA)); *Frederick v. Department of Veterans Affairs*, 63 M.S.P.R. 563, 571 (1994) (a verbal threat of removal is sufficient to establish a covered personnel action under the WPA); *see also* 5 U.S.C. § 2302(a)(2)(A)(iii).

In this case, the appellant contends that Director Iancu “voiced a desire to USPTO management to terminate” him in May 2018 and that this threat was conveyed to the appellant. IAF, Tab 1 at 5, Tab 7 at 10-11 and Tab 27 at 14. In support of this contention, the appellant testified that on or about

May 18, 2018, APJ Phillip Kauffman contacted him and told him that a “management level judge” was in a PTAB management meeting and heard Director Iancu “express[] a desire to terminate” the appellant, adding that the manager asked APJ Kauffman “to confidentially relay” this information to the appellant. HT-1 at 110-12 (app's testimony). APJ Kauffman did not identify the management official at the time and the appellant did not ask for this information. *Id.* The appellant subsequently discovered that VCJ Janet Gongola was the unidentified management official at issue. *Id.*

At the hearing, APJ Kauffman corroborated the appellant's version of events as summarized above. HT-1 at 278-84, 287-88 (Kauffman testimony).<sup>79</sup> More specifically, he testified that in May 2018, VCJ Gongola told him that Director Iancu was “very angry” at the appellant and wanted “to fire” him for failing to follow guidance and policy, and for refusing to write his cases in a “certain way.” *Id.* Nonetheless, she indicated that “it looked like” the PTAB management team “was going to be able to steer him away from that.” *Id.* He also explained that the PTAB management team at that time consisted of CJ Ruschke, DCJ Boalick, VCJ Weidenfeller, VCJ Bullock, VCJ Bonilla, VCJ Gongola, and VCJ Tierney. *Id.*, at 281.

For her part, VCJ Gongola<sup>80</sup> testified she is “100 percent confident [she] was not part of any conversation with the Director about” the appellant, to include “anything along the lines of a desire for USPTO management to terminate” him. HT-3 at 399-400 (Gongola testimony). In addition, she explained that she never told APJ Kauffman that the Director wanted to fire the appellant, adding that this is a “pretty serious statement” and that she “would have remembered if something like that transpired, and [she] relayed it to Mr. Kauffman.” *Id.* VCJ Gongola also testified that she believes APJ Kauffman is honest and a “person of high integrity” that would testify truthfully under oath. *Id.*, at 401-03. Thus, when told at the hearing that he had testified to a different version of events she stated, “I just don't think maybe he remembers correctly, or he understood correctly.” *Id.*

CJ Ruschke, DCJ Boalick and VCJ Weidenfeller corroborated VCJ Gongola's testimony in part by stating that they attended the PTAB management meetings with Director Iancu and never heard him say anything that would suggest he wanted to terminate the appellant. HT-1 at 249-50 (Boalick testimony); HT-2 at 109-11 (Weidenfeller testimony); HT-3 at 134-35 (Ruschke testimony).

After carefully considering this record, I find that the appellant failed to prove by preponderant evidence that Director Iancu threatened his removal as alleged. Although the unrefuted record proves that APJ Kauffman told the appellant as much and I credit APJ Kauffman's version of events--particularly in light of the fact that he shared this information with the appellant in real time and has no apparent motive to lie--I am nevertheless unable to find that the appellant proved that Director Iancu actually made the statements at issue given the testimony refuting this claim offered by CJ Ruschke, DCJ Boalick, VCJ Weidenfeller, and VCJ Gongola. Thus, I find that the

appellant failed to prove that the agency threatened his removal and therefore he is not entitled to corrective action as it relates to this alleged personnel action.

## 2. *Pressure to Omit*

The appellant next contends that he suffered a covered personnel action in April 2018, when management officials pressured him to omit a portion of his concurring opinion in the *Adidas/Nike* IPR that discussed the panel expansion. IAF, Tab 1 at 5, Tab 7 at 11 and 16 (OSC submission). After carefully considering this claim in the context of the other personnel actions in this case, I find that the appellant has failed to prove by preponderant evidence that it qualifies as a covered personnel action within the meaning of the WPA standing alone. In addition, I find that it is too attenuated to be considered part and parcel of the personnel action discussed below, i.e., the reassignment action.<sup>81</sup> See *King v. Department of Health and Human Services*, 133 F.3d 1450, 1453 (Fed. Cir. 1998) (not every agency action qualifies as a personnel action under the WPA and the appellant must prove that the action has a “practical consequence” for him). In any event, I find the agency's subsequent action that removed him from the *Adidas/Nike* IPR is part of a covered personnel action for the reasons discussed below.

## 3. *Reassignment Action*

The appellant also alleged that agency management officials removed him from his AIA panels and then reassigned him to a docket of *ex parte* appeals in retaliation for his protected disclosures. As discussed above, the WPA defines a covered personnel action as a “reassignment” and/or any “significant change in duties, responsibilities or working conditions.” See 5 U.S.C. § 2302(a)(2)(A)(iv) and (xii). The Board has recognized that the phrase “significant change in duties, responsibilities or working conditions” should be interpreted broadly to include harassment that could have a chilling effect on whistleblowing or otherwise undermine the merit system. *Skrada v. Department of Veterans Affairs*, 2022 MSPB 17, ; 14 (2022). To qualify as a “significant change,” the agency's actions “must have a significant impact on the overall nature or quality of an employee's working conditions, responsibilities, or duties” and the “Board must consider the alleged agency actions both collectively and individually.” *Id.*, at ; 15-16.

Here, the unrefuted record proves that on November 30, 2018, the agency removed the appellant from all of his AIA panels, to include the *Adidas/Nike* panel, and reassigned him to a docket consisting exclusively of *ex parte* appeals. At the hearing, the appellant offered compelling testimony to support a finding that the agency's reassignment action under these circumstances constituted both a reassignment action and a significant change in his duties, responsibilities, and working conditions. See HT-1 at 10-20, 32-35, 125, 138-39, 151-64 (app's testimony). In addition,

the evidence shows that management officials were keenly aware that the appellant was happy working AIA cases and knew that he would consider the reassignment action to be a form of punishment. *See e.g.*, HT-1 at 310-11, 365-67 (Mitchell testimony-Q: “In your mind,” do you think the appellant's reassignment to ex parte appeals was a punishment. A: “Yeah.”); HT-2 at 157-58 (Weidenfeller testimony-“I think it was made clear that [the appellant] was happy doing AIA cases and would prefer to have continued doing AIA cases.”); *id.*, at 392 (Boalick testimony-“I am sure he wouldn't be happy about it” and “would not welcome it and I know that was not his choice to go have an ex parte docket.”); *see also* IAF, Tab 6 at 56-57 (VCJ Tierney's list of adverse consequences included the threat of removing him from an AIA panel and adjusting his case assignments).<sup>82</sup> Finally, the agency concedes the reassignment action at issue does in fact qualify as a personnel action under the WPA. IAF, Tab 5 at 10 (agency jurisdictional response) and RAF, Tab 11 at 5 (agency Closing Brief (“The Agency has conceded that a personnel action, as defined at 5 U.S.C. § 2302(a)(2), was taken when Mr. Weidenfeller removed Appellant from AIA cases”)).

Based on this evidence, I find that the appellant proved by preponderant evidence that the agency's action removing him from a docket consisting exclusively of AIA cases to a docket of ex parte appeals while at the same time reassigning all of his pending AIA cases to other APJs constituted a reassignment action that included a significant change in duties, responsibilities and working conditions within the meaning of 5 U.S.C. § 2302(a)(2)(A)(iv) and (xii); *see also McDonnell v. Department of Agriculture*, 108 M.S.P.R. 443, ; 13 (2008) (a lateral reassignment to a position with lesser duties qualifies as a personnel action under 2302(a)(2)(A)(iv)).

#### (4) May 30, 2018 Performance Rating

The appellant contends that the oral performance appraisal that VCJ Weidenfeller provided on May 30, 2018 constituted a personnel action under the APA and was the basis for the reassignment action. IAF, Tab 30 at 24-26. For its part, the agency argues that this “counseling session had no impact on Appellant, immediately or at any subsequent point.” RAF, Tab 11 at 27. After considering the totality of the evidence, I find that the appellant proved by preponderant evidence that VCJ Weidenfeller's oral performance evaluation constituted a covered personnel action both as a performance evaluation within the meaning of 2302(a)(2)(A)(viii) and a threat to reduce his evaluation moving forward. *See generally Mastrullo v. Department of Labor*, 123 M.S.P.R. 110, ; 24-25 (2015) (supervisor's comments during progress review constituted nonfrivolous allegations of a threatened personnel action); *Special Counsel v. Spears*, 75 M.S.P.R. 639, 669 (1997) (acknowledging that there may be circumstances in which notice of a performance deficiency would be an implied threat to issue a retaliatory performance appraisal); *Special Counsel v. Hathaway*, 49 v. M.S.P.R. 595, 600, 608-09 (1991) (finding a threatened personnel action where

an employee was informed that he should not expect a highly satisfactory rating the next year), *recons. denied*, 52 M.S.P.R. 375, *aff'd*, 981 F.2d 1237 (Fed. Cir. 1992).

In sum, I find that the appellant demonstrated by preponderant evidence that the personnel actions identified in paragraphs (3) and (4) qualify as covered personnel actions within the meaning of the WPA. Thus, because the appellant has already established that his protected disclosures were contributing factors to these two personnel actions as discussed above, the Board must order corrective action unless the agency can establish by clear and convincing evidence that it would have taken the same personnel actions in the absence of his disclosures. *Sistek*, 955 F.3d at 953-54; *Whitmore*, 680 F.3d at 1367; *Smith*, 2022 MSPB 4, ; 4; *Benton-Flores*, 121 M.S.P.R. 428, ; 5.

The agency failed to prove by clear and convincing evidence that it would have taken the same personnel actions in the absence of the appellant's disclosures.

Because the appellant has satisfied his burdens of proof by showing that he exhausted his claims before OSC and that he made two protected disclosures that were contributing factors to two personnel actions, he is entitled to corrective action unless the agency can prove by clear and convincing evidence that it would have taken the same personnel actions in the absence of his disclosures. *Rickel v. Department of the Navy*, 31 F.4<sup>th</sup> 1358, 1364 (Fed. Cir. 2022); *Sistek*, 955 F.3d at 953-54; *Whitmore*, 680 F.3d at 1367; *Smith*, 2022 MSPB 4, ; 23; *Benton-Flores*, 121 M.S.P.R. 428, ; 5. In determining whether an agency has satisfied this burden, the Board will consider the following factors: (1) the strength of the agency's evidence in support of its action; (2) the existence and strength of any motive to retaliate on the part of the agency officials who were involved in the decision; and (3) any evidence that the agency takes similar actions against employees who are not whistleblowers but who are otherwise similarly situated. *Rickel*, 31 F.4<sup>th</sup> at 1364 (citing *Carr*, 185 F.3d at 1323); *see also Wilson*, 22 MSPB 7, ; 43. The “Board does not view the *Carr* factors as discrete elements, each of which the agency must prove by clear and convincing evidence, but rather weighs these factors together to determine whether the evidence is clear and convincing as a whole.” *Schmitt v. Department of Veterans Affairs*, 2022 MSPB 40, ; 25 (2022) (citing *Soto v. Department of Veterans Affairs*, 2022 MSPB 6, ; 13 (2022)); *see also Whitmore*, 680 F.3d at 1368.

During the course of this appeal and at the hearing, the parties' introduced evidence that is relevant to my findings as they relate to personnel actions (3) and (4) and I have provided a summary of this evidence below.

*VCJ Weidenfeller Testimony*



As discussed above, VCJ Weidenfeller was the appellant's second-line supervisor.<sup>83</sup> He testified that he did not have a lot of interaction with appellant in this role but believed the appellant was a “commendable judge” based on his Performance Appraisal Plan (PAP) ratings. HT-2 at 10, 13, 25-29 (Weidenfeller testimony); *see also* IAF, Tab 6 at 423-41 (appellant's FY 2017 and 2018 PAPs). He qualified his explanation, however, by noting that the appellant “had a reputation as being perhaps a little more difficult than some APJs as far as interactions with his colleagues.” *Id.*<sup>84</sup>

VCJ Weidenfeller stated that on May 30, 2018, he held a teleconference with the appellant and his first-line supervisor, Lead APJ Mitchell, to discuss a number of performance issues that had come to his attention. HT-2 at 33-35, 113-15. He described the conference as a “counseling session” and explained that he was concerned about the appellant's performance based on what he was “hearing from [the appellant's] colleagues and wanted to provide him with a path forward.” *Id.* He also explained that he was “concerned that [he] would have to give [the appellant] a lower rating than he had received” in the past and believed that he “had devised a solution that would prevent that from happening,” and therefore wanted “to discuss that with him.” *Id.*

In preparation for the conference, VCJ Weidenfeller testified that he “obviously discussed” the decision to remove the appellant from AIA cases “with Lead Judge Mitchell and [he] discussed it as well with the Chief Judge and the Deputy Chief Judge.” HT-2 at 73 (Weidenfeller testimony). He also prepared a “Performance Summary” that contained a list of the appellant's deficiencies to help him keep his “thoughts fresh” during the meeting. *Id.*, at 33-43, 119-21. At the hearing, VCJ Weidenfeller indicated that “[t]his was just a list of the most critical things” and not an “exhaustive list of everything that was in [his] mind.” *Id.*, at 68. He also sent Lead APJ Mitchell a copy of the summary and “probably” discussed the deficiencies identified therein with her prior to the meeting, noting that this would have been “the appropriate approach to take in order to improve [the appellant's] performance for the rest of the fiscal year.” *Id.*, at 155-57.<sup>85</sup> He further testified that Lead APJ Mitchell “agreed with the decision” to reassign the appellant to ex parte appeals, noting that he would have “valued her input if she disagreed.” *Id.*

In pertinent part, VCJ Weidenfeller's notes provided as follows:

If I were to rate your performance today based on the information about which I am aware, I would rate you as Marginal in the element of Internal/External Stakeholder Interaction.

· “Problems with ... timeliness are too frequent [and] too serious to ignore.” For example:



o In IPR2018-00019, you submitted a draft opinion to your panel approximately one week (i.e., well under the 12 business days set forth in the PAP Support Document) before the statutory due date for an institution decision. Neither of your colleagues agreed with your approach, but they lacked sufficient time to draft a decision instituting the IPR (contrary to the draft they had been sent).

o IPR2018-00019 was submitted for PTAB Management Review (simultaneous with ARC review) in the afternoon two days before the mailing deadline (although you indicated that it was scheduled for mailing the next day). This is well under the 6 business days set forth in the PAP Support Document.

· “The Judge is expected to recognize the need for ... discretion and judgment and apply as appropriate.”

o You have repeatedly showed a lack of discretion and judgment as to when to compromise with your fellow judges, including the Director, in order to meet statutory deadlines. For example:

· The dissent in IPR2018-00019 included an unusual footnote inviting rehearing because the panel had not been afforded sufficient time to consider the merits of the petition. This footnote was an embarrassment to the Board.

· You have refused to sign on to pre-approved template decisions applying SAS, which has delayed issuance of those decisions while your colleagues sought guidance from management.

· You stated that you “see no need to” follow the Director's guidance and declined to join your colleagues' opinion doing so.

· Your refusal to compromise with your colleagues has delayed the issuance of decisions and caused ARC and PTAB Management Review to re-prioritize matters to satisfy your timeframe.

o Your refusal to compromise on even seemingly minor issues has caused significant discontent among your colleagues.

To give you an opportunity to achieve a Fully Successful rating in that element for this Fiscal Year, I have asked Paneling to remove you from matters involving statutory deadlines, i.e., all AIA matters on your docket. I expect that without the pressures of statutory deadlines, you will be able to interact with your colleagues in a more collegial fashion, allowing you to display your capacity for discretion and judgment.

IAF, Tab 6 at 12.<sup>86</sup>

At the outset of the counseling session, VCJ Weidenfeller told the appellant that he was performing at the “Marginal” level in Critical Element 1<sup>87</sup> and therefore his overall rating would be rated as “Marginal” if he received a rating today. HT-2 at 34-38 (Weidenfeller testimony). As for the performance deficiencies at issue, VCJ Weidenfeller identified two areas of concern: first, the appellant had problems with timeliness that “were too frequent and too serious to ignore” and second, he “repeatedly” displayed a lack of discretion and judgment by refusing to compromise with his fellow judges and the Director. *Id.*

As for the timeliness problems, VCJ Weidenfeller testified that the Board takes the AIA's “statutory deadlines very serious” and, as a result, has established “significant” internal deadlines to ensure compliance with the statute. HT-2 at 38-42, 119-20 (Weidenfeller testimony). One of these internal deadlines requires that APJ1 submit a draft opinion to the other panelists “more than 12 business days before the statutory deadline.” *Id.* He testified that in IPR2018-00019 (*Hologic/Enzo Institution Decision (Hologic DI)*), the appellant served as APJ1 on a panel with APJ Christopher Paulraj and APJ Zhenyu Yang, and failed to provide his co-panelists with the time required under the deadline to review his draft decision. *Id.*; *see also* IAF, Tab 32 at 83-95 (*Hologic DI*). VCJ Weidenfeller explained that he discovered the problem after the appellant submitted the decision to “PTAB management” for review and he became “concerned” after reading a footnote in a dissent authored by APJ Christopher Paulraj. *Id.* In pertinent part, the footnote stated, “I would welcome the opportunity for the panel to further consider this issue in a request for rehearing.” IAF, Tab 32 at 94, fn. 1.<sup>88</sup>

VCJ Weidenfeller contacted APJ Paulraj to discuss the footnote<sup>89</sup> and discovered that the appellant had submitted the draft majority opinion “one week under the 12 business days” deadline which, in turn, prevented APJ Paulraj from having sufficient time to draft his dissenting opinion. HT-2 at 38-42, 119-20 (Weidenfeller testimony). He also noted that the appellant had submitted the decision for “management review and ARC review in parallel” just two business days before the statutory deadline. *Id.* He explained that the agency's policies required that he submit it to the ARC first and then management, and provide at least six business days for review. *Id.*

Although VCJ Weidenfeller indicated that missing an internal deadline on one occasion is not a “significant” concern, he stated that the appellant's failure to do so in this instance was serious because of this “particular IPR.” HT-2 at 46-48, 101 (Weidenfeller testimony). Specifically, he explained that it was “embarrassing” to the Board because APJ Paulraj's footnote indicated that the

“panel did not fully consider the issue before issuing the decision which is very, very troubling.” *Id.*; compare HT-3 at 268-69 (Fink testimony indicating that “this was a little bit embarrassing for the Board to have that happen.”).<sup>90</sup>

On cross examination, however, VCJ Weidenfeller acknowledged that he had no idea how frequently the appellant had failed to comply with the 12-day deadline in the past and had never discussed the issue with him prior to the counseling session. HT-2 at 115-21 (Weidenfeller testimony). He also acknowledged that he had personally missed the same internal deadline when he had served on panels but could not recall how many times he had missed it, adding that he had not served on “a lot of panels.” *Id.* Moreover, he testified that he was never counseled for missing the deadline and never counseled any other APJs for missing the deadline even though he served on panels wherein his co-panelists blew the deadline on a number of occasions. *Id.* In fact, VCJ Weidenfeller testified that he was not aware of any “APJ at the PTO” being counseled or disciplined for missing the deadline and would not be surprised to hear that, on average, the 12-days deadline is missed by APJ1s 25 percent of the time. *Id.*

With regard to his claim that the appellant had repeatedly displayed a lack of discretion and judgment, VCJ Weidenfeller testified that the appellant had refused to comply with the Director’s “internal guidance” that management provided to the PTAB following the Supreme Court’s decision in *SAS Institute Inc., v. Iancu*, 138 S.Ct. 1348 (2018) (*SAS*). HT-2 at 49-66 (Weidenfeller testimony). In *SAS*, the Court held that the PTAB was required to “institute as to all claims or none.” *Id.* In response to the Court’s holding, the agency published guidance on its website that informed its stakeholders as follows:

As required by [*SAS*], the PTAB will institute as to all claims or none. At this time, if the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition.

IAF, Tab 5 at 75 (“Guidance on the Impact of SAS on AIA Trial Proceedings” dated Apr. 26, 2018). In addition, VCJ Weidenfeller explained that the PTAB “conveyed” internal guidance to PTAB members promulgated by the Director that indicated that the institution decision “should address more completely all claims and all grounds challenged in the petition.” *Id.* Put another way, “the Director wanted institution decisions to analyze all the challenged claims” in the DI even though the PTAB was required under *SAS* to consider all of the claims during the trial phase based on a decision to institution on one. HT-2 at 52, 126-27 (Weidenfeller testimony). He also explained that this internal guidance was probably conveyed orally in training sessions “with all the Board judges” but he could not recall for sure. *Id.*

According to VCJ Weidenfeller, the appellant refused to comply with this internal guidance on several occasions, to include in the *Riot Games* DIs. HT-2 at 49-66 (Weidenfeller testimony); *see also* IAF, Tab 6 at 23, 188-89 and 243-50. To make matters worse, he alleged that the appellant engaged in insubordinate behavior because he directed PTAB staff to override a directive given by VCJ Weidenfeller after the appellant refused to follow the internal guidance. HT-2 at 49-66; *see also* IAF, Tab 6 at 15-18, 20. In support of these claims, the agency referenced documentation that shows that the appellant served on the *Riot Games* DI panels with APJ Karl Eastom and APJ Thu Dang. *Id.* In his concurring decisions, the appellant stated, in pertinent part, “In view of *SAS*, I see no need to analyze the likelihood of Petitioner prevailing on the remaining claims challenged in its Petition, and so I do not join that part of the majority opinion.” IAF, Tab 6 at 244.

During the hearing, VCJ Weidenfeller referenced some email communications showing that he sent APJ Karl Eastom an email on May 12, 2018, with a copy to the appellant and APJ Dang, asking, “Would the [*Riot Games*] panel be amenable to issuing two-judge DIs in these cases written only by you and Thu?” IAF, Tab 6 at 15-16. The appellant replied to all on May 14, 2018 and stated, “I want to keep my opinion.” *Id.* APJ Eastom followed with a reply the same day at 10:19 a.m. stating, “Thu and I are fine either Scott, i.e., without or without concurrence.” *Id.* At 6:36 p.m., the same day, VCJ Weidenfeller replied to APJ Eastom with a copy to the panel and said, “Please mail the decision without the concurrence.” *Id.* The next morning at 5:19 a.m., the appellant replied to all and stated, “Do not mail the decision without my concurrence.” *Id.* Several hours later at 8:13 a.m., he replied again and stated, “The decisions that were mailed [] were mailed without my concurrences. They need to be expunged and new decisions replace them.” *Id.* At 10:06 a.m., VCJ Weidenfeller sent an email to the appellant with a copy to APJs Eastom, APJ Dang and Lead APJ Mitchell stating as follows:

You were removed from the panels in these cases because you refused to join a majority opinion that did exactly what the Director's *SAS* Guidance informs panels they should do in the situations faced by the panel. I have informed the paralegals not to make any changes in these matters, as you are no longer on the panel. We are working with AIA paneling to find a replacement third APJ to conduct the trials in these matters.

*Id.*

At the hearing, VCJ Weidenfeller testified that the appellant's actions constituted insubordination because VCJ Weidenfeller had given an order to mail the decisions and the appellant sent an email “saying do not do what [VCJ] Weidenfeller just ordered the panel to do and then sent another email telling them to expunge the decisions and replace them.” HT-2 at 60-63 (Weidenfeller testimony-“I considered it insubordination.”).

On cross examination, VCJ Weidenfeller acknowledged that he had not discussed this incident with the appellant prior to the May 30 counseling session and agreed that the appellant's concurring decisions in the *Riot Games* cases did not run afoul to the Court's holding in *SAS* and/or the “official published guidance of the Director” following the Court's decision in *SAS*. HT-2 at 124-26, 139; IAF, Tab 6 at 246-47. Nevertheless, he explained that the appellant's concurring decisions failed to comply with the Director's “informal guidance.” *Id.*; RAF, Tab 11 at 19 (“it was the Director's preference that parties be provided with sufficient information to make informed decision on how to proceed.”).<sup>91</sup> He also suggested that the appellant was well aware of the informal guidance and referenced an email exchange between himself and the appellant dated May 8, 2018 to support this claim. HT-2 at 116-18; IAF, Tab 6 at 187-88. In the exchange, VCJ Weidenfeller notified the appellant that management was “not comfortable with the draft order” the panel had prepared in IPR2017-01356 and asked him if he would use a template provided by management as a starting point. IAF, Tab 6 at 188. The appellant immediately responded noting that he “respectfully” disagreed with VCJ Weidenfeller's analysis and provided an explanation to show that the panel's draft order was consistent with both the Court's holding in *SAS* and the PTAB's published guidance on this issue. *Id.*, at 187-88.<sup>92</sup> VCJ Weidenfeller, however, never responded to the appellant's email or the rationale the appellant had offered to support the panel's order. Thus, I find that the agency's argument that this evidence somehow supports a finding that the appellant was aware of the “oral” guidance is unavailing.

VCJ Weidenfeller also testified that the appellant had “refused to compromise with his colleagues in a number of cases” and wrote separate opinions instead. HT-2 at 66-72. In fact, he noted that the appellant had refused to compromise “on even seemingly minor issues.” *Id.* For instance, on one occasion, the “majority decision had cited a Board decision using the term 'slip opinion' which was in accordance with the style guide . . . and [the] appellant wrote a separate opinion saying that Board decisions are not 'slip opinions' and that term should not be used in a citation.” *Id.* In his Performance Summary, he stated that the appellant's “refusal to compromise on even seemingly minor issues has caused significant discontent among [his] colleagues.” IAF, Tab 6 at 12. Notably, however, VCJ Weidenfeller did not identify the cases at issue, nor did he identify the APJs that had allegedly expressed “significant discontent.” Moreover, the agency failed to introduce any other evidence to corroborate his claims.

VCJ Weidenfeller also alleged that the appellant had displayed insubordinate behavior during a virtual “Board-wide training session” on May 15, 2018, when he informed attendees via a Direct Message (DM) inquiry that he had been removed from several institution panels because he “wanted to file concurring opinions in DIs saying, in light of *SAS*, only one claim need be analyzed.” HT-2 at 64-72 (Weidenfeller testimony); IAF, Tab 6 at 26.<sup>93</sup> In addition, VCJ



Weidenfeller testified that he was “was not impressed” with an interaction the appellant had with VCJ Michael Tierney in August and early September 2017 concerning some “confidential information that the appellant included in a concurring opinion.” HT-2 at 69-71. He also explained that the appellant's follow-up email to CJ Ruschke on September 5, 2017 “seem[ed] unnecessary and inappropriate.” *Id*; *see also* IAF, Tab 32 at 126-32 (app 9/5/17 email to CJ Ruschke).

Apart from the above-described performance problems, however, VCJ Weidenfeller acknowledged that he had not received any complaints from the appellant's colleagues. HT-2 at 75-77, 112-14 (Weidenfeller testimony). In addition, he testified that Lead APJ Mitchell had informed him that she had “reached out to [the appellant's] colleagues and received favorable comments about his interactions” with them. *Id*. As such, he stated that the appellant received a positive mid-year review in April 2018 and a “Commendable” performance rating for fiscal year 2018. *Id*.

In sum, VCJ Weidenfeller explained that based on the totality of the circumstances, he concluded that the appellant was “having a lot of difficulty compromising with his colleagues and that was causing a lot of frustration for his colleagues” which was “driven” in part by the AIA statutory deadlines.” HT-2 at 71-74, 121-22, 142-45, 155-57 (Weidenfeller testimony).<sup>94</sup> Consequently, he decided to “reassign him to ex parte cases because there were no statutory deadlines in those cases” and there was “no impact on the [appellant's] working conditions,” adding that the reassignment action was not a punishment and “completely proportional to the conduct and perhaps generous to him.” *Id*. He knew, however, that the appellant was “happy” adjudicating AIA cases and would have preferred to continue in this role. *Id*.<sup>95</sup>

Finally, VCJ Weidenfeller testified that the appellant's arguments regarding the legality of panel expansion in his *Adidas/Nike* concurring decision, although unreasonable, was not a source of embarrassment for the Board and played no role his decision to remove him from his AIA cases and reassign him exclusively to ex parte appeals. HT-2 at 99-100 (Weidenfeller testimony).

#### *Lead APJ Susan Mitchell*

Lead APJ Mitchell testified that she has served as the appellant's first-line supervisor for the past six years. HT-1 at 303-04, 318, 347-49 (Mitchell testimony). She indicated that the appellant does “good work,” is a “strong legal writer,” and “typically covers issues well.” *Id*. She also explained that she respects him and enjoyed working with him on AIA panels prior to his reassignment because he made her question her “assumptions” and “think about things in different ways” which is “very healthy for the panel.” *Id*; *see also* IAF, Tab 5 at 326-40 (nine written statements from

various APJs who worked with the appellant on AIA panels attesting to the appellant's high level of professionalism, honesty, judgment, collegiality, conscientiousness, etc.).

Lead APJ Mitchell further testified that she was not involved in the decision to remove the appellant from AIA cases and speculated that the decision was made by VCJ Weidenfeller and management officials “above” her. HT-1 at 309-23. She explained that VCJ Weidenfeller sent her a copy of his Performance Summary notes “right before” the May 30, 2018 teleconference, noting that she “was only pulled” into the meeting to serve as “sort of a witness” when VCJ Weidenfeller “delivered the decision.” *Id.* As for the decision to reassign, she reiterated the fact that she liked having him on her panels and enjoyed their interactions which “was definitely different than what was said in the meeting by the Vice Chief” and used as his rationale to remove him from AIA cases. *Id.* During the May 30, 2018 teleconference, she sat quietly and wrote some handwritten notes on the Performance Summary sheet. *Id.*; *see also* IAF, Tab 6 at 13. The day after the meeting, she called the appellant and left him a voicemail message. HT-1 at 308-11.<sup>96</sup> In the message, which was played during the hearing, she told him she “was not involved at all in that decision to pull [him] off AIA” and did not know “what the rationale” was behind the action. *Id.*, at 309-11; *see also* IAF, Tab 5 at 61. She also told him that she “wished they had called” her “about the concurrences before those got pulled,” adding that she was “sorry that it's come to this.” *Id.*

As for the performance issues raised by VCJ Weidenfeller during the May 30, 2018 teleconference, that is, his claims that the appellant had “frequent and serious” timeliness problems and displayed a lack of judgment and discretion by refusing to compromise with other panel members in AIA cases, Lead APJ Mitchell provided compelling testimony to cast doubt on these claims. HT-1 at 322-23, 328-30, 341 (Mitchell testimony). As for timeliness, she explained that the appellant provided draft decisions “earlier” than expected and was “more timely than most judges,” adding that she had no idea how many times he had failed to comply with the 12-day rule. *Id.* She also indicated that in her capacity as an APJ1 on AIA panels, she had repeatedly blown the 12-day deadline and was never counseled or disciplined. *Id.* She also stated that she was not aware of any APJ ever being removed from AIA cases because of “timeliness” issues. *Id.*

In addition, she testified that the appellant generally exercised good judgment and proper discretion and “was always cordial” in his interactions with colleagues and management officials. HT-1 at 331-32, 349-50, 357, 383-84 (Mitchell testimony). Nevertheless, she indicated that the appellant had failed to exercise appropriate discretion on at least one occasion in late August or early September 2017 when he wanted to include “confidential information” in one of his opinions. *Id.* Specifically, he wanted to include a discussion of facts relating to the Board's vote to make the IPR opinion in *Target* precedential and she believed this information was “part of our deliberative process” because it described “the internal workings of the Board.” *Id.*<sup>97</sup> She acknowledged,

however, that the appellant ultimately agreed to remove the information at issue “after a lively discussion” with herself and VCJ Tierney, and after VCJ Tierney threatened to discipline him if he failed to comply. *Id.*, at 356-57, 361, 384-85; *see also* IAF, Tab 6 at 59-64 and Tab 32 at 96-97. She also noted that she never mentioned this incident in the appellant's fiscal year 2017 appraisal because it “had already been dealt with.” *Id.*

As for the May 30, 2018 “counseling” session, Lead APJ Mitchell stated she did not put anything into the appellant's personnel file following the meeting. HT-1 at 365-68 (Mitchell testimony). She also testified that she believed VCJ Weidenfeller's action in reassigning the appellant from a docket of AIA cases to a docket of ex parte appeals constituted, in her mind, a “punishment” and she is not aware of anything like this happening to another PTO APJ before or since. *Id.*

#### *DCJ Scott Boalick Testimony*

DCJ Boalick testified that VCJ Weidenfeller discussed the appellant's reassignment action with him and CJ Ruschke before the May 30, 2018 counseling session and he concurred with the decision to reassign the appellant to ex parte appeals. HT-2 at 237-42 (Boalick testimony). During the discussion, VCJ Weidenfeller never mentioned the *Adidas/Nike* IPR and DCJ Boalick testified that it “didn't play a role” in the reassignment action. *Id.* Rather, he explained that the appellant was reassigned for “the countermanding of his second-level supervisor twice,” specifically, when he refused to follow VCJ Weidenfeller instructions regarding *SAS* guidance and “attempted to mail a decision that was directly against that direction.” *Id.*<sup>98</sup>

DCJ Boalick also testified that the reassignment did not constitute a demotion or a disciplinary action because “[a]ll cases at the Board are equally prestigious, they are all impactful, and they all matter to the judges.” HT-2 at 296, 360-61 (Boalick testimony). When questioned as to the reason for the reassignment, he once again stated that the appellant did not agree with the “particular directive” pertaining to *SAS* and the reassignment action would cure the problem because issues relating to *SAS* and institution are not relevant in ex parte appeals. *Id.*<sup>99</sup>

As for the *Adidas/Nike* IPR, DCJ Boalick testified that the portion of the appellant's concurring decision discussing the legality of panel expansion would have been published if VCJ Weidenfeller had not removed him from the panel on May 30, 2018. HT-2 at 226-28, 234-35 (Weidenfeller testimony).<sup>100</sup> He also explained that he had no “qualms” with this discussion and indicated that “other concurring opinions” had gone out in the past that questioned “certain policies.” *Id.*<sup>101</sup> Finally, he testified that he “never felt personally accused of any wrongdoing” and did not believe

that the appellant's concurring opinion relating to panel expansion would have impacted him professionally if it had been issued. *Id.*

#### *CJ David Ruschke Testimony*

CJ Ruschke testified that he was not involved with the decision to remove the appellant from the *Adidas/Nike* IPR and never told DCJ Boalick or anyone else to take such an action. HT-3 at 106-121, 124-29 (Ruschke testimony).<sup>102</sup> He also testified that he had no objection to the appellant's concurring decision in the case to include the portion discussing expanded panels as long as the highlighted information was removed. *Id.* In fact, he stated that if the highlighted information had been removed, it “would have gone out the way it” was even though he believed the appellant's position was unreasonable. *Id.* He also stated that he would not have been embarrassed by anything in the decision and explained that sometimes it is important for “an issue to get out there to be discussed” even though it might be incorrect, adding that this was the appellant's opinion and not the Board's opinion. *Id.*, at 124-25.

As for the May 7, 2018 teleconference and the appellant's May 10, 2018 email summary referencing the fact that CJ Ruschke had refused to issue the decision as long as it contained the appellants' discussion on panel expansion, CJ Ruschke provided a somewhat convoluted and evasive response indicating that he believed that as of May 7, 2018, the appellant had refused to remove the highlighted confidential information. HT-3 at 106-10, 143-45 (Ruschke testimony).<sup>103</sup> He also claimed that the appellant had “yelled” at him and his team during the May 7, 2018 conference call but he gave him “a pass on all of that” because he “was going through some issues with his family.” *Id.*

#### *APJ Christopher Paulraj*

APJ Paulraj testified that he has served as an APJ and/or as Lead APJ for the past eight years and has adjudicated hundreds of AIA cases. HT-3 at 322-23, 329, 338, 347-52. He explained that the 12-day deadline is not a “mandatory requirement” or a “strict” rule but rather “an aspirational goal” wherein he “would try to circulate a decision to the panel at least 12 days before it needs to be mailed.” *Id.* He also stated that he has missed this deadline in the past and would not be surprised to hear that APJs miss it 25 percent of the time. *Id.*<sup>104</sup>

APJ Paulraj testified that he served on the *Hologic* panel with the appellant and APJ Yang in early 2018. HT-3 at 324-30; IAF, Tab 6 at 88-97 (*Hologic* DI). The appellant served as APJ1 and “wanted to decide the case under somewhat an unusual procedural posture.” *Id.* The panel met several times to discuss the approach and tentatively agreed on a disposition, and the appellant

circulated a draft opinion on April 11 with a mailing deadline of April 18, 2018. *Id.*; *see also* IAF, Tab 5 at 62-68 (panel email correspondence). After reading the draft opinion, however, APJ Paulraj notified the appellant on April 13, 2018 that he “was having second thoughts . . . about the approach we've taken.” HT-3 at 377 (voicemail message)<sup>105</sup>; *see also* HT-3 at 333-39 (Paulraj testimony) and IAF, Tab 5 at 67 (Paulraj email correspondence dated 4/13/18). In short, he told the appellant he wanted some additional time to think about the approach because he was not comfortable with the interpretation of the rules as described in the majority opinion. *Id.* In the end, APJ Paulraj drafted a dissenting opinion with a footnote that included a sentence stating that he would welcome the opportunity for the panel to further consider this issue on a request for rehearing. *Id.* At the hearing, he explained that he included this “highly unusual” footnote because he felt that the panel, “especially [he] and Judge Yang,” did not have enough time to consider the issue “given the short turnaround” for the case. *Id.* He noted that the appellant had introduced “a really unheard of approach” in this decision and he “felt that there just was not enough time for a proper deliberation” under the circumstances. *Id.*

APJ Paulraj testified that he never raised any concerns about the timing of the draft decision in the *Hologic* DI with the appellant or anyone else to include VCJ Weidenfeller. HT-3 at 379-83 (Paulraj testimony). He did, however, express some concern about the timing of the draft in response to an inquiry by VCJ Fink in September 2018. *Id.*

#### *VCJ Michael Tierney Testimony*

VCJ Tierney testified that he has served as a VCJ since December 2016 and explained that the appellant had a history of being a difficult APJ if a panel member or a member of management “disagreed with him.” HT-3 at 407-09, 418-20 (Tierney testimony).<sup>106</sup> In this regard, he noted that the appellant would “dig in his heels” and “push the envelope constantly” if there was a disagreement and he provided some examples to support this claim. *Id.* For instance, in August 2017, he explained that the management team reviewed a draft decision forwarded by the ARC in IPR2017-01055 (*Fresenius Kabi/Hopsira* IPR) and was concerned with some information the appellant had included in his concurring opinion. HT-2 at 410-12; IAF, Tab 7 at 96-101. Specifically, the appellant had stated in his opinion that another case, the *Target* IPR, had been “nominated for precedential status” but was voted down by the “Board's judges.” IAF, Tab 7 at 99. As such, the appellant claimed that this fact bolstered his findings on a related issue in the decision. *Id.* On review, however, the ARC flagged the information discussing the vote as being “not public information” and the appellant responded via email on August 2, 2017 and notified the ARC that he would remove the information if “there were a legal requirement” to do so. *Id.*, at 99, 102. He also noted that he believed the “public was entitled to know, and would benefit from knowing that *Target* was considered for precedential status and rejected.” *Id.*



VCJ Tierney explained that an APJ “does not have the authority to act on behalf of the agency to determine that something that is confidential should be released to the public.” HT-3 at 416-18.<sup>107</sup> Nevertheless, an APJ “can raise the issue and go through the management chain, but it's not ultimately [the APJ's] decision” to make. *Id.*

On August 24, 2017, Lead APJ Mitchell called the appellant to discuss the information in his decision and suggested that he should delete it because the disclosure could waive a privilege on behalf of the Board and/or result in the disclosure of confidential information that could be unethical to disclose. IAF, Tab 6 at 62-63. The appellant told Lead APJ Mitchell that “neither reason was persuasive in the absence of supporting information which no one had provided to date.” *Id.*

On September 1, 2017, VCJ Tierney had a conference call with the appellant and Lead APJ Mitchell to discuss the matter. *Id.*, at 420-23; IAF, Tab 6 at 56-57.<sup>108</sup> During the call, which VCJ Tierney described as “cold but civil,” he directed the appellant to remove the non-public information that had been flagged by the ARC or face “consequences,” to include an adjustment to his case assignment, a downgrade of his performance appraisal, and “a Disciplinary or adverse action for misconduct.” IAF, Tab 6 at 57. The appellant asked a lot of questions during the call in a manner similar to a cross examination. HT-3 at 421-22. In the end, however, the appellant agreed to remove the information at issue and, on September 5, 2017, he sent an email to CJ Ruschke with copies to agency management officials memorializing the September 1 call and expressing his displeasure with VCJ Tierney's directive. IAF, Tab 6 at 59-60; HT-3 at 432 (Tierney testimony).

VCJ Tierney testified that during weekly management meetings he made it very clear to the other managers that he “was frustrated with [the appellant] and the way he was interacting with the agency” and “felt there should be repercussions based upon his failure to follow guidance and have [managers] basically go to the point of getting a third or fourth supervisor for direct orders to be given.” HT-3 at 438 (Tierney testimony). VCJ Tierney also explained that at “every other” ARC meeting the appellant's name would come up and it was “evident that [the appellant's] views were causing concerns as he was not necessarily wanting to follow policy.” *Id.*, at 439.<sup>109</sup>

Finally, VCJ Tierney described an incident involving another APJ that had openly criticized PTAB policy and the management team gave the judge the following ultimatum,

If you're willing to follow PTAB policy and not criticize it, you can stay on AIA cases. If you're going to be on AIA cases and start criticizing the Director's policies, then we're not going to be paneling you.

HT-3 at 429-30 (Tierney testimony). VCJ Tierney explained that, in the end, “[t]hat judge decided to not be on AIA cases at that time.” *Id.*

#### *VCJ William Fink*

VCJ William Fink testified that he began his agency tenure in June 2014 and served as an APJ, a Lead APJ and then a VCJ from December 2017 through April 2021. HT-3 at 256-58 (Fink testimony).<sup>110</sup> As relevant here, he spent about three or four years working on AIA cases which he described as “very heavily timing dependent,” adding that the PTAB went “to heroic lengths” during his tenure “not to violate” the AIA’s “strict deadlines.” *Id.*, at 292-93. As for the internal 12-day deadline discussed in VCJ Weidenfeller’s Performance Summary, VCJ Fink testified that he personally never missed this deadline while serving on AIA panels<sup>111</sup> and did not “recall any specific cases” when another panel member missed this deadline. *Id.*, at 297-300. Further, he explained that if an APJ did miss the deadline, the “peers of the judge would complain because it would put them into a difficult tight timeframe.” *Id.* He stated that under these circumstances, the issue would “typically” be addressed with a “phone call” to “find out what happened,” “especially if it happened more than once.” *Id.* He noted, however, that “from time to time” a judge would miss the deadline and “be counseled and, on some occasions, taken off of the deadline cases.” *Id.* Apart from the circumstances involving the appellant, however, VCJ Fink did not provide any specific evidence to support this claim. *Id.*<sup>112</sup>

VCJ Fink testified that in early September 2018, DCJ Boalick “nominated” him to “read and respond” to the appellant’s June 14, 2018 informal grievance, adding that DCJ Boalick provided him with a “very compressed time frame” of one week to complete this task. HT-3 at 258-62, 296-97;<sup>113</sup> *see also* IAF, Tab 6 at 4-10 (Fink Sept. 25, 2018 “Decision on Grievance”) and at 68-344 (app’s informal grievance). As part of his review and related investigation, VCJ Fink interviewed VCJ Tierney, VCJ Weidenfeller, Lead APJ Mitchell, and APJ Paulraj. *Id.* He did not, however, interview the appellant. HT-3 at 301; IAF, Tab 6 at 4.

As for VCJ Weidenfeller’s allegations that the appellant had frequent and serious problems with timeliness, APJ Paulraj told VCJ Fink that he included the footnote in his dissenting opinion (IPR2018-00019) because he felt there was not enough time for the panel to fully analyze the case and “consider his point of view.” HT-3 at 267-70 (Fink testimony). APJ Fink determined that the appellant’s failure to comply with the agency’s 12-day deadline in this case “kind of push[ed]” the panel in a direction that made them feel “uncomfortable” and it “was a little bit embarrassing for

the Board to have that happen.” *Id.* He also explained that this was “kind of an aggressive position [for the appellant] to take on a case, and force the colleagues to take.” *Id.*<sup>114</sup>

As for VCJ Weidenfeller's allegations pertaining to the *Riot Games* DIs, VCJ Fink testified that the email exchanges between the appellant and VCJ Weidenfeller proved the appellant was insubordinate because he tried to countermand VCJ Weidenfeller's instruction when he sent the email telling the PTAB staff not to mail the decisions without his concurrences and later directed them to “expunge” the decisions after he discovered they were mailed per VCJ Weidenfeller directive. HT-3 at 273-76 (Fink testimony); IAF, Tab 6 at 15-18, 20-23.<sup>115</sup> He also explained that the question that the appellant “blasted out” to “200 and something employees” during the virtual Q&A training session on May 15, 2018, wherein he informed them that he had been removed from four panels for failing to comply with the agency's internal *SAS* guidance<sup>116</sup> was an attempt to undermine the Director and “embarrass management.” HT-3 at 276-77; IAF, Tab 6 at 25-27.

In regards to the *Adidas/Nike* IPR, VCJ Fink testified that the remand decision did not have “a deadline” and therefore APJ Arpin and the appellant had no basis to instruct management to promptly mail the decision. HT-3 at 282-89 (Fink testimony). He also testified that Lead APJ Mitchell properly directed the appellant to remove the highlighted material in his concurring opinion because it was confidential and deliberative process material. *Id.* In addition, he stated that the appellant's email to CJ Ruschke on May 10, 2018, wherein the appellant told him that he had “removed the edits to [his] concurring opinion” in the *Adidas/Nike* IPR constituted an act of insubordination. *Id.*, citing IAF, Tab 7 at 656.<sup>117</sup> In fact, VCJ Fink testified that VCJ Weidenfeller specifically told him that he (VCJ Weidenfeller) had relied on this behavior to take the appellant “off his preferred docket” on May 30, 2018. HT-3 at 287-88; IAF, Tab 6 at 7-8.

VCJ Fink also testified that he spoke to VCJ Tierney about an interaction with the appellant on September 1, 2017, following the appellant's refusal to remove the “confidential information” contained in his concurring opinion. HT-3 at 289-92 (Fink testimony); IAF, Tab 6 at 56-57. He explained that this was an example of the appellant “putting confidential information into a decision and then refusing to take it out,” causing the matter to be “escalated to” VCJ Tierney. *Id.* He also explained that the appellant's follow-up email to CJ Ruschke dated September 5, 2017 was simply “an example of [the appellant] trying to embarrass VCJ Tierney in this case” and “another example of a discretion issue and insubordination.” HT-3 at 291-92; IAF, Tab 6 at 59-64.

After completing his review and investigation, VCJ Fink testified that he concluded that the appellant's actions as summarized above “were highly unusual” and supported management's “decision to take [the appellant] off of his preferred docket.” HT-3 at 291-93 (Fink testimony).

In fact, he indicated that the reassignment action was “tailored” to address the fact that the AIA imposed “strict deadlines” and the appellant's actions “were causing particular difficulties with management, requiring constant intervention or frequent intervention” and creating “emergencies.” *Id.*

### *The Appellant's Rebuttal Testimony*

The appellant testified that during the May 30, 2018 teleconference, VCJ Weidenfeller never mentioned that he was taking the actions at issue because the appellant had engaged in insubordination. HT-3 at 450-59 (app's testimony). He also provided a credible explanation for the email exchange with VCJ Weidenfeller and the panel in the *Riot Games* DIs. *Id.*<sup>118</sup> Specifically, he explained that he had no intention of countermanding VCJ Weidenfeller's instructions to the PTAB staff to mail the DIs without the appellant's concurrence. *Id.*; see also IAF, Tab 6 at 15-16. Rather, he testified that he saw the email for the first time on his mobile phone early on May 15, 2018 and thought VCJ Weidenfeller had mistakenly overlooked his May 14, 2018 email wherein he told him that he wanted to keep his concurring opinion, noting that VCJ Weidenfeller had asked the question on May 12, 2018 and he provided his answer on May 14. *Id.* As such, he replied to VCJ Weidenfeller's email and told the PTAB staff not to mail the decisions and then responded again because he received a notice indicating the decisions had mailed. *Id.*<sup>119</sup>

As for the “internal guidance” relating to *SAS*, the appellant testified that he was never provided “any guidance for which [his] opinion was inconsistent” and VCJ Weidenfeller never “identified any guidance” notwithstanding the appellant's request for “clarification.” HT-3 at 459-61 (app's testimony). He also testified that there were a lot of APJs that believed “that no guidance precluded single claim institution decisions.” *Id.*

In addition, the appellant stated that he posed the question to the training group on May 16, 2018 because he was “trying to get management to explain” the “contours of whatever guidance there is on *SAS*” and attempting to determine what “our marching orders [were] from management” because it was “never clear” to him. HT-3 at 461-63 (app's testimony). He testified that he had no intention of embarrassing management. *Id.* Finally, he noted that he believed the action that reassigned him from IPR cases to ex parte appeals was in fact a punishment and was intended as such. *Id.*, at 467-68.

### *(1) The Strength of the Agency's Evidence*

As demonstrated above, the agency introduced evidence to support its claim that VCJ Weidenfeller's May 30, 2018 “counseling session” and his related decision to reassign the appellant

from AIA cases to ex parte appeals were warranted and unrelated to his protected disclosures. Specifically, VCJ Weidenfeller testified that he took these actions based on two of the appellant's performance deficiencies, first, his "problems with timeliness" which he characterized as being "too frequent" and "too serious" to ignore and second, the "lack of discretion and judgment" that he "repeatedly" demonstrated by refusing to compromise with his fellow judges and the Director "in order to meet statutory deadlines" and his "refusal to compromise on even seemingly minor issues" when adjudicating AIA cases. IAF, Tab 6 at 12 (Performance Summary).

As for timeliness, VCJ Weidenfeller testified that the appellant's failure to comply with the internal deadlines in the *Hologic* DI constituted the primary basis for his conclusion that he had frequent and serious timeliness problems. The appellant does not dispute that he failed to comply with the internal deadlines in the *Hologic* DI as alleged. HT-1 at 120 (app's testimony). Significantly, however, the agency failed to prove that his alleged problems were frequent and/or serious. Indeed, apart from the timeliness issues relating to the *Hologic* DI, the agency failed to introduce any evidence to support its claim that the appellant had "frequently" missed internal deadlines. In fact, the agency failed to offer any evidence to refute the appellant's testimony indicating that this may have been the only case in which he had ever missed a deadline. *Id.* Moreover, Lead APJ Mitchell offered unrefuted testimony to establish that the appellant was "more timely than most judges" and typically provided his draft decisions "earlier" than expected. HT-1 at 341 (Mitchell testimony).

As for his claim that the appellant's failure to comply with the agency's internal deadlines was a "serious" problem, the record shows that Lead APJ Mitchell and APJ Paulraj indicated that the agency's 12-day deadline was not a strict and/or mandatory requirement but more of an aspirational goal. HT-3 at 338, 347-48 (Paulraj testimony); HT-1 at 325-28 (Mitchell testimony). In addition, VCJ Weidenfeller testified that missing an internal deadline on one occasion was not a "significant" concern and noted that he would not be surprised if APJs missed the 12-day deadline as much as 25 percent of the time. In this regard, VCJ Weidenfeller, Lead APJ Mitchell, and APJ Paulraj all testified that they had personally missed this deadline in the past and had served on AIA panels wherein their colleagues had done the same. *Id.* They also testified that they were never counseled and/or otherwise disciplined for their failure to comply, and were not aware of any other judges that had been counseled or disciplined under similar circumstances. *Id.*

Nevertheless, in an effort to prove that circumstances relating to the *Hologic* IPR were "serious," VCJ Weidenfeller stated that the appellant's failure to comply with the internal deadlines in this "particular IPR" was "very, very troubling" because APJ Paulraj included a footnote in his dissenting opinion that was "embarrassing" for the Board because it suggested the panel had failed to fully consider a material issue in the case before rendering its decision. IAF, Tab 32 at 83-95, n.1 ("I would welcome the opportunity for the panel to further consider this issue in a request for



rehearing.”); HT-2 at 43, 46 (Weidenfeller testimony). Significantly, however, there is nothing in this record to prove or even suggest that the appellant could have anticipated that his failure to comply with the 12-day deadline in this case would have put APJ Yang and/or APJ Paulraj in an uncomfortable position or that it would result in a footnote that embarrassed the Board. In fact, the evidence shows that the full panel conferred in due course and appeared to agree on the rationale used to deny the petition well before the appellant circulated the draft decision. In addition, APJ Paulraj notified the appellant that he was having “second thoughts” about the panel's approach only after reviewing the draft decision, thereby suggesting that he had previously expressed agreement and understanding during the conferences that occurred well before the 12-day deadline. *See* HT-1 at 121-25 (app's testimony). Moreover, apart from APJ Paulraj's speculation that APJ Yang lacked sufficient time to review the majority decision, the agency failed to introduce any material evidence to confirm this fact. To the contrary, the email communications between the panel members suggest that APJ Yang had sufficient time to make the comments and edits necessary to complete her adjudication process without issue. *See* IAF, Tab 5 at 64-65.<sup>120</sup>

The record also demonstrates that VCJ Weidenfeller did nothing to address his concerns in real time even though he discovered this “serious” and “very, very troubling” development prior to the issuance of the *Hologic* DI on April 18, 2018 while performing his duties on management review committee. If he had acted promptly when he first discovered the issue, it stands to reason that he could have contacted APJ Paulraj to see if he was amenable to rewording or changing the footnote to eliminate any potential embarrassment for the Board. Although VCJ Weidenfeller testified that he discussed the draft decision “with the panel and in particular Judge Paulraj” after discovering the footnote (HT-2 at 41-42), I find that his testimony in this regard is not credible because he later contradicted his own assertions on cross examination and testified that he did not “recall talking to” APJ Yang and/or the appellant. *Id.*, at 120-21. In addition, APJ Paulraj testified that he never spoke to VCJ Weidenfeller about the *Hologic* DI. HT-3 at 383 (Paulraj testimony).

The record also shows that APJ Fink testified that an APJ's failure to comply with an internal deadline would typically become an issue only if a co-panelist complained and then would be addressed with a “phone call” to “find out what happened,” especially if it happened more than once. *Id.* In this case, however, APJ Paulraj never raised a complaint and VCJ Weidenfeller never made a phone call to anyone on the panel, to include the appellant. Moreover, although the agency introduced the testimony of APJ Fink to show that an APJ could be counseled or, in some circumstances, “taken off of the deadline cases” if they missed the internal deadline, the only evidence the agency introduced to support this claim was related to the circumstances involving the appellant in this case.

The evidence also demonstrates that VCJ Weidenfeller waited until May 30, 2018, or a full six weeks after the *Hologic* DI had issued to notify the appellant and his first-line supervisor of his concerns. In the meantime, he allowed the appellant to participate on AIA panels without notifying him that he had committed a “serious” and “troubling” violation as it relates to timeliness.<sup>121</sup> In addition, Lead APJ Mitchell signed off on the appellant's 2018 mid-year progress review (“Mid-year FY2018”) one week after the *Hologic* DI issued attesting to the fact that the appellant was performing at the “meets or exceeds” level in every critical element. *See* IAF, Tab 33 at 139 (FY 2018 Progress Review). In addition, she rated his performance as “Commendable” for fiscal year 2018 and presented him a Category 2 Performance Award while making no mention of the appellant's alleged deficient performance in the *Hologic* case. *Id.*, at 125 (FY 2018 Appraisal). Further, VCJ Weidenfeller signed off on this rating and the related award in his role as the reviewing/approving official.

In sum, I find that the agency failed to introduce clear and/or convincing evidence to show that its claim that the appellant's failure to meet the internal deadlines in the *Hologic* DI was in fact frequent and/or serious under the circumstances of this case. In fact, I find that the weight of the evidence supports a contrary finding.

As for the agency's claim that the personnel actions were justified because the appellant displayed a lack of judgement and discretion when interacting with his colleagues and the Director, VCJ Weidenfeller relied once again on the *Hologic* case, noting that the appellant failed to afford sufficient time to the panel members to consider the merits of the petition which led to APJ Paulraj's footnote that embarrassed the Board. IAF, Tab 6 at 12 (Performance Summary). For the reasons discussed above, however, I find that the agency failed to carry its burden of proof as they relate to these allegations.

VCJ Weidenfeller also indicated the appellant displayed a lack judgement and/or discretion when he refused to “sign on to pre-approved template decisions applying *SAS*,” which delayed issuance of decision “while [his] colleagues sought guidance from management.” IAF, Tab 6 at 12 (Performance Summary). In support of this claim, VCJ Weidenfeller testified that the appellant refused to follow the Director's internal *SAS* guidance in the *Riot Games* cases. As discussed above, “the official published guidance of the Director” states that the Board will consider all claims in an IPR if the petitioner shows that institution is warranted on a single claim. IAF, Tab 6 at 252. This guidance does not discuss, however, whether the decision to institute must analyze more than one challenged claim if institution is ultimately granted. *Id.*

At the hearing, the agency introduced the testimony of a number of witnesses to support its claim that senior management officials had provided oral guidance and instruction to PTAB members

indicating that the Director preferred a more “fulsome discussion of all of the grounds that were being argued by the patent owner” in the Board's institution decisions. HT-2 at 49-66, 126, 238 (Weidenfeller testimony); HT-1 at 335-39, 346 (Mitchell testimony); HT-2 at 314-18 (Boalick testimony); HT-3 at 306 (Fink testimony). The agency also introduced evidence indicating that the appellant was the only judge that failed to follow this oral guidance during the relevant time period. *Id.*

The appellant, however, testified that he was not aware of any “internal guidance” that precluded the approach that he described in his concurring opinions in the *Riot Games* DIs and the agency was unable to clearly refute this claim. HT-3 at 459-61 (app's testimony). Moreover, I find that his email correspondence with VCJ Weidenfeller as it relates to IPR2017-01356 discussed above appears to support this claim. *See* IAF, Tab 6 at 187-88.<sup>122</sup> The appellant also testified that there were a lot of APJs that believed “that no guidance precluded single claim institution decisions” (HT-3 at 460) and he introduced compelling documentary evidence in furtherance of this claim to include a number of published DIs that were issued by APJs during the relevant time period the followed the same approach that he had taken in the *Riot Games* DIs. IAF, Tab 38; *see also id.*, Tab 6 at 25-27 (questions from virtual Q&A session indicating that one PTAB member had indicated during the training session that APJs were “NOT prohibited” from analyzing only one claim in a DI).

Based on this record, I find that the agency failed to prove by clear and convincing evidence that the appellant's concurring opinion in the *Riot Games* DIs violated the agency's *SAS* guidance. Specifically, the agency failed to introduce evidence that clearly defined the contours of the guidance so as to show that the appellant's approach was in fact prohibited under its “internal” unwritten policy.<sup>123</sup> Moreover, as discussed above, the appellant introduced unrefuted documentary evidence to show that PTAB members had in fact followed a similar approach without repercussion supporting a finding that the internal guidance was either not provided to every PTAB member as alleged or that it was unclear or susceptible to different interpretations.

In addition, I find that VCJ Weidenfeller's claim that the appellant “refused” to follow the internal guidance relating to *SAS* and/or use the “pre-approved template” in the *Riot Games* cases is not supported by this record. Instead, the evidence shows that APJ Eastom sent an email reminder to the management review committee on May 9, 2018 with a copy to the panel members because the committee had failed to timely review and/or approve the draft DIs in *Riot Games*, and the decisions had remained stagnate as the statutory deadline approached. IAF, Tab 6 at 15-17.<sup>124</sup> On May 12, 2018, VCJ Weidenfeller finally responded with an apology for the delay, and asked the panel members if they “would be amenable to issuing two-judge DIs in these cases written by only” APJ Eastom and APJ Dang. *Id.* The appellant timely responded and stated that he wanted to keep his opinion. *Id.* Significantly, however, he never refused a request and/or directive by VCJ

Weidenfeller to change his decision to comport with the unwritten “internal” guidance at issue nor did he refuse an instruction telling him that he must use a related management template. *Id.* Rather, he simply responded to VCJ Weidenfeller's question. Consequently, I find that the agency's claims are refuted by this record.

I also find that VCJ Weidenfeller's claim that the appellant engaged in insubordinate conduct as it relates to the *Riot Games* DIs is without merit. As discussed above, the agency contends that the appellant “countermanded” VCJ Weidenfeller's email sent at 6:36 p.m. on May 14, 2018, that directed the PTAB staff to mail the *Riot Games* DIs without the appellant's concurrences. IAF, Tab 6 at 15. Early the next morning at 5:19 a.m., the appellant responded to VCJ Weidenfeller's email and stated, “Do not mail the decision without my concurrence” followed by another email stating that the decisions that had been emailed needed to “be expunged.” *Id.* At the hearing, however, the appellant provided a credible explanation to demonstrate that he had no intention of countermanding VCJ Weidenfeller's instructions but rather sent his emails believing that VCJ Weidenfeller had inadvertently overlooked his earlier email response.<sup>125</sup> After considering the totality of the evidence, I find that the appellant's explanation is credible. Thus, I find that the agency failed to prove by clear and convincing evidence that the appellant had engaged in insubordination as alleged.

Similarly, I find unpersuasive the evidence introduced by the agency to suggest that the appellant engaged in insubordinate behavior when he asked a question during the virtual office-wide Q&A training session on May 16, 2018, when he disclosed that management had removed him from four DI panels. IAF, Tab 6 at 25-27; HT-3 at 276-77 (Fink testimony). At the hearing, APJ Fink testified that he believed the appellant “intended to embarrass management” when he asked the question. HT-3 at 277; *see also* RAF, Tab 11 at 19 (“This was blatant and egregious insubordination.”). In contrast, the appellant testified that he had no intention of embarrassing management. HT-3 at 461-63. Instead, he asked the question because another participant had indicated that they had taken the same approach that he had taken in *Riot Games* without management objection and, as a result, he was trying to understand the “contours of whatever guidance there” was on *SAS* because it was “never clear” to him. *Id.* After considering the appellant's testimony and the DM transcript of the Q&A session (IAF, Tab 6 at 25-27), I find that his version of events is plausible. Although the record suggests that he made the inquiry in frustration, I find that the agency failed to show that his actions were insubordinate and/or intended to embarrass management officials as alleged.

VCJ Weidenfeller also offered evidence in the form of an anecdote to support his claim that the appellant had “refused to comply on even seemingly minor issues” that had “caused significant discontent among [his] colleagues” as discussed in his Performance Summary. IAF, Tab 6 at 12; HT-2 at 66-68 (Weidenfeller testimony). In short, he testified that the appellant had issued a

dissenting opinion in an IPR and took issue with the majority's use of the “term slip opinion.” *Id.* According to VCJ Weidenfeller, he “reached out to the panel” and “they expressed discontent with their ability to compromise on a minor matter like that.” HT-2 at 67-68. Significantly, however, VCJ Weidenfeller failed to identify the name and/or date of the IPR at issue and/or the panel members that had expressed their discontent. *Id.* Indeed, apart from his general allegation, the agency offered nothing to corroborate VCJ Weidenfeller's claim. *See e.g.*, RAF, Tab 11 at 19. Thus, I find that his vague and unsupported testimony is insufficient to prove by clear and convincing evidence that the appellant engaged in the behavior as alleged.

Finally, although not mentioned in his Performance Summary and/or explicitly relied upon to support the personnel actions at issue, VCJ Weidenfeller stated that he was also aware of an interaction between the appellant and VCJ Tierney that occurred in August 2017 of which he was “not impressed.” HT-2 at 69-71. As relevant here, the record demonstrates that Lead APJ Mitchell and some other management officials identified some information in the appellant's opinion in the *Fresenius* IPR that they identified as confidential. Lead APJ Mitchell suggested that the appellant remove the information at issue and the appellant resisted. Thereafter, the appellant had a “lively discussion” with VCJ Tierney and Lead APJ Mitchell wherein VCJ Tierney ordered the appellant to remove the information or face consequences to include disciplinary action. The appellant reluctantly complied but in so doing, sent a lengthy email to CJ Ruschke with a copy to management officials in which he summarized the incident, objected to the manner in which the entire situation had been handled, and explained that he believed VCJ Tierney's directive was unlawful. IAF, Tab 32 at 126-32. At the hearing, Lead APJ Mitchell testified that the appellant “did not exercise the discretion that he should” have under the circumstances and VCJ Tierney testified that he found the appellant “very difficult to work with,” noting that he if the appellant disagreed with something he would “dig in his heels” and require an extraordinary amount management involvement even for relatively minor issues. HT-1 at 331 (Mitchell testimony).

After considering the totality of this evidence, I find that the agency demonstrated that the appellant's position as to the confidentiality of the information at issue was arguably unreasonable and that the manner in which he handled the situation was perhaps overly contentious and defensive under the circumstances. Nevertheless, VCJ Weidenfeller testified that although he was aware of this incident, this was not on his “list of the most critical things” to support his actions and it was not referenced in his Performance Summary. HT-2 at 68-70 (Weidenfeller testimony). I also note that this incident occurred nine months before the May 30, 2018 counseling session. As such, I find that this evidence does little to support a finding that the agency demonstrated that the personnel actions in this case are supported by clear and convincing evidence.



Finally, the record demonstrates that the appellant introduced credible evidence to refute VCJ Weidenfeller's general claim that he had displayed a lack of discretion and judgment in his interactions with colleagues. For instance, Lead APJ Mitchell who had been serving as the appellant's first-line supervisor since 2016, testified that the appellant “was always cordial” in his interactions with colleagues and management officials. HT-1 at 303-04, 318, 347-49 (Mitchell testimony). She also explained that she enjoyed working with him on AIA panels and stated that he made her “question her assumptions” and “think about things in different ways” which she believed was “very healthy” for the panels *Id.* The record also shows that Lead APJ Mitchell's assessment of the appellant's performance is reflected in the impressive performance ratings he earned throughout his Board tenure. See IAF, Tab 33 at 103-213, 303-57 (Appraisals and Awards).

The evidence also shows that Lead APJ Mitchell disagreed with VCJ Weidenfeller's May 30, 2018 performance assessment and his decision to reassign the appellant to ex parte appeals. HT-1 at 309-26 (Mitchell testimony). In fact, she credibly testified she was never consulted on either action and explained that VCJ Weidenfeller's observations of the appellant's performance “was definitely different than what” she had experienced during her lengthy tenure as the appellant's first-line supervisor and as a colleague on numerous AIA panels. *Id.*, at 309-23; *compare* HT-2 at 25-26 (Weidenfeller testimony indicating that his interaction with the appellant was “minor.”). Although VCJ Weidenfeller testified that Lead APJ Mitchell concurred with his performance assessment and decision to reassign, (HT-2 at 73, 155-57 (Weidenfeller testimony)), I find his version of events incredible. Indeed, Lead APJ Mitchell provided compelling and consistent testimony in this regard and her version of events is corroborated by her performance appraisals and the information she left on the appellant's voicemail on May 31, 2018, wherein she apologized and told him that she “was not involved at all in that decision to pull [him] off AIA” and was “not sure what the rational is because [she] was not involved in the other stuff.” HT-1 at 309-23 (Mitchell testimony).

The appellant also introduced written statements from nine APJs that describe his legal abilities, judgment, discretion, timeliness, willingness to compromise, and interaction with colleagues in glowing terms which, for the most part, are consistent with Lead APJ Mitchell's assessment. IAF, Tab 5 at 326-40.<sup>126</sup>

In sum, I find that the agency failed to show that the evidence that it relied upon to take the personnel actions at issue is strong. To the contrary, I find that the weight of the evidence supports the appellant's claim that the alleged performance deficiencies were contrived and used as a pretext for retaliation.

## *(2) The Existence of Motive to Retaliate*

The record demonstrates that in making his decision to take the personnel action at issue, VCJ Weidenfeller discussed and obtained the approval of CJ Ruschke and DCJ Boalick. HT-2 at 73 (Weidenfeller testimony) and at 235-42, 247-48 (Boalick testimony). Although CJ Ruschke denied knowledge of VCJ Weidenfeller's decision to remove the appellant from the *Adidas/Nike* IPR (*see* HT-3 at 110-11 (Ruschke testimony)), his testimony is not credible because it was flatly contradicted by DCJ Boalick and VCJ Weidenfeller who stated that he agreed with and approved of the decision to remove the appellant from his AIA panels and reassign him to *ex parte* appeals.<sup>127</sup> Thus, I find that all three management officials were intimately involved in the personnel actions at issue.

At the hearing, VCJ Weidenfeller, CJ Ruschke and DCJ Boalick all testified that the appellant's protected whistleblowing activity had no impact on them personally and/or professionally, noting also that his disclosures were not a source of embarrassment for the Board. HT-2 at 99-100, 108 (Weidenfeller testimony); HT-2 at 234-35 (Boalick testimony); HT-3 at 130-36 (Ruschke testimony). They also testified that his disclosures had nothing to do with management's decision to take the personnel actions at issue although VCJ Fink specifically contradicted VCJ Weidenfeller's version of events when he testified that VCJ Weidenfeller had told him that he had in fact relied on the appellant's actions as they relate to his concurring opinion in the *Adidas/Nike* IPR to take the personnel actions at issue. HT-3 at 286-88 (Fink testimony); IAF, Tab 6 at 7 and 8.

Notwithstanding this evidence, however, the record proves that the APJ corps, former senior PTAB management officials to include former Acting Director Joseph Matal, several Federal Circuit court judges, the Chief Justice for the Supreme Court, the patent bar, and Congress were all concerned with the PTAB's practice of expanding IPR panels as well as processing (timeliness) issues for many of the same reasons that the appellant had discussed in his disclosures. *See e.g.*, IAF, Tab 7 at 7 (summary of court oral argument transcript in *Nidec*), at 176-77 (panel communication re: patent bar), at 179-83 (panel communications), at 191-92 (*id.*), at 199-200 (panel communications re: public); at 732-34 (Court transcript in *Oil States*), at 940-42 (House Reps letter to Government Accountability Office (GAO)); RAF, Tab 4 at 15-148 (PTAB policy, Congressional Testimony, GAO preliminary observations on oversight of judicial decision-making at the PTAB)<sup>128</sup>; *Nidec*, 868 F.3d at 1019-20; *In re Alappat*, 33 F.3d at 1536; *see also* HT-2 at 364-65 (Boalick testimony); HT-3 at 166, 211-12 (Ruschke testimony).

Moreover, I find that the facts as summarized above that describe CJ Ruschke and DCJ Boalick's interference in the *Adidas/Nike* IPR are on their face a source of embarrassment because they demonstrates that their actions were arbitrary and capricious, dismissive, abusive, and at times misleading. I also find that delays resulting from their interference arguably tainted the reputation

of the PTAB and the members of original panel in the eyes of the litigants, the patent bar, the Federal Circuit, and the public.

More significantly, the appellant's concurring opinion in the *Adidas/Nike* IPR threatened to expose CJ Ruschke and DCJ Boalick as the source of surreptitious panel stacking, and arbitrary and capricious delay which provides a significant motivation for management to remove him from the panel before his concurring decision could be issued. *See generally Robinson v. Department of Veterans Affairs*, 923 F.3d 1004, 1019-20 (Fed. Cir. 2019) (motivating factor may be established by showing that disclosures “implicated the capabilities, performance, and veracity of [agency] managers and employees, and implied that the [agency] deceived [a] Senate Committee”). I also find that his disclosure relating to the oral arguments in *Oil States* was a significant motivating factor because it threatened to further expose the agency's panel-expansion practice and potentially create an issue before the Court that could reflect poorly on management. *Id.*

In sum, I find that the agency failed to show that the relevant agency officials lacked motive to retaliate. To the contrary, I find that the evidence plainly reveals that CJ Ruschke, DCJ Boalick and VCJ Weidenfeller had a significant and compelling motivation to take the personnel actions at issue. *See* RAF, Tab 12 at 32-34 (app's Closing Brief).

### *(3) Evidence that Agency Took Similar Actions Against Employees Who Are Not Whistleblowers*

The Board has held that “the agency does not have an affirmative burden to produce evidence concerning each and every *Carr* factor, including *Carr* factor three.” *Schmitt*, 2022 MSPB 40, ; 27. In this case the agency did not introduce any relevant comparator evidence to support a finding that the agency took similar actions against similarly situated non-whistleblowers.<sup>129</sup> *See also* RAF, Tab 11 at 12-29 (agency's closing brief). Thus, I find that the absence of evidence relating to *Carr* factor three has effectively removed this factor from the analysis. *Soto*, 2022 MSPB 6, ; 18 (quoting *Whitmore v. Department of Labor*, 680 F.3d 1374-75 (Fed. Cir. 2012)). Thus, “because it is the agency's burden of proof, when the agency fails to introduce relevant comparator evidence, the third *Carr* factor cannot weigh in factor of the agency.” *Soto*, 2022 MSPB 6, ; 18 (citing *Smith v. General Services Administration*, 930 F.3d 1359, 1367 (Fed. Cir. 2019) and *Siler v. Environmental Protection Agency*, 908 F.3d 1291, 1299 (Fed. Cir. 2018)).

In sum, after carefully considering the totality of the evidence discussed above relating to *Carr* factors 1 and 2, I find that the agency has failed to prove by clear and convincing evidence that it would have taken the same personnel actions in the absence of the appellant's disclosures.

### Conclusion

For the reasons discussed above, I find that the appellant proved by preponderant evidence that he made two protected whistleblowing disclosures as defined by 5 U.S.C. § 2302(b)(8), that his disclosures were a contributing factor in the agency's reassignment and performance-appraisal actions, and that he exhausted his administrative remedies before OSC. I also find that the agency failed to prove by clear and convincing evidence that it would have taken the same actions in the absence of his disclosures. Accordingly, the appellant is entitled to corrective action as ORDERED below.

### DECISION

The appellant's request for corrective action is GRANTED.

### ORDER

The agency is **ORDERED** to reverse the May 30, 2018 reassignment action and restore the appellant to a docket consisting exclusively of AIA cases as before.

### INTERIM RELIEF

If a petition for review is filed by either party, I **ORDER** the agency to provide interim relief to the appellant in accordance with 5 U.S.C. § 7701(b)(2)(A). The relief shall be effective as of the date of this decision and will remain in effect until the decision of the Board becomes final.

Any petition for review or cross petition for review filed by the agency must be accompanied by a certification that the agency has complied with the interim relief order, either by providing the required interim relief or by satisfying the requirements of 5 U.S.C. § 7701(b)(2)(A)(ii) and (B). If the appellant challenges this certification, the Board will issue an order affording the agency the opportunity to submit evidence of its compliance. If an agency petition or cross petition for review does not include this certification, or if the agency does not provide evidence of compliance in response to the Board's order, the Board may dismiss the agency's petition or cross petition for review on that basis.

FOR THE BOARD: \_\_\_\_\_  
Andrew Niedrick  
Administrative Judge

### ENFORCEMENT

If, after the agency has informed you that it has fully complied with this decision, you believe that there has not been full compliance, you may ask the Board to enforce its decision by filing a petition for enforcement with this office, describing specifically the reasons why you believe there is noncompliance. Your petition must include the date and results of any communications regarding compliance, and a statement showing that a copy of the petition was either mailed or hand-delivered to the agency.

Any petition for enforcement must be filed no more than 30 days after the date of service of the agency's notice that it has complied with the decision. If you believe that your petition is filed late, you should include a statement and evidence showing good cause for the delay and a request for an extension of time for filing.

### **NOTICE TO PARTIES CONCERNING SETTLEMENT**

The date that this initial decision becomes final, which is set forth below, is the last day that the parties may file a settlement agreement, but the administrative judge may vacate the initial decision in order to accept such an agreement into the record after that date. *See* 5 C.F.R. § 1201.112(a)(4).

### **NOTICE TO APPELLANT**

This initial decision will become final on **June 9, 2023**, unless a petition for review is filed by that date. This is an important date because it is usually the last day on which you can file a petition for review with the Board. However, if you prove that you received this initial decision more than 5 days after the date of issuance, you may file a petition for review within 30 days after the date you actually receive the initial decision. If you are represented, the 30-day period begins to run upon either your receipt of the initial decision or its receipt by your representative, whichever comes first. You must establish the date on which you or your representative received it. The date on which the initial decision becomes final also controls when you can file a petition for review with one of the authorities discussed in the “Notice of Appeal Rights” section, below. The paragraphs that follow tell you how and when to file with the Board or one of those authorities. These instructions are important because if you wish to file a petition, you must file it within the proper time period.

### **BOARD REVIEW**

You may request Board review of this initial decision by filing a petition for review.



If the other party has already filed a timely petition for review, you may file a cross petition for review. Your petition or cross petition for review must state your objections to the initial decision, supported by references to applicable laws, regulations, and the record. You must file it with:

The Clerk of the Board Merit Systems Protection  
Board 1615 M Street, NW Washington, DC 20419

A petition or cross petition for review may be filed by mail, facsimile (fax), personal or commercial delivery, or electronic filing. A petition submitted by electronic filing must comply with the requirements of 5 C.F.R. § 1201.14, and may only be accomplished at the Board's e-Appeal website (<https://e-appeal.mspb.gov>).

### **Criteria for Granting a Petition or Cross Petition for Review**

Pursuant to 5 C.F.R. § 1201.115, the Board normally will consider only issues raised in a timely filed petition or cross petition for review. Situations in which the Board may grant a petition or cross petition for review include, but are not limited to, a showing that:

- (a) The initial decision contains erroneous findings of material fact. (1) Any alleged factual error must be material, meaning of sufficient weight to warrant an outcome different from that of the initial decision. (2) A petitioner who alleges that the judge made erroneous findings of material fact must explain why the challenged factual determination is incorrect and identify specific evidence in the record that demonstrates the error. In reviewing a claim of an erroneous finding of fact, the Board will give deference to an administrative judge's credibility determinations when they are based, explicitly or implicitly, on the observation of the demeanor of witnesses testifying at a hearing.
- (b) The initial decision is based on an erroneous interpretation of statute or regulation or the erroneous application of the law to the facts of the case. The petitioner must explain how the error affected the outcome of the case.
- (c) The judge's rulings during either the course of the appeal or the initial decision were not consistent with required procedures or involved an abuse of discretion, and the resulting error affected the outcome of the case.
- (d) New and material evidence or legal argument is available that, despite the petitioner's due diligence, was not available when the record closed. To constitute new evidence, the information

contained in the documents, not just the documents themselves, must have been unavailable despite due diligence when the record closed.

As stated in 5 C.F.R. § 1201.114(h), a petition for review, a cross petition for review, or a response to a petition for review, whether computer generated, typed, or handwritten, is limited to 30 pages or 7500 words, whichever is less. A reply to a response to a petition for review is limited to 15 pages or 3750 words, whichever is less. Computer generated and typed pleadings must use no less than 12 point typeface and 1-inch margins and must be double spaced and only use one side of a page. The length limitation is exclusive of any table of contents, table of authorities, attachments, and certificate of service. A request for leave to file a pleading that exceeds the limitations prescribed in this paragraph must be received by the Clerk of the Board at least 3 days before the filing deadline. Such requests must give the reasons for a waiver as well as the desired length of the pleading and are granted only in exceptional circumstances. The page and word limits set forth above are maximum limits. Parties are not expected or required to submit pleadings of the maximum length. Typically, a well-written petition for review is between 5 and 10 pages long.

If you file a petition or cross petition for review, the Board will obtain the record in your case from the administrative judge and you should not submit anything to the Board that is already part of the record. A petition for review must be filed with the Clerk of the Board no later than the date this initial decision becomes final, or if this initial decision is received by you or your representative more than 5 days after the date of issuance, 30 days after the date you or your representative actually received the initial decision, whichever was first. If you claim that you and your representative both received this decision more than 5 days after its issuance, you have the burden to prove to the Board the earlier date of receipt. You must also show that any delay in receiving the initial decision was not due to the deliberate evasion of receipt. You may meet your burden by filing evidence and argument, sworn or under penalty of perjury (*see* 5 C.F.R. Part 1201, Appendix 4) to support your claim. The date of filing by mail is determined by the postmark date. The date of filing by fax or by electronic filing is the date of submission. The date of filing by personal delivery is the date on which the Board receives the document. The date of filing by commercial delivery is the date the document was delivered to the commercial delivery service. Your petition may be rejected and returned to you if you fail to provide a statement of how you served your petition on the other party. *See* 5 C.F.R. § 1201.4(j). If the petition is filed electronically, the online process itself will serve the petition on other e-filers. *See* 5 C.F.R. § 1201.14(j)(1).

A cross petition for review must be filed within 25 days after the date of service of the petition for review.

#### ATTORNEY FEES

If no petition for review is filed, you may ask for the payment of attorney fees (plus costs, expert witness fees, and litigation expenses, where applicable) by filing a motion with this office as soon as possible, but no later than 60 calendar days after the date this initial decision becomes final. Any such motion must be prepared in accordance with the provisions of 5 C.F.R. Part 1201, Subpart H, and applicable case law.

### NOTICE TO AGENCY/INTERVENOR

The agency or intervenor may file a petition for review of this initial decision in accordance with the Board's regulations.

### NOTICE OF APPEAL RIGHTS

You may obtain review of this initial decision only after it becomes final, as explained in the “Notice to Appellant” section above. 5 U.S.C. § 7703(a)(1). By statute, the nature of your claims determines the time limit for seeking such review and the appropriate forum with which to file. 5 U.S.C. § 7703(b). Although we offer the following summary of available appeal rights, the Merit Systems Protection Board does not provide legal advice on which option is most appropriate for your situation and the rights described below do not represent a statement of how courts will rule regarding which cases fall within their jurisdiction. If you wish to seek review of this decision when it becomes final, you should immediately review the law applicable to your claims and carefully follow all filing time limits and requirements. Failure to file within the applicable time limit may result in the dismissal of your case by your chosen forum.

Please read carefully each of the three main possible choices of review below to decide which one applies to your particular case. If you have questions about whether a particular forum is the appropriate one to review your case, you should contact that forum for more information.

**(1) Judicial review in general.** As a general rule, an appellant seeking judicial review of a final Board order must file a petition for review with the U.S. Court of Appeals for the Federal Circuit, which must be received by the court within **60 calendar days** of the date this decision becomes final. 5 U.S.C. § 7703(b)(1)(A).

If you submit a petition for review to the U.S. Court of Appeals for the Federal Circuit, you must submit your petition to the court at the following address:

U.S. Court of Appeals  
for the Federal Circuit

717 Madison Place, N.W.  
Washington, D.C. 20439

Additional information about the U.S. Court of Appeals for the Federal Circuit is available at the court's website, [www.cafc.uscourts.gov](http://www.cafc.uscourts.gov). Of particular relevance is the court's "Guide for Pro Se Petitioners and Appellants," which is contained within the court's Rules of Practice, and Forms 5, 6, 10, and 11.

If you are interested in securing pro bono representation for an appeal to the U.S. Court of Appeals for the Federal Circuit, you may visit our website at <http://www.mspb.gov/probono> for information regarding pro bono representation for Merit Systems Protection Board appellants before the Federal Circuit. The Board neither endorses the services provided by any attorney nor warrants that any attorney will accept representation in a given case.

**(2) Judicial or EEOC review of cases involving a claim of discrimination.** This option applies to you only if you have claimed that you were affected by an action that is appealable to the Board and that such action was based, in whole or in part, on unlawful discrimination. If so, you may obtain judicial review of this decision—including a disposition of your discrimination claims—by filing a civil action with an appropriate U.S. district court (*not* the U.S. Court of Appeals for the Federal Circuit), within **30 calendar days** after this decision becomes final under the rules set out in the Notice to Appellant section, above. 5 U.S.C. § 7703(b)(2); *see Perry v. Merit Systems Protection Board*, 582 U.S. \_\_\_\_ , 137 S. Ct. 1975 (2017). If the action involves a claim of discrimination based on race, color, religion, sex, national origin, or a disabling condition, you may be entitled to representation by a court-appointed lawyer and to waiver of any requirement of prepayment of fees, costs, or other security. *See* 42 U.S.C. § 2000e-5(f) and 29 U.S.C. § 794a.

Contact information for U.S. district courts can be found at their respective websites, which can be accessed through the link below:

[http://www.uscourts.gov/Court\\_Locator/CourtWebsites.aspx](http://www.uscourts.gov/Court_Locator/CourtWebsites.aspx).

Alternatively, you may request review by the Equal Employment Opportunity Commission (EEOC) of your discrimination claims only, excluding all other issues. 5 U.S.C. § 7702(b)(1). You must file any such request with the EEOC's Office of Federal Operations within **30 calendar days** after this decision becomes final as explained above. 5 U.S.C. § 7702(b)(1).

If you submit a request for review to the EEOC by regular U.S. mail, the address of the EEOC is:

Office of Federal Operations  
Equal Employment Opportunity Commission  
P.O. Box 77960

Washington, D.C. 20013

If you submit a request for review to the EEOC via commercial delivery or by a method requiring a signature, it must be addressed to:

Office of Federal Operations  
Equal Employment Opportunity Commission  
131 M Street, N.E.  
Suite 5SW12G  
Washington, D.C. 20507

**(3) Judicial review pursuant to the Whistleblower Protection Enhancement Act of 2012.** This option applies to you only if you have raised claims of reprisal for whistleblowing disclosures under 5 U.S.C. § 2302(b)(8) or other protected activities listed in 5 U.S.C. § 2302(b)(9)(A)(i), (B), (C), or (D). If so, and your judicial petition for review “raises no challenge to the Board’s disposition of allegations of a prohibited personnel practice described in section 2302(b) other than practices described in section 2302(b)(8) or 2302(b)(9)(A)(i), (B), (C), or (D),” then you may file a petition for judicial review with the U.S. Court of Appeals for the Federal Circuit or any court of appeals of competent jurisdiction. The court of appeals must receive your petition for review within **60 days** of the date this decision becomes final under the rules set out in the Notice to Appellant section, above. 5 U.S.C. § 7703(b)(1)(B).

If you submit a petition for judicial review to the U.S. Court of Appeals for the Federal Circuit, you must submit your petition to the court at the following address:

U.S. Court of Appeals  
for the Federal Circuit  
717 Madison Place, N.W.  
Washington, D.C. 20439

Additional information about the U.S. Court of Appeals for the Federal Circuit is available at the court’s website, [www.cafc.uscourts.gov](http://www.cafc.uscourts.gov). Of particular relevance is the court’s “Guide for Pro Se Petitioners and Appellants,” which is contained within the court’s Rules of Practice, and Forms 5, 6, 10, and 11.

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## NOTICE TO THE APPELLANT REGARDING YOUR RIGHT TO REQUEST CONSEQUENTIAL AND/OR COMPENSATORY DAMAGES

You may be entitled to be paid by the agency for your consequential damages, including medical costs incurred, travel expenses, and any other reasonable and foreseeable consequential damages. To be paid, you must meet the requirements set out at 5 U.S.C. §§ 1214(g) or 1221(g). The regulations may be found at 5 C.F.R. §§ 1201.201, 1201.202 and 1201.204.

In addition, the Whistleblower Protection Enhancement Act of 2012 authorized the award of compensatory damages including interest, reasonable expert witness fees, and costs, 5 U.S.C. §§ 1214(g)(2), 1221(g)(1)(A)(ii), which you may be entitled to receive.

If you believe you are entitled to these damages, you must file a motion for consequential damages and/or compensatory damages with this office WITHIN 60 CALENDAR DAYS OF THE DATE THIS INITIAL DECISION BECOMES FINAL.

## NOTICE TO THE PARTIES

If this decision becomes final and the Board “determines that there is reason to believe that a current employee may have committed a prohibited personnel practice, the Board shall refer the matter to the Special Counsel to investigate and take appropriate action” under 5 U.S.C. § 1215. 5 U.S.C. § 1221(f)(3). Please note that while any Special Counsel investigation related to this decision is pending, “no disciplinary action shall be taken against any employee for any alleged prohibited activity under investigation or for any related activity without the approval of the Special Counsel.” 5 U.S.C. § 1214(f).

## Footnotes

- 1 On May 25, 2022, I dismissed the appeal without prejudice subject to automatic refile to provide the parties with the time necessary to obtain hearing transcripts and to prepare their closing briefs, and for me to draft this initial decision. *See* IAF, Tab 47 and Refiled Appeal File (RAF), Tabs 1 and 2.

- 2 The appellant graduated from the University of Illinois in 1998 with a B.S. in Bioengineering and from the University of Virginia in 2001 with a Juris Doctor degree. HT-1 at 9-13. After clerking for a U.S. Chief District Court Judge and practicing patent law at a firm in Illinois, the agency appointed him as an APJ on the PTAB in 2012 where he has served continuously to date. *Id.*
- 3 *See Oil States*, 138 S.Ct. 1365 (2018).
- 4 A preponderance of the evidence is that degree of relevant evidence that a reasonable person, considering the record as a whole, would accept as sufficient to find that a contested fact is more likely to be true than untrue. 5 C.F.R. § 1201.4(q).
- 5 In its Closing Brief, the agency argues that the appellant did not raise “an allegation of abuse of authority” with OSC and “therefore this claim is not before the Board.” RAF, Tab 11 at 7 and 8. Notably, however, the agency did not timely object to my jurisdictional findings. *See* IAF, Tab 30. In any event, in its May 10, 2021 correspondence to the appellant, OSC expressly stated that the appellant “disclosed concerns that then-Deputy Chief Judge Scott Boalick had abused his authority in 2016” when he expanded the panel without informing the parties of the this action and then “prevent[ed] the original panel of judges from reaching a quorum and thus, being able to enter a decision.” IAF, Tab 1 at 71. Thus, the agency's claim is without merit.
- 6 During the hearing, I admitted the documents contained in the following tabs without objection: IAF, Tab 32 at 79-97, 126-293, 333-48; Tab 33 at 101-357, 424-35, 540-47 and I subsequently admitted the documents at IAF, Tab 38 and RAF, Tab 4 at 19-109 over the agency's objection. *See* RAF, Tab 6.
- 7 Clear and convincing evidence is that measure or degree of proof that produces in the mind of the trier of fact a firm belief as to the allegations sought to be established. 5 C.F.R. § 1209.4(d). It is a higher standard than “preponderance of the evidence” as defined in 5 C.F.R. § 1201.56(c)(2).
- 8 During the relevant time period, the agency employed between 200 and 250 APJs. HT-1 at 31 (app's testimony).
- 9 The MPEP is akin to agency regulations that articulate how the agency “is going to be implementing statutes, rules, and case law that affect all matters in front of the USPTO.” HT-3 at 117 (Ruschke testimony); *see also* HT-2 at 86 (Weidenfeller testimony).
- 10 Notwithstanding the limited delegation authority provided by § 1002.02(f), DCJ Scott Boalick testified that there are “no constraints” to the CJ's authority to delegate functions,

noting that the “administrative staff” has “been delegated the authority to assign members of the Board to the cases.” HT-2 at 197, 232-33 (Boalick testimony).

- 11 During the hearing, the appellant explained that the designated panel members rather than the Director typically make the determination “whether to institute” an IPR after providing the patent owner an opportunity to file a response to the petition. HT-1 at 15 (appellant's testimony); *see also* HT-2 at 198-200 (Boalick testimony) and HT-3 at 29-30, 54 (Ruschke testimony). The Federal Circuit has concluded that, “as a matter of inherent authority and general rulemaking authority, the Director has the authority to delegate the institution decision to the Board” and that “there is nothing in the Constitution or the statute that precludes the same Board panel from making the decision to institute and then render the final decision.” *Ethicon Endo-Surgery, Inc. v. Covidien LP*, 812 F.3d 1023, 1033 (Fed. Cir. 2016).
- 12 The MPEP § 1002.02(f) indicates that the designation of the PTAB members at this stage of the process will be made “initially and on request for reconsideration,” citing 35 U.S.C. § 6.
- 13 *See Arthrex*, 141 S.Ct. at 1976 (“Billions of dollars can turn on a Board decision.”).
- 14 Lead APJ Mitchell graduated from the University of Tennessee College of Law and served as a Law Clerk for Federal District Court Judge Allan Edgar and Federal Circuit Court Judge Giles Rich. HT-1 at 303-04, 318, 347. She also worked as an Associate at a law firm and served as a litigator for the Department of Justice before she was appointed as the Assistant Director for the Intellectual Property Section, Commercial Litigation Branch in the Civil Division. *Id.* The agency appointed her as a Lead APJ in 2014. *Id.*
- 15 VCJ Weidenfeller graduated from Georgetown University Law Center and served as a law clerk for Federal Circuit Judge Timothy Dyk until he joined a law firm as an Associate in 2004. HT-2 at 7-11, 25 (Weidenfeller testimony). In 2009, he served as an Associate Solicitor and then Senior Counsel in the PTO's Solicitor's Office for eight years before joining a patent law firm where he worked as a Senior Counsel for another eight years. *Id.* In 2017, the agency appointed him to a VCJ position and he served in this position until 2021 when he returned to private practice. *Id.*
- 16 DCJ Boalick graduated from Georgetown University Law Center and worked as a patent attorney for an intellectual property law firm and as a patent attorney for the Department of Navy. HT-2 at 179-80 (Boalick testimony). In 2007, he joined the PTO where he served as an APJ, a Lead APJ, a VCJ, and the DCJ before being appointed to the CJ position in 2019. *Id.*
- 17 CJ Ruschke served as a Patent Agent from 1993 to 1995 before attending law school. HT-2 at 8-11 (Ruschke testimony). In 1997, he graduated from Georgetown University Law Center

and served as a law clerk for Federal Circuit Chief Judge Glenn Archer, Jr., and for Federal Circuit Judge Arthur Gajarasa. *Id.* Thereafter, he worked at a law firm for four years and later as in-house counsel for two private companies. *Id.* In 2016, PTO Director Michelle Lee appointed him to the CJ position and he served in this position until September 2018. *Id.*

- 18 CJ Ruschke explained that the PTAB typically assigns remand decisions to the original panel members because the PTAB is “resource-constrained” and this is the most efficient course of action given the original panel's familiarity with the case. HT-3 at 54-55 (Ruschke testimony).
- 19 The panel member that authors the majority opinion is referred to as “APJ1.” HT-2 at 53 (Weidenfeller testimony); HT-3 at 324-25 (Paulraj testimony). APJ1's have the “primary” responsibility of authoring the opinion in the first instance and then circulating it to the other members of the panel for input. *Id.*
- 20 The PTAB panel in the *Idle Free* IPR determined that the patent owner had the burden of proving patentability over “new, substitute claims” rather than placing the burden on the petitioner to prove unpatentability. *Idle Free Sys., Inc. v. Bergstrom*, IPR 2012-0027, 2013 WL 5947697 (PTAB June 11, 2013). The PTAB designated *Idle Free* as an “informative” decision.” See SOP 2 (Revision 9), at 3 (; IV.A-B) (explaining that Board decisions labeled “informative” are “not binding authority,” but provide “Board norms on recurring issues,” “guidance on issues of first impression,” and “guidance on Board rules and practices.”); see also HT-3 at 42-45 (Ruschke testimony).
- 21 The ARC is comprised of eight members consisting of APJs and management officials who are appointed by the Chief Judge and serve on a rolling basis. HT-1 at 49-51 (app's testimony) and at 351-52; (Mitchell testimony); see also IAF, Tab 7 at 21 (app's jurisdictional statement).
- 22 If the ARC notifies the panel that it must send the decision to the MRC before issuing the decision, the panel is obligated to do so. HT-1 at 56-57 (app's testimony).
- 23 In his email, the appellant also noted that CJ Ruschke and DCJ Boalick had told the panel that “No remanded case had ever been expanded.” IAF, Tb 7 at 195.
- 24 The documentary record indicates that this may have been the third time the expanded panel convened but the record is not clear on this point. Compare IAF, Tab 7 at 177 (Arpin Jan. 31, 2017 email “the expanded panel has conferred twice (on November 15 and December 9, 2016)” (emphasis in original)) and at 193-94 (Arpin June 9, 2017 email “Today is the six month anniversary of our third conference of this case (i.e., December 9, 2016)” (emphasis

- in original); *see also* HT-3 at 106 (Ruschke testimony-“We had one or two conference calls” and there “might have been a third one as well.”).
- 25 During his testimony, the appellant explained that the failure to provide notice to the parties violated their due process rights because the parties believed the IPR was pending before the original panel and the original panel had in fact rendered a decision but were prevented from doing so by the unidentified panel members. HT-1 at 74-76 (app's testimony).
- 26 The appellant testified that he believed CJ Ruschke and DCJ Boalick were intentionally delaying the adjudication in the *Adidas/Nike* IPR because they “did not want [his] concurring opinion” to “become public” because it was “critical of *Idle Free*, which [was] management's preferred views regarding motions to amend.” HT-1 at 78-80 (app's testimony).
- 27 He also added Stacy Margolies to the email and he provided the original panel with a pdf version of what he submitted to the ARC. IAF, Tab 7 at 234, 241-308.
- 28 As relevant here, the court in *Aqua Products* held that the burden of persuasion is on the petitioner to prove unpatentability by a preponderance of the evidence and that the burden does not shift to the patent owner even when the patent owner files a motion to amend the patent during the IPR process. 872 F.3d at 1303-06.
- 29 APJ Arpin also served as APJ1 for the *Aqua Products* decision. IAF, Tab 7 at 312.
- 30 The appellant testified that all three original panel members agreed that further briefing was not warranted because the *Aqua Products en banc* decision was not “relevant to deciding the motion to amend” in the *Adidas/Nike* IPR and therefore would have no impact on the final decision. HT-1 at 81-82 (app's testimony).
- 31 The appellant responded to APJ Arpin's email and stated, “[f] or the record, I have objected (and continue to object) to this email going out.” IAF, Tab 7 at 316. “Given that a majority of the panel agrees with me, I don't think it should go out.” *Id.*
- 32 According to the appellant, this guidance is inconsistent with the “natural reading” of the court's decision in *Aqua Products*. IAF, Tab 7 at 44-46 (citing *Bosch Auto. Serv. Sols., LLC v. Matal*, 878 F.3d 1027, 1040 (Fed. Cir. 2017), *as amended on reh'g in part* (Mar. 15, 2018) (“In *Aqua Products, Inc. v. Matal*, this Court recently ruled that the patent owner does not bear the burden of proof on the patentability of its proposed amended claims” but rather the “petitioner bears the burden of proving that the proposed amended claims are unpatentable by a preponderance of the evidence.” 872 F.3d 1290 (Fed. Cir. 2017)). Notwithstanding this guidance, the appellant wrote a concurring opinion in another IPR addressing this issue. *See Taiwan Semiconductor Mfg. Co. v. Godo Kaisha IP Bridge 1*, No. IPR2016-01249 (PTAB



Dec. 20, 2017). IAF, Tab 7 at 342-89. In his concurring opinion, the appellant indicated that he wrote “separately because the decision does not inform who bears what burden(s) with respect to the Motion to Amend, though it should.” *Id.*, at 382-89.

- 33 In early August 2017, the appellant indicated that he might amend his concurrence to “include [his] views on panel-expansion” but would not do so if they could “beat *Aqua Products*” because a discussion on panel expansion “would require additional research time that [he did] not have at the moment.” IAF, Tab 7 at 234.
- 34 The appellant testified that he believes that the management review committee consisted of CJ Ruschke, DCJ Boalick, multiple VCJs, and perhaps some Lead APJs. HT-1 at 103-04 (app's testimony).
- 35 The appellant sent this email with a “High” importance designation. IAF, Tab 7 at 654.
- 36 At the hearing, the appellant testified that CJ Ruschke “stated in no uncertain terms that no decision would ever go out in *Nike* and have [his] concurring opinion in it as long as it continued to discuss panel expansion.” HT-1 at 107.
- 37 The appellant testified that on or about May 18, 2018, APJ Phil Kaufman called and indicated that VCJ Janet Gongola was at a PTAB meeting with Director Iancu during which Director Iancu “expressed a desire to terminate” the appellant. HT-1 at 109-12 (app's testimony).
- 38 On his 2018 Mid-Year Progress Review, Lead APJ Mitchell had rated the appellant as “meets or exceeds standards” for this critical element. IAF, Tab 33 at 139.
- 39 On July 19, 2018, the appellant filed a written statement with the Department of Commerce's Inspector General (IG) labeled “Re: Protected disclosure of fraud, abuse, and violations of law within the U.S. Patent and Trademark Office” wherein he disclosed the “issues” described in his appeal “and others.” IAF, Tab 7 at 15-71 (IG Statement). The appellant has never alleged that the agency retaliated against him for filing this complaint as provided by 5 U.S.C. § 2302(b)(9)(C).
- 40 Although the agency claims in its Closing Brief that the “Appellant has never identified any law, rule or regulation that was violated when the Nike IPR was temporarily expanded” (*see* RAF, Tab 11 at 10), the record plainly refutes this claim. IAF, Tabs 1, 7, 27, 33; RAF, Tab 12.
- 41 The specific issue being addressed by the Court in *Hannah* was “whether persons whose conduct is under investigation by a governmental agency” is entitled to due process, i.e., to know the specific charges that are being investigated, as well as the identity of the

complainants, and to have the right to cross-examine those complainants and other witnesses. *Hannah*, 80 S.Ct. at 1514.

- 42 At the hearing, CJ Ruschke testified that the ARC made the recommendation that the panel be expanded in the *Adidas/Nike* IPR. *See* HT-3 at 64.
- 43 During the hearing and in its pleadings, the agency has repeatedly suggested that the appellant has claimed that it is illegal to expand an IPR panel. Contrary to the agency's suggestion, however, the appellant has never argued that it is illegal to expand the panel, rather, he has consistently argued that the expansion was illegal under the circumstances of this case because it occurred after the original panel had rendered its decision, it unreasonably delayed the issuance of the IPR, and it took place without providing public notice to the parties.
- 44 During the hearing, VCJ Weidenfeller testified that the “phrase initially and on request for reconsideration” in § 1002.02(f)(3) provides “an explanation of *when* paneling can occur.” HT-2 at 90-91 (Weidenfeller testimony) (emphasis added). Nevertheless, he also testified that expansion can occur at any time because he does not “think that there is a limitation in the MPEP that limits the Chief Judge's authority to expand a panel at any particular time in a case.” *Id.* I find VCJ Weidenfeller's testimony in this regard to be internally inconsistent.
- 45 Whether the original panel's October 14, 2016 decision that was forwarded to CJ Ruschke and DCJ Boalick constituted “a decision entered by the panel” within the meaning of Sec. III, ; (E) would appear to be an open question. From the outset, however, the appellant has asserted that panel's deliberations had concluded and that it had prepared a final decision that was ready to mail. *See* IAF, Tab 1 at 5, Tab 7 at 8, 10, Tab 29 at 13. The agency, on the other hand, has argued that the “internal, temporary expansion of the panel in *Adidas*” was initiated “during deliberations of the case.” *Id.*, Tab 26 at 10. Notwithstanding the agency's claim, however, the unrefuted record supports the appellant's claim because the original panel finalized its decision on October 14, 2016 after considering the ARC's suggestions and sent a copy to CJ Ruschke and DCJ Boalick “for informational purposes” only. In addition, CJ Ruschke testified that the ARC's recommendation that the panel send the decision to management for informational purposes under the circumstances was only a “suggestion” and not a directive. HT-3 at 233-34 (Ruschke testimony); *see also Arthrex*, 941 F.3d at 1334-35 (the Director has no authority to review or modify a panel's final decision “even to correct legal misstatements.”). Thus, based on this record, I find that the appellant reasonably believed that the decision had been “entered by the panel” as of October 14, 2016.
- 46 In its supplemental response, the agency argues that the evidence in this case supports a legitimate justification for panel expansion under SOP 1, Sec. III, ; A, Reasons 1 and 2. *See*

AF, Tab 26 at 27-28; *see also id.*, Tab 7 at 448, Sec. III, ; (A)(1)-(4). The relevant policy, however, does not expressly provide for panel expansion after a decision has been rendered by the initially designated panel.

- 47 In *Arthrex*, the Court agreed with the Federal Circuit that APJs had the authority of “principal officers” as defined by the Appointments Clause. *Arthrex*, 141 S.Ct. at 1985-87. In this regard, the Court noted that APJs had the “power to render a final decision on behalf of the United States without any such review by their nominal superior or any other principal officer in the Executive Branch.” *Id.*, at 1981. To remedy the PTAB’s “unconstitutional statutory structure” as it relates to IPR adjudications, the Court held that the AIA provision that shielded APJs’ decisions from Director review was unenforceable. *Id.*, at 1987; *see also McIntosh v. Department of Defense*, 53 F.4<sup>th</sup> 630, 639 (Fed. Cir. 2022).
- 48 The Federal Circuit also determined that APJs were principal officers during the relevant time period and that neither the Secretary nor Director had the authority to review or modify their final decisions, “even to correct legal misstatements.” *See Arthrex*, 941 F.3d at 1334-35.
- 49 *In re Alappat* predates the AIA.
- 50 The unrefuted evidence also establishes that the PTAB wanted to swiftly process final written decisions from Federal Circuit remands, and that the APJ Corps and management were cognizant of the fact that the Federal Circuit and the private bar were concerned about and actively monitoring delays.
- 51 CJ Ruschke stressed the importance of addressing these issues expeditiously as follows, “So you could imagine if you have one claim before use and then, all of a sudden, you’re allowed pretty much by right to present substitute claims, well, if you have 100 substitute claims that you put before us, that’s unwieldy and unmanageable, we can’t do that.” HT-3 at 66-67 (Ruschke testimony).
- 52 Although CJ Ruschke explained that he added himself and DCJ Boalick to the expanded panel to send a message, he had a difficult time explaining why agency policy precluded him from timely notifying the parties of his participation particularly when he claimed that his participation was important to send a message. *See* HT-3 at 219-25.
- 53 In contrast, the appellant credibly testified that the parties were detrimentally impacted by the agency’s actions because they “were deprived of the decision” for approximately two years after “their panel had already reached a decision,” and “briefed an issue that was never going to affect the outcome of the case” thereby wasting “client resources,” noting that “these are their rights we’re talking about.” HT-1 at 206-07 (app’s testimony). I find that the litigants,

Congress, the public and the courts would more likely agree with the appellant than CJ Ruschke on this point.

- 54 The agency did not introduce any evidence to show or even suggest that the IPR could not have been reassigned to two available APJs when it became clear that CJ Ruschke and DCJ Boalick were too busy to devote the time necessary to effectively participate in the adjudication.
- 55 *But see Nidec Motor Corp., v. Zhongshan Broad Ocean Motor Co. Ltd. Matal*, 868 F.3d 1013, 1020 (Fed. Cir. 2017) (“While we recognize the importance of achieving uniformity in PTO decisions, we question whether the practice of expanding panels where the PTO is dissatisfied with the panel's earlier decision is the appropriate mechanism of achieving the desired uniformity.”).
- 56 In making my credibility determinations from the hearing testimony, I considered, among other things: (1) the witness's opportunity and capacity to observe the event or act in question; (2) the witness's character; (3) any prior inconsistent statement by the witness; (4) a witness's bias, or lack of bias; (5) the contradiction of the witness's version of events by other evidence or its consistency with other evidence; (6) the inherent improbability of the witness's version of events; and (7) the witness's demeanor. *See Hillen v. Department of the Army*, 35 M.S.P.R. 453, 458 (1987).
- 57 The record demonstrates that CJ Ruschke and DCJ Boalick alleged that the court's *en banc* decision in *Aqua Products* was relevant to the material issues in the *Adidas/Nike* IPR while the original panel members disagreed with this assessment and notified CJ Ruschke and DCJ Boalick accordingly. IAF, Tab 7 at 310-12. I find that because two of the panel members believed that this case was relevant, the panel had an obligation to provide the parties with notice and an opportunity to brief its impact consistent with the parties' right to due process under the law. *See Belden*, 805 F.3d at 1080 (the PTAB may not rely on a new ground to reject an argument or theory by a party in an IPR without first providing the parties an opportunity to address the “thrust of the rejection.”); *see also Rodale Press, Inc. v. FTC*, 407 F.2d 1252, 1256-57 (D.C. Cir. 1968)(citing 5 U.S.C. § 554(b)(3)).
- 58 DCJ Boalick testified that after the court issued its decision in *Aqua Products* he and CJ Ruschke had “talked about” unexpanding the panel but noted that they were “juggling a lot of different priorities” and things dragged on longer than they would have liked. HT-2 at 364 (Boalick testimony).

- 59 The evidence shows that November 22, 2017, was the deadline for the parties to provide a response to “address the impact of the *Aqua Products* decision on the Remand.” IAF, Tab 7 at 339 (Oct. 31, 2017 email from PTAB staff to litigants describing briefing schedule).
- 60 During his testimony, the appellant explained that his use of the word “secret” to describe CJ Ruschke's expansion of the panel is synonymous to the word “illegal” because it violated the parties' due process rights. HT-1 at 205-06 (app's testimony).
- 61 The appellant's suspicions regarding the motive behind CJ Ruschke's actions in this regard were clearly shared by APJ Arpin. *See e.g.*, IAF, Tab 7 at 191-92.
- 62 The documentary evidence proves that APJ Arpin clearly disagreed with CJ Ruschke's claims in this regard, noting also that 37 C.F.R. § 42.5(a) “grants the panel broad authority to issue such a notification.” IAF, Tab 7 at 198
- 63 Lead APJ Mitchell testified that she believes that there is no obligation to disclose “internal workings” such as the CJ's action to expand and/or unexpand a panel “until a decision comes down,” noting that they do not have a due process “foot in the door” as it relates to these types of internal decisions. HT-1 at 379-80 (Mitchell testimony).
- 64 APJ Phillip Kauffman testified that in March 2018, the agency provided training to PTAB members that included a session conducted by an employment law attorney from the Department of Commerce. HT-1 at 267-70, 293-94. During the training session, the attorney advised that “if the Director's powers include the power to change the decision of panel, that is his prerogative as a policy and if you do not follow that policy you will be fired.” *Id.*
- 65 He also testified that when a panel is expanded there are deliberations and when it is unexpanded “it's essentially as if those deliberations never happened.” HT-2 at 231-32 (Boalick testimony); *see also* HT-1 at 378-80 (Mitchell testimony indicating that the right to notice of the designated panel members does not vest until the panel issues a final written decision).
- 66 The record demonstrates that on May 7, 2018, CJ Ruschke told the original panel members in the *Adidas/Nike* IPR his action in expanding the panel “was completely legal” and consistent with an opinion issued by the PTO's OGL. IAF, Tab 7 at 51; HT-1 at 107-08 (app's testimony). On May 10, 2018, the appellant requested a copy of this opinion and CJ Ruschke ignored his request. IAF, Tab 7 at 656; HT-1 at 108 (app's testimony). To date, the agency has never produced a copy of this OGL opinion.



- 67 See 5 U.S.C. § 556(b) (“On the filing in good faith of a timely and sufficient affidavit of personal bias or other disqualification of a presiding or participating employee, the agency shall determine the matter as a part of the record and decision in the case.”).
- 68 The record shows that the agency actually notified the parties of a change in panel composition on September 17, 2018 during the *Adidas/Nike* IPR the day before the new unexpanded panel issued its September 18, 2018 final decision. Thus, it appears that PTAB management violated the very policy that they claimed prevented such notification in the first place.
- 69 It appears that the agency is arguing that CJ Ruschke was prohibited from notifying the parties in the absence of express permission to do so under the agency's policy. See also IAF, Tab 6 at 447 (Revised SOP “This SOP creates internal norms for the administration of the Board. It does not create any legally enforceable rights.”). Ironically, the agency takes the exact opposite approach in response to the appellant's contention that the Director has no authority under 35 U.S.C. § 6 to designate an expanded panel after a panel has been initially appointed except on rehearing, arguing that the Director has the authority to designate at any time because the statute does not explicitly prohibit such action notwithstanding the plaint language of MPEP § 1002.02(f)(3) that describes the scope of his authority to designate.
- 70 The appellant testified that he was listening to the oral arguments in *Oil States* in real time. HT-1 at 194 (app's testimony). On cross examination, the appellant explained that the due process concerns expressed by Chief Justice Roberts during oral argument did not make it into the Court's opinion because the agency provided a “false story about panel expansion, thereby putting the Chief Justice at ease that this isn't an issue.” *Id.*, at 197-98.
- 71 The appellant also introduced a copy of the official transcript from the *Oil States* oral argument that he had attached to this email. IAF, Tab 7 at 687-764
- 72 Brendan McCommas was Director Matal's Chief of Staff when the appellant sent this email. IAF, Tab 7 at 765-66.
- 73 In its supplemental response, the agency appears to suggest that the appellant's disclosure is not protected because he disclosed a potential or possible violation, noting that such a claim is “not an allegation of a violation of law.” IAF, Tab 26 at 33. The court and the Board, however, have made clear that the disclosure of a potential violation, when supported by a reasonable belief of real and immediate wrongdoing, is sufficient. See e.g., *Reid v. Merit Systems Protection Board*, 508 F.3d 674, 678 (Fed. Cir. 2007).
- 74 Although DCJ Boalick did not provide specifics describing the manner in which the agency raised the appellant's concerns with the agency's Solicitor's Office, his testimony appears to

conflict with VCJ Weidenfeller's version of events indicating that the agency did not follow up with the Solicitor General's office because he (VCJ Weidenfeller) determined that Mr. Stewart's response was in fact accurate. I also note that the unrefuted evidence demonstrates that DCJ Boalick never followed up with the appellant to let him know that the agency had made an effort to address his concerns, an action that he would have presumably taken if the agency had in fact followed through as alleged.

- 75 CJ Ruschke testified that he did not respond to the appellant's email describing his concerns because he was too busy with other matters and it was not his “habit to respond to every single one of these emails.” HT-3 at 198-99 (Ruschke's testimony).
- 76 If the agency had ensured that the Solicitor General's Office (Mr. Stewart) had followed up with the Court to supplement and clarify the information that Mr. Stewart had provided to the Court in response to the Chief Justice's inquiry, to include the circumstances relating to the *Adidas/Nike* IPR, the Court would have had the opportunity to consider this issue and might have provided guidance regarding the scope of the Director's authority to expand a panel “halfway through the proceeding” and further, whether such an action would “comport” with due process.
- 77 Notwithstanding the overwhelming amount of unrefuted evidence to show that VCJ Weidenfeller was not only aware of the appellant's disclosures but actively involved in addressing the disclosures in real time to include his efforts to encourage the appellant to remove the problematic information in his concurring opinion in the *Adidas/Nike* IPR and his involvement in addressing the appellant's allegations relating to the *Oil States* oral argument, the agency contends in its Closing Brief that “there is no evidence that Mr. Weidenfeller was aware of Appellant's accusation prior to May 30, 2018.” RAF, Tab 11 at 12; *see also id.*, at 27 (VCJ Weidenfeller “had no involvement at all concerning the *Nike* IPR.”).
- 78 In addition, I find that even assuming that the Board applied the contributing factor analysis described by the court in *Mikhaylov*, the appellant proved by preponderant evidence that the confluence of VCJ Weidenfeller's and Director Iancu's knowledge and the timing of the actions reasonably suggest a connection between the two.
- 79 APJ Kauffman testified VCJ Gongola was his first-line supervisor at the time and that the “content” of his conversation with her was “clear.” HT-1 at 283, 287 (Kauffman testimony). He also explained that he believes that VCJ Gongola did not want him to identify her as the management official because “she was talking about a personnel action” and “folks could be unhappy with her for sharing that information with” him. *Id.*, at 290.

- 80 VCJ Gongola testified that she has served as a VCJ for the past five-and-a-half years. HT-3 at 393-94 (Gongola testimony).
- 81 The appellant has not alleged that the pressure placed on him by management under the circumstances was part and parcel of a hostile work environment.
- 82 Although DCJ Boalick testified that all of the cases at the Board are equally prestigious and impactful, and “none are more important than others” (*see* HT-2 at 296), I find that the weight of the evidence supports a contrary finding to include the justification offered by DCJ Boalick for expanding the panel in the *Adidas/Nike* appeal.
- 83 VCJ Weidenfeller testified that he served as a second-line supervisor for approximately 60 to 65 APJs. HT-2 at 14 (Weidenfeller testimony).
- 84 VCJ Weidenfeller testified that he was not involved in the *Adidas/Nike* IPR but had heard concerns regarding the length of time it was taking to issue the decision. HT-2 at 31-32 (Weidenfeller testimony).
- 85 VCJ Weidenfeller stated that he could not “recall the extent to which” he discussed the Performance Summary with Lead APJ Mitchell prior to the teleconference. HT-2 at 155-56 (Weidenfeller testimony).
- 86 The format of VCJ Weidenfeller's Performance Summary is remarkable similar to the format of VCJ Tierney's counselling session summary. *Compare* IAF, Tab 6 at 12 and at 56.
- 87 Critical Element 1 provides in pertinent part: “Written decisions demonstrate clear understanding of the facts of each case, the applicable technology at issue, as well as applicable law including legal statutes, regulations, and case law. Decisions are consistent with binding legal authority and written guidance applicable to PTAB proceedings issued by the Director or the Director's delegate. Written decisions are logically presented, soundly reasoned, have accurate analysis, and are concise. Proper judicial tone is maintained throughout written decisions.” IAF, Tab 6 at 424.
- 88 The complete footnote stated as follows: “We may, of course, construe the challenged claims in a manner consistent with Petitioner's proposed constructions from the district court litigation. And under those alternative constructions, we may ultimately conclude (either at the institution stage or in a final written decision) that Petitioner has not shown that the construed claims are unpatentable. But the majority's approach forecloses that analysis altogether. I would welcome the opportunity for the panel to further consider this issue in a request for rehearing.” IAF, Tab 32 at 94, fn. 1.

- 89 As discussed below, APJ Paulraj contradicted this assertion because he testified that he never talked to VCJ Weidenfeller about the *Hologic* case. HT-3 at 383 (Paulraj testimony).
- 90 VCJ Weidenfeller testified it was “very unusual and unprecedented in [his] experience for a Judge to request rehearing in his or her own case,” noting that the request typically comes from the parties. HT-2 at 46 (Weidenfeller testimony).
- 91 During the processing of this appeal, the appellant introduced a number of published DIs issued shortly before and after May 30, 2018 wherein PTAB panels employed the same approach as the appellant without any apparent objection from management that the decisions violated the Director’s internal policy. HT-2 at 127-42; RAF, Tab 38. VCJ Weidenfeller indicated that he was not familiar with these decisions and could not offer any opinion at the hearing without further review. *Id.*
- 92 In context, the appellant’s email response demonstrates that he was attempting to open up a dialogue to support his contention that the template was inconsistent with the Court’s holding in *SAS* and the PTAB’s published guidance.
- 93 During the training, the appellant posted a DM that stated as follows, “I was removed from four panels today because I wanted to file concurring opinions in DIs saying, in light of *SAS*, only one claim need be analyzed. In response to a question, someone just said that one claim, one ground is NOT prohibited. My question then is how can I do it without being taken off a panel?” IAF, Tab 6 at 26. VCJ Weidenfeller testified that he believed the appellant’s actions were insubordinate because he was “complaining publicly about an order.” HT-2 at 66 (Weidenfeller testimony).
- 94 VCJ Weidenfeller testified that about a third of APJs work exclusively on AIA cases, about a third work on both AIA cases and ex parte appeals, and a third work solely on ex parte appeals. HT-2 at 74 (Weidenfeller testimony).
- 95 DCJ Boalick provided similar testimony on this issue. HT-2 at 391-92 (Boalick testimony).
- 96 Lead APJ Mitchell explained that she left the voicemail message because the appellant had reached out to her several days earlier and she had failed to respond because she knew that management was preparing to take some type of action which made things “awkward.” HT-1 at 312-18 (Mitchell testimony). She also explained that she wanted the appellant to know that she was not involved in the decision to remove him from his AIA docket. *Id.*
- 97 Lead APJ Mitchell testified that the Board’s internal process for deeming an IPR decision “precedential” is a “quintessential” example of “deliberative process.” HT-1 at 351-55, 368-69 (Mitchell testimony); IAF, Tab 7 at 99.

- 98 When pressed on cross examination to identify the policy guidance that the appellant allegedly failed to follow as it relates to *SAS*, DCJ Boalick was unable to identify a document and/or reference a policy and instead stated, “I know that was the policy.” HT at 314-15; IAF, Tab 5 at 22 (Boalick decision on grievance). He also testified that the appellant is the only APJ that he is aware that failed to follow the policy. *Id.*, at 317-18. The unrefuted record, however, demonstrates that a number of panel’s had issued decisions in contravention of the Director’s “internal guidance.” *See* RAF, Tab 32.
- 99 This explanation appears to conflict with the explanation provided by VCJ Weidenfeller who testified that the appellant was reassigned to ex parte appeal because the appeals were not time sensitive. *See* HT-2 at 71 and 72 (Weidenfeller “I took him off of those cases and reassigned him to what we called ex parte cases . . . because there are no statutory deadlines in those cases.”).
- 100 He testified that if the decision had gone out, it would have “hopefully” gone out “with that yellow highlighted portion redacted.” HT-2 at 234-35 (Boalick testimony). He also stated that an APJ’s decision stating that an agency policy and/or the Director’s guidance is unlawful or unconstitutional does not constitute insubordination so long as there is “a reasonable belief.” *Id.*, at 324-25, 331-36. In this case, however, DCJ Boalick specifically testified that the appellant’s concurring opinion that questioned the legality of the agency’s panel expansion policy was not reasonable. *Id.*, at 234, 332. Thus, it follows that he would have concluded that his actions in the *Adidas/Nike* IPR would have constituted insubordination.
- 101 DCJ Boalick’s contention in this regard appears to be refuted by the evidence introduced by the appellant showing that on May 7, 2018, CJ Ruschke and DCJ Boalick participated on a conference call with the original panel members wherein CJ Ruschke “stated that the decision on remand will not go out so long as [the appellant] continue[s] to discuss panel expansion in [his] concurring opinion.” IAF, Tab 7 at 656 (app’s May 10, 2018 email to expanded panel members). During the hearing, DCJ Boalick attempted to provide an explanation to explain the apparent discrepancy but his response was not particularly persuasive and does nothing to advance the agency’s claims on appeal. HT-2 at 269-73 (Boalick testimony).
- 102 During his testimony, CJ Ruschke provided a comprehensive overview of the IPR process and its history. HT-3 at 27-39 (Ruschke testimony).
- 103 Given the information contained in the appellant’s May 10, 2018 email coupled with his responses to the appellant’s cross-examination during the hearing, I find that CJ Ruschke’s testimony indicating that he believed the appellant had refused to remove the “confidential information” at issue during the call on May 7, 2018 to be unpersuasive. HT-2 at 143-50 (Weidenfeller testimony); IAF, Tab 7 at 656 (app’s May 10, 2018 email). Indeed, as noted by



the appellant in his rebuttal testimony, the documentary evidence plainly demonstrates that he had removed the alleged confidential information for his concurring opinion on April 19 or 20, 2018. HT-3 at 471-72 (app's testimony).

- 104 APJ Paulraj explained that the 12-day requirement “is not a mandatory” or “absolute requirement” or “directive” but more or less a “goal” that APJs “strive for.” HT-3 at 347-48, 352.
- 105 APJ Paulraj left the voicemail message on Friday, April 13, 2018, after reviewing the draft opinion and told the appellant that he was “having second thoughts, frankly, about the approach we've taken,” adding that he wanted to “think about it a little more” over the weekend and he would “send an email and briefly kind of explain [his] thought process here” and hopefully they could “come to a resolution early next week given the deadline by Wednesday.” HT-3 at 376-79 (Paulraj testimony).
- 106 VCJ Tierney served as a Patent Examiner, an APJ, and a Lead APJ before being appointed to the VCJ position. HT-3 at 407.
- 107 APJ Tierney testified that confidential information includes “deliberations” and discussions involving “pre-decisional information all going around brainstorming issues.” HT-3 at 416 (Tierney testimony).
- 108 The evidence demonstrates that VCJ Tierney attempted to discuss this issue with the appellant and the management team on August 14, 2017, but the appellant “declined to discuss it in that setting” because CJ Ruschke and DCJ Boalick were not present.” IAF, Tab 6 at 62.
- 109 VCJ Tierney indicated that VCJ Fink had discussed the September 1, 2017 interaction with him in relation to the appellant's grievance and explained that VCJ Weidenfeller was aware of the incident “when it occurred” and therefore stated that “it stands to reason” that Weidenfeller was aware when he took the actions at issue in May 2018. HT-3 at 433-34 (Tierney testimony).
- 110 VCJ Fink testified that he left the agency in April 2021 for private practice and has “well over 20 years of experience” in the “field of intellectual property” post law school. HT-3 at 256-57 (Fink testimony).
- 111 VCJ Fink testified that he tried to give “approximately a month's notice to circulate a draft before a decision.” HT-3 at 298 (Fink testimony).
- 112 Although VCJ Fink testified that the PTAB does in fact track timeliness as it relates to APJs missing the 12-day deadline, this was not “something that was available at that time” so he

“didn't ask about that.” HT-3 at 298-99 (Fink testimony); *cf.*, HT-1 at 328 (Mitchell testimony “I doubt that getting it to your panel is tracked, I don't think anybody tracts that.”).

- 113 The fact that DCJ Boalick assigned the appellant's June 14, 2018 informal grievance to VCJ Fink on or about September 7, 2018, with only a week to review, investigate and prepare a decision (HT-3 at 261-62, 297 (Fink testimony)) is somewhat ironic given the performance deficiencies levied by the agency against the appellant in this case.
- 114 There is nothing in this record to suggest that the delay in providing the opinion to APJ Paulraj was intentional let alone employed by the appellant as a tactic to “push” APJ Paulraj in an “uncomfortable” direction as alleged by VCJ Fink. Moreover, VCJ Fink apparently confused the institution decision involving APJ Paulraj with the institution decision relating to *SAS* because he testified that the appellant asked “to expunge the decisions” and VCJ Weidenfeller issued the decision without “the concurrence.” HT-3 at 270 (Fink testimony).
- 115 On cross examination, VCJ Fink stated that the appellant's explanation for this incident was not reasonable. HT-3 at 304-05 (Fink testimony).
- 116 VCJ Fink testified that the Director's internal *SAS* guidance “was delivered orally” along with some “training materials.” HT-3 at 306 (Fink testimony); *see also* IAF, Tab 6 at 7.
- 117 VCJ Fink acknowledged that he did not consider the appellant's May 10, 2018 email (*see* IAF, Tab 7 at 656) in the context of the Grievance Decision and saw it for the first time at the hearing in this case. HT-3 at 319.
- 118 The appellant testified that APJ Eastham and APJ Dang had “welcomed” his concurring opinions in the *Riot Games* DIs and that APJ Eastham had reached out to the management review team in the first place because he was “trying to get management to sign off so [the panel could] issue the decisions,” noting that it had been 6 days since APJ Eastham had sent them the first reminder without receiving a response. HT-3 at 452-53 (app's testimony).
- 119 In its Closing Brief, the agency argues that the appellant's explanation is not credible because he had discussed this same issue via email with VCJ Weidenfeller on May 8, 2018 and countermanded VCJ Weidenfeller's directive at that time. RAF, Tab 11 at 17, fn.3 (citing IAF, Tab 6 at 187-88). After reviewing the evidence cited therein to support this claim, I find that the agency's argument unavailing.
- 120 In his “Performance Summary” notes, VCJ Weidenfeller stated that “Neither of your colleagues agree with your approach” and “lacked sufficient time to draft a decision” (*see* IAF, Tab 6 at 12) but the agency failed to introduce any specific evidence to support this

claim as it relates to APJ Yang apart for APJ Paulraj's testimony that APJ Yang expressed reservations at some point during a conference.

- 121 VCJ Weidenfeller testified that an APJ would have anywhere from 10 to 20 cases on their docket at a time. HT-2 at 31 (Weidenfeller testimony).
- 122 In this email, the appellant provided VCJ Weidenfeller with the legal authority and agency policy to support his conclusion that the draft order was “not contrary to the guidance.” IAF, Tab 6 at 187. Although VCJ Weidenfeller could have taken this opportunity to provide the appellant with the Director's internal guidance at issue, the record demonstrates that he simply ignored the appellant's response for almost a week until APJ Jeffrey Smith sent him a May 16, 2018 email reminding him that the panel needed management to sign off on the order so that it could meet the statutory deadline that expired the next day. *Id.*
- 123 Although the agency introduced a PowerPoint date May 1, 2018 evidence to support its claim that it conducted training on *SAS* (see IAF, Tab 6 at 29-47), this PowerPoint does nothing to advance a claim that its “internal” policy prohibited the approach taken by the appellant in the *Riot Games* DIs.
- 124 Ironically, this evidence provides another instance wherein PTAB management failed to timely respond to emails and also failed to comply with the agency's own internal timeliness guidelines as they relate to ARC and management review without apparent consequence or care.
- 125 To prove that an employee engaged in insubordinate conduct, the agency must establish that the employee willfully and intentionally refused to obey the instruction or directive at issue. *Phillips v. General Services Administration*, 878 F.2d 370, 373 (Fed. Cir. 1989); *Southerland v. Department of Defense*, 117 M.S.P.R. 56, ; 15 (2011).
- 126 I note that three of the nine statements do not include names. Nevertheless, I find that the statements are entitled to some evidentiary weight because the information contained therein is consistent with the information provided in the six statements and it seems that the unidentified APJs may have had a reasonable belief that their actions could result in retaliation if they included their names.
- 127 Although he claimed no knowledge of the decision to remove the appellant from the *Adidas/Nike* panel and/or AIA panels, CJ Ruschke also testified that he does not think that the appellant's disclosures had “any relationship with him being removed” from AIA cases. HT-3 at 133-34 (Ruschke testimony). This was not the only time that he offered inconsistent and/or implausible testimony. See also RAF, Tab 12 at 14, n.3 (app's Closing Brief).

- 128 In its Closing Brief, the agency argues that it “was not afforded an opportunity to oppose Appellant's multiple filings on August 1, 2022.” RAF, Tab 11 at 31. In my August 3, 2022 Order, however, I addressed the agency's objections that were provided in the context of the agency's motion to supplement. *Id.*, Tab 6. The agency did not timely object to my August 3, 2022 ruling and therefore this claim is waived. In any event, the appellant has failed to offer any argument to support its claim that this evidence is not relevant and/or should not have been admitted as rebuttal evidence.
- 129 As discussed above, APJ Fink testified that on occasion, an APJ may have been removed from an AIA panel for failing to comply with the 12-day deadline but he provided no specific evidence to support this claim. HT-3 at 300 (Fink testimony). In addition, APJ Tierney testified that an unidentified APJ had voluntarily removed himself from AIA cases after the agency threatened to remove him from AIA cases if he continued to criticizing Board policy. HT-3 at 429-30 (Tierney testimony); *see also* HT-1 at 329 (Mitchell testimony indicating that she is aware of two or three APJs having been reassigned from AIA cases to an appellate docket but for reasons unrelated to timeliness).

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