

**United States Court of Appeals
FOR THE FEDERAL CIRCUIT**

GILBERT P. HYATT,

Plaintiff-Appellant,

v.

DAVID KAPPOS, Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office,

Defendant-Appellee.

*On Appeal from the United States District Court for the District of Columbia
in Case No. 03-CV-901, Judge Henry H. Kennedy, Jr.*

**BRIEF OF *AMICUS CURIAE* NEW YORK INTELLECTUAL
PROPERTY LAW ASSOCIATION IN SUPPORT OF
PLAINTIFF-APPELLANT'S COMBINED PETITION
FOR PANEL REHEARING OR REHEARING EN BANC**

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December 14, 2009

CERTIFICATE OF INTEREST

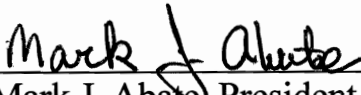
In accordance with Fed.Cir.R. 29(a) and 47.4, the undersigned counsel of record for amicus curiae New York Intellectual Property Law Association hereby certifies the following:

1. The name of every party or amicus curiae represented by me or by the other below-identified attorneys in connection with this proceeding is: New York Intellectual Property Law Association.

2. The name of the real party in interest (if such party is not named in the caption of this brief) is: New York Intellectual Property Law Association.

3. The subsidiaries, affiliates, and any companies that own ten percent or more of the stock of the party or amicus curiae represented by me and that have issued shares to the public, are: None.

4. The names of all law firms and partners or associates that appeared for the parties or *amici* now represented by me in the trial court or agency or who are expected to appear in this Court are:



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**STATEMENT OF IDENTITY, INTEREST, AND AUTHORITY
OF AMICUS CURIAE UNDER FED. R. APP. P. 29(c)(3)**

The New York Intellectual Property Law Association (“NYIPLA”) submits this brief as *amicus curiae* in support of Plaintiff-Appellant’s combined petition for a panel hearing or a re-hearing en banc with respect to this Court’s August 11, 2009 precedential ruling affirming the September 30, 2005 summary judgment of the district court sustaining the decision of the Patent and Trademark Office (“PTO”) Board of Patent Appeals and Interferences (“BPAI”) upholding the PTO examiner’s rejection of claims in Plaintiff-Appellant’s patent application as not supported by an adequate written description in the specification under 35 U.S.C. § 112, ¶ 1. That judgment was premised on the district court’s finding that the BPAI’s decision was supported by substantial evidence of record in the PTO in the absence of any additional evidence submitted by the Plaintiff-Appellant in the civil action. For the reasons set forth in this brief, the NYIPLA respectfully urges this Court to reconsider, in a panel rehearing or a rehearing en banc, its review of the judgment of the district court because of the unresolved issue implicated in its decision, namely, the standard for admitting new evidence in civil actions under 35 U.S.C. §145 that was not made of record in the proceedings before the agency.¹

In accordance with Fed. R. App. 29(a), all parties to the present appeal, through their respective counsels of record, orally consented as of December 10, 2009 to the submission of this brief.

¹ The NYIPLA’s silence on points and issues not addressed in this brief does not mean that the NYIPLA agrees with positions taken by the Defendant-Appellee on those points and issues.

Amicus curiae NYIPLA and its counsel appearing in this proceeding represent that they have authored this brief, that no counsel for a party authored this brief in whole or in part, and that no counsel or party made any monetary contribution intended to fund the preparation or submission of this brief. No person other than *amicus curiae* NYIPLA, its members, or its counsel made any monetary contribution to the preparation or submission of this brief. The arguments set forth in this brief were approved on December 11, 2009 by an absolute majority of the total number of officers and members of the Board of Directors of the NYIPLA (including such officers and Board members who did not vote for any reason including recusal), but do not necessarily reflect the views of a majority of the members of the NYIPLA or of the firms with which those members are associated. After reasonable investigation, the NYIPLA believes that no officer, or member of its Board or Amicus Committee who voted in favor of this brief, or any attorney in the law firm or corporation of such an officer, Board or Committee member, or attorney who aided in preparing this brief, represents a party with respect to this litigation. Some officers, Board or Committee members or other attorneys in their respective law firms or corporations may represent entities, including other amici curiae, which have an interest in other matters that may be affected by the outcome of this litigation.

The NYIPLA is a bar association of approximately 1,600 attorneys whose professional interests and practices lie mainly in the areas of patents, copyrights, trademarks, trade secrets and other forms of intellectual property (“IP”). NYIPLA members include in-house attorneys serving businesses and other organizations that deal with IP rights in all technologies and disciplines, as well as

attorneys in private practice who represent IP owners and their adversaries. Parties that are served and represented include individual inventors, entrepreneurs, venture capitalists, companies, universities, and industry and trade associations. NYIPLA members represent both plaintiffs and defendants in IP litigation and regularly participate in matters before the PTO, including the prosecution of patent applications and other proceedings before the agency.

Founded in 1922, the NYIPLA has achieved national recognition by its continuous, historic commitment to maintaining the integrity of the United States patent system, and to the proper application and observance of United States patent law by courts and agencies. Noteworthy in that regard are the contributions made by the Honorable Giles S. Rich, a celebrated member of this Court and its predecessor, the Court of Customs and Patent Appeals. While serving as the NYIPLA's 28th President (from 1951 to 1952) he was instrumental in the drafting and enactment of, and contributed to the preparation of an official commentary on, the Patent Act of 1952 embodied in title 35 of the United States Code (hereinafter referred to in its current form as the "Patent Act"). Later, during his career both as a patent lawyer and then as a jurist, Judge Rich continued to contribute significantly to the promotion of the Patent Act's vitality and relevance to both the American and global economies. Since then, the expeditious, efficient, and economical operation of the U.S. patent system, in accordance with sound legal principles, as embodied in the Patent Act, remains what is arguably one of the most important factors affecting the innovation-driven economy and well-being of the United States.

The NYIPLA supports the continued development of the principles and procedures governing judicial review of decisions of the PTO aimed at improving the process for examining and granting patent applications, and the quality of patents issued by the agency. However, restricting patent applicants from exercising their broad, long-standing right to judicial review of PTO decisions under the Patent Act is not a valid option. The NYIPLA believes that the challenges facing the U.S. patent system in the context of the judicial review of PTO decisions stem from issues that can and should be addressed by applying sound jurisprudential principles.

INTRODUCTION

In its August 11, 2009 decision, a panel majority of this Court enunciated what the dissenting opinion characterized as a “sweeping exclusionary rule”, Dis. Op. at 2², namely that in civil actions against the PTO under 35 U.S.C. §145 seeking review of BPAI affirmances of examiners’ final rejections of patent applications, the district court can disregard evidence submitted for the first time by a plaintiff-applicant that could have been -- but was not -- submitted to the PTO. Particularly, the majority held that evidence requested by the PTO but which was willfully withheld by a patent applicant may be excluded at the discretion of the district court.

In the instant case, the applicant (Plaintiff-Appellant here) had responded to the examiner’s § 112 ¶ 1 “lack of adequate written description” rejection by

² Citations to the Court’s majority opinion and the dissenting opinion are with respect to the texts thereof annexed as the *Addendum* to Plaintiff-Appellant’s petition and are denoted herein as “Maj. Op.” or “Dis. Op.” as the case may be.

merely citing the page and line numbers of his specification where particular claim terms -- but not the substance of the claim limitations themselves -- could be found. In affirming the rejection, the BPAI held applicant's showing to be insufficient, characterizing it as being merely akin to citing pages in a dictionary where particular words could be found in order to support a claim of authorship of a book containing those words. Maj. Op. at 9.

Following the BPAI's denial of his request for rehearing, Maj. Op. at 10, the applicant (Plaintiff-Appellant) sued the PTO under 35 U.S.C. §145, Maj. Op. at 11, and in support of his opposition to the PTO's motion for summary judgment based on the record below he proffered a declaration containing what might have been the requisite showing. But the district court excluded such evidence as having been *negligently* withheld from the examiner and the BPAI, and hence untimely. Maj. Op. at 11. The district court then went on to find that there was substantial evidence in the record of the BPAI proceedings sufficient to warrant the granting of the PTO's summary judgment motion. Maj. Op. at 2, 11.

Following the district court's denial of his motion for reconsideration, Maj. Op. at 11, the Plaintiff-Appellant appealed to this Court, Maj. Op. at 12, which affirmed the judgment of the district court, and in doing so, upheld the district court's exclusion of applicant's evidentiary declaration because (i) §145, unlike §146 (the corresponding statute governing court-review in patent interferences), does not in *ipssimis verba* confer the right to unfettered de novo review as would have otherwise been required by the Administrative Procedure Act ("APA"), and (ii) "Congress did not intend that evidence owed, requested, and

willfully withheld from the PTO must nevertheless be admitted in a section 145 action.” (emphasis added).

By this brief, *amicus curiae* NYIPLA respectfully urges the Court to grant a panel rehearing or a rehearing en banc so that it may address definitively the issue of whether and if so, on what basis may a district court properly exclude evidence that could have been -- but was not -- presented earlier during the proceedings below at the BPAI level. This Court noted that neither it, Maj. Op. at 12, nor the District Court for the District Court of Columbia, Maj. Op. at 33, nor the U.S. Supreme Court “has [ever] squarely addressed the issue of exactly what standard governs district courts in ruling on the admissibility of evidence withheld during [prosecution] in the PTO.” Maj. Op. at 24-5, 41.

**ARGUMENT IN SUPPORT OF
PLAINTIFF-APPELLANT’S COMBINED PETITION**

POINT I

**The Court Should Rehear and Rule Definitively on the Issue of
Whether a Plaintiff’s Right to Introduce New Evidence in an
Action Under 35 U.S.C. § 145 is Limited by the APA to
Cases Where the PTO’s Fact-Finding Procedures Are Inadequate**

The NYIPLA takes the position that there is a need for appellate jurisprudence going forward that definitively answers the question as to whether a plaintiff in a § 145 civil action is entitled to submit additional evidence subject only to the limitations imposed by the Federal Rules of Evidence and the Federal Rules of Civil Procedure as the Plaintiff-Appellant and the dissent have asserted,

Maj. Op. at 12, or if a more restrictive standard should apply as stated in the majority opinion.

Because § 145 empowers the district court to exercise what historically has been recognized as original equity jurisdiction over the parties appearing before it under the patent laws, there is a need to resolve the issue as to whether the district court is subject to whatever evidentiary admissibility (as opposed to burden-of-proof or deference) limitations that one (*i.e.*, the PTO) might argue is implied by the APA.

In particular, a court should clarify the appropriate admissibility standard to be applied by the district court in situations where (i) evidence newly submitted was either unavailable to or unknown by the applicant during the proceedings in the PTO as in *Globe Union v. Chicago Tel. Supply Co.*, 103 F.2d 722, 288 (7th Cir. 1939), or (ii) such evidence was available to or known by the applicant during the PTO proceedings but the agency lacked adequate fact-finding procedures for considering such evidence as in *Minn. Mining & Mfg. Co. v. Carborundum*, 155 F.2d 746 (3rd Cir. 1946), or (iii) the applicant was negligent in failing to present the evidence to the PTO which could have considered it during the administrative proceeding as in *Cal. Research Corp. v. Ladd*, 356 F.2d 813, 820 (D.C. Cir. 1966), or (iv) the applicant knew of or had access to the newly proffered evidence during the proceeding before the agency but willfully or knowingly chose not to submit it to the PTO as in *Barrett Co. v. Koppers Co.*, 22 F.2d 395 (3d Cir. 1927).

Under *Morgan v. Daniels*, 153 U.S. 120 (1894), the trial of a bill in equity such as an action under § 145 must be heard upon all competent evidence

adduced, and upon the entire merits of the case, and not merely *de novo sub modo*.

There is operative language in § 145 consistent with this principle, namely:

The court may *adjudge* that such applicant is entitled to receive a patent for his invention, as specified in any of his claims involved in the decision of the Board of Patent Appeals and Interferences, *as the facts in the case may appear* and such *adjudication* . . . (Emphasis added).

While the foregoing language may not be as encompassing as the more prescriptive language in 35 U.S.C. § 146 applicable to civil actions in patent interferences,³ Maj. Op. at 26, neither can § 145 be interpreted as in any way imposing a limitation on the proffer and consideration of evidence in civil actions against the PTO.⁴ Moreover, logic supports this. Unlike, for example, an applicant's inequitable conduct in withholding damaging information from the PTO, it would be counterintuitive, and therefore highly unlikely, that non-duplicative evidence supporting the applicant's case would be knowingly and willfully withheld from the PTO.

³ 35 U.S.C. § 146 provides in pertinent part:

In such suits the record in the Patent and Trademark Office shall be admitted on motion of either party upon the terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of the parties to take further testimony. The testimony and exhibits of the record in the Patent and Trademark Office when admitted shall have the same effect as if originally taken and produced in the suit.

⁴ The difference between civil actions in district court under § 145 and appeals to the Federal Circuit under § 141 is discussed at Dis. Op. at 4.

POINT II

En Banc Rehearing on the Panel Majority's Decision is Necessary in Order to Eliminate the Uncertainty it Has Caused With Respect to the Admissibility of Evidence in Civil Actions Against the PTO in Other Settings

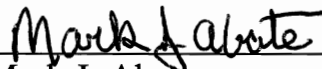
This Court indicated that its decision is limited to the facts of this case, and that it was not addressing the issue of whether a district court could disregard evidence on grounds other than those referred to here and in *Barrett Co. v. Koppers Co.*, 22 F.2d 395 (3d Cir. 1927). Maj. Op. at 56. However, if allowed to stand, the majority opinion's sweeping restriction with respect to the admissibility of newly submitted evidence will apply by analogy to civil actions against the PTO in trademark cases under 35 U.S.C. §1071(b), and under 35 U.S.C. §306/§145 seeking judicial review of BPAI affirmances of examiners' final rejections of patent claims in ex parte reexaminations. The right to judicial review of PTO decisions under other provisions of the Patent Act providing recourse to civil actions in district court, namely, § 32 (exclusion of patent attorneys and agents from practice before the PTO), and § 154(b)(4) (patent term adjustments)⁵ would also be affected by extension of this Court's majority holding. These concerns present a compelling reason for granting a rehearing or rehearing en banc.

⁵ Patent term adjustments under 35 U.S.C. § 154(b) became available for patents granted on applications filed after May 28, 2000 pursuant to the Patent Term Adjustment Act, § 4405 of Pub. L. No. 106-113. In recent years, particularly beginning in around 2007, with the granting of such patents, an increasing percentage of civil actions against the PTO in the U.S. District Court for the District of Columbia have been those seeking judicial review under 35 U.S.C. § 154(b)(4) of PTO patent term adjustments pursuant to § 154(b)(3).

CONCLUSION

For the reasons herein set forth, amicus curiae NYIPLA respectfully urges the Court to grant the instant petition for hearing of Plaintiff-Appellant's appeal of the district court's summary judgment sustaining the BPAI's decision upholding the examiner's rejection of claims in the Plaintiff-Appellant's patent application.

Respectfully submitted



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December 14, 2009

**United States Court of Appeals
for the Federal Circuit**

Hyatt v. Kappos, 2007-1066


**DECLARATION OF AUTHORITY PURSUANT TO
28 U.S.C. § 1746 AND FEDERAL CIRCUIT RULE 47.3(d)**

I, John C. Kruesi, Jr., being duly sworn according to law and being over the age of 18, upon my oath depose and say that:

I am an employee of Counsel Press's Washington DC Office. Counsel Press was retained by Mark J. Abate, Attorneys for *Amicus Curiae* New York Intellectual Property Law Association to print the enclosed documents.

The attached Brief has been submitted to Counsel Press, by the above attorneys, electronically and/or has been reprinted to comply with the Court's rules. Because of time constraints and the distance between counsel of record and Counsel Press, counsel is unavailable to provide an original signature, in ink, to be bound in one of the briefs. Pursuant to 28 U.S.C. §1746 and Federal Circuit Rule 47.3(d), I have signed the documents for Mark J. Abate, with actual authority on his behalf as an attorney appearing for the party.

December 14, 2009


John C. Kruesi, Jr.

CERTIFICATE OF SERVICE

Hyatt v. Kappos, 2007-1066

I, John C. Kruesi, Jr., being duly sworn according to law and being over the age of 18, upon my oath depose and say that:

Counsel Press was retained by Mark J. Abate, Attorneys for *Amicus Curiae* New York Intellectual Property Law Association to print this document. I am an employee of Counsel Press;

On the **14th Day of December 2009**, I caused 2 copies of the within **Brief for *Amicus Curiae*** to be served upon:

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Unless otherwise noted, an original and eleven (18) copies have been filed with the Court on the same date via Hand Delivery.

December 14, 2009

