

No. 10-1219

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**In the Supreme Court of the United States**

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DAVID J. KAPPOS, UNDER SECRETARY OF COMMERCE  
FOR INTELLECTUAL PROPERTY AND DIRECTOR,  
UNITED STATES PATENT AND TRADEMARK OFFICE,  
PETITIONER

*v.*

GILBERT P. HYATT

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*ON PETITION FOR A WRIT OF CERTIORARI  
TO THE UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT*

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**PETITION FOR A WRIT OF CERTIORARI**

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## QUESTIONS PRESENTED

When the United States Patent and Trademark Office (PTO) denies an application for a patent, the applicant may seek judicial review of the agency's final action through either of two avenues. The applicant may obtain direct review of the agency's determination in the Federal Circuit under 35 U.S.C. 141. Alternatively, the applicant may commence a civil action against the Director of the PTO in federal district court under 35 U.S.C. 145. In a Section 145 action, the applicant may in certain circumstances introduce evidence of patentability that was not presented to the agency. The questions presented are as follows:

1. Whether the plaintiff in a Section 145 action may introduce new evidence that could have been presented to the agency in the first instance.
2. Whether, when new evidence is introduced under Section 145, the district court may decide *de novo* the factual questions to which the evidence pertains, without giving deference to the prior decision of the PTO.

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The Acting Solicitor General, on behalf of the Director of the United States Patent and Trademark Office (PTO), respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

**OPINIONS BELOW**

The opinion of the en banc court of appeals (App., *infra*, 1a-80a) is reported at 625 F.3d 1320. The opinion of the court of appeals panel (App., *infra*, 81a-172a) is reported at 576 F.3d 1246. The opinion of the district court (App., *infra*, 173a-199a) is unreported. The order of the Board of Patent Appeals and Interferences (App., *infra*, 200a-254a) is unreported.

### JURISDICTION

The judgment of the court of appeals was entered on November 8, 2010. On January 26, 2011, the Chief Justice extended the time in which to file a petition for a writ of certiorari to and including March 8, 2011. On February 25, 2011, the Chief Justice further extended the time to and including April 7, 2011. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

### STATUTORY PROVISION INVOLVED

The pertinent statutory provision is reprinted in the appendix to this petition (App., *infra*, 280a).

### STATEMENT

1. a. The PTO is the agency “responsible for the granting and issuing of patents.” 35 U.S.C. 2(a)(1). When an inventor applies for a patent, the PTO undertakes an examination process to determine whether a patent should issue. 35 U.S.C. 131. An examiner with expertise in the relevant technological fields analyzes the application and the invention it describes, as well as the prior art in the field, in order to determine whether the statutory requirements for patentability are satisfied. *Ibid.*; PTO, U.S. Dep’t of Commerce, *Manual of Patent Examining Procedure* §§ 704-706, 903.08(e), 904-904.02 (8th ed. Rev. 8, July 2010).

A number of statutory prerequisites must be satisfied before a patent may issue. *Inter alia*, an invention must consist of patent-eligible subject matter, 35 U.S.C. 101; and it must be novel, see 35 U.S.C. 102, and non-obvious, 35 U.S.C. 103(a). The patent’s specification must contain a written description of the invention “and of the manner and process of making and using it,” and it must enable a person of ordinary skill in the art to

“make and use the same.” 35 U.S.C. 112. In applying those requirements, the PTO may make a number of factual determinations regarding, *inter alia*, the nature of the invention’s advancement over existing technology, the level of ordinary skill in the art, and the way in which a person of ordinary skill would understand the patent’s specification. See, *e.g.*, *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966). Certain patentability requirements, such as whether the claims are supported by adequate written description, see 35 U.S.C. 112, are pure questions of fact. See *Cordis Corp. v. Boston Scientific Corp.*, 561 F.3d 1319, 1331-1332, 1335 (Fed. Cir.), cert. denied, 130 S. Ct. 748, and 130 S. Ct. 749 (2009).

If the examiner denies a patent application, the applicant may appeal the decision to the PTO’s Board of Patent Appeals and Interferences (Board). See 35 U.S.C. 6 (2006 & Supp. III 2009); 35 U.S.C. 134. The Board is composed of “administrative patent judges” who possess “competent legal knowledge and scientific ability.” 35 U.S.C. 6(a) (Supp. III 2009). An applicant who believes the Board’s decision is erroneous may file a request for Board rehearing. 37 C.F.R. 41.52. Alternatively, an applicant who wishes to overcome the Board’s decision by introducing new evidence of patentability before the PTO may file a request for continued examination, 37 C.F.R. 1.114, or a continuation application, 37 C.F.R. 1.53(b); see also 35 U.S.C. 120. In either case, the examiner considers the application in light of the new evidence, and the applicant may appeal the examiner’s decision to the Board.

b. An applicant aggrieved by the Board’s final determination may obtain judicial review through either of two avenues. 35 U.S.C. 141-145. The applicant may directly “appeal the decision to the United States Court of

Appeals for the Federal Circuit,” 35 U.S.C. 141, which “review[s] the [Board’s] decision \* \* \* on the record before the [PTO],” 35 U.S.C. 144. In Section 141 proceedings, the Federal Circuit reviews the PTO’s decision under the deferential standards that govern judicial review of final agency action under the Administrative Procedure Act (APA), 5 U.S.C. 701 *et seq.* See *Dickinson v. Zurko*, 527 U.S. 150, 154-165 (1999).

Alternatively, an unsuccessful applicant may “have remedy by civil action against the Director” of the PTO in the District Court for the District of Columbia. 35 U.S.C. 145. In such an action, 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], as the facts in the case may appear.” *Ibid.* This Court has observed that, in some circumstances, Section 145 “permits the disappointed applicant to present to the court evidence that the applicant did not present to the PTO,” which “makes a factfinder of the district judge.” *Zurko*, 527 U.S. at 164. The Court in *Zurko* did not, however, address the circumstances in which new evidence may be admitted in a Section 145 suit. See *ibid.*

c. Section 145 is the current embodiment of a statutory provision that has authorized judicial review of PTO (or Patent Office) decisions in district court since 1836, when Congress first created an agency responsible for the examination of patents. Patent Act of 1836, ch. 357, § 16, 5 Stat. 123. See generally *Hoover Co. v. Coe*, 325 U.S. 79, 84-87 (1945). Eventually codified at Rev. Stat. § 4915 (1878) (R.S. 4915), the provision permitted an action (called a “bill in equity”) to obtain review of “all cases where patents are refused for any reason whatever,” Act of Mar. 3, 1839, ch. 88, § 10, 5 Stat. 354, in-

cluding both patent denials and priority determinations made after “interference” proceedings, see 35 U.S.C. 135.

Until 1927, an unsuccessful patent applicant could file a bill in equity in district court under R.S. 4915 only after obtaining initial judicial review in the courts of the District of Columbia. See *Hoover Co.*, 325 U.S. at 85-86; App., *infra*, 97a-101a. In 1927, Congress amended the statutory scheme to permit a disappointed applicant to “have the decision of the Patent Office reviewed either by the court of appeals or by filing a bill in equity, but not both.” *Hoover Co.*, 325 U.S. at 87 (citation omitted); see Act of Mar. 2, 1927, ch. 273, § 8, 44 Stat. 1336. In the 1952 Patent Act, Congress divided R.S. 4915 into two sections—Section 145, governing *ex parte* proceedings, and Section 146, governing interferences—and indicated that “no fundamental change” was intended “in the various appeals and other review of Patent Office action.” S. Rep. No. 1979, 82d Cong., 2d Sess. 7 (1952).

2. a. Respondent is the named inventor of the invention disclosed in the patent application at issue in this case, known as the '702 application. App., *infra*, 3a. The invention relates generally to a computerized display system for processing image information. *Ibid.*

Respondent filed the '702 application in 1995. After a series of amendments, he deleted the original claims in the application and presented 117 new claims for examination. App., *infra*, 177a; C.A. App. A11009-A11087. Concerned that the amendment was not supported by the original application, see 35 U.S.C. 132(a) (barring amendments introducing “new matter”), the PTO examiner directed respondent to “point out where in the specification support may be found” for the new claims. C.A. App. A10493; see 37 C.F.R. 1.105(a)(1). Finding respon-

dent's submission insufficiently specific, the examiner rejected all 117 claims under 35 U.S.C. 112 for lack of an adequate written description. App., *infra*, 4a.

b. Respondent appealed to the Board. The Board noted that respondent's appellate submission did not identify any support in the specification for the rejected claims beyond a table showing where certain terms appeared in the specification. See App., *infra*, 213a, 218a-219a; see also *id.* at 260a. Stating that "merely pointing to isolated words scattered throughout the specification does not describe the invention claimed as a combination of elements, functions, and interconnections, anymore than a dictionary provides written description support for a book where words are used in combination to provide a certain meaning," the Board concluded that respondent had failed to refute the examiner's findings under Section 112. *Id.* at 213a. The Board nevertheless conducted its own search of the specification for supporting disclosures. *Id.* at 219a-240a; see *id.* at 257a ("This panel spent three weeks considering the 238 page specification, the 42 drawing figures, the 128 page appeal brief, and the 64 page reply brief as applied to 54 independent claims and 63 dependent claims in writing our original decision."). The Board ultimately found adequate support for 38 claims, but affirmed the examiner's rejection of 79 claims for lack of written description.<sup>1</sup> *Id.* at 252a-253a.

Respondent filed a request for rehearing before the Board and offered, for the first time, claim-by-claim responses to the examiner's written-description rejections. See App., *infra*, 257a. The Board denied reconsidera-

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<sup>1</sup> The Board reversed the examiner's rejections based on obviousness, anticipation, and other grounds not at issue here. App., *infra*, 5a.

tion, explaining that under PTO rules, respondent had forfeited his written-description arguments by failing to present them in his appeal brief. *Id.* at 256a; see 37 C.F.R. 41.37(c)(1)(vii) (arguments not presented to the Board in appeal briefs are waived).

3. Respondent sought judicial review of the PTO's decision in federal district court under 35 U.S.C. 145. The Director moved for summary judgment, arguing that the Board's findings on the written-description issue were supported by substantial evidence in the record. App., *infra*, 6a. In response, respondent submitted his own written declaration, in which he identified portions of the specification that, in his view, supported the claims held invalid by the Board. *Ibid.*; see *id.* at 261a-279a. The Director urged the district court not to consider the declaration because respondent had failed, without reasonable excuse, to provide the same information to the agency.

The district court excluded respondent's declaration, concluding that Section 145 does not permit a plaintiff to introduce new evidence that he had a reasonable opportunity to present to the PTO during the administrative process. App., *infra*, 173a-199a. Finding no basis in the administrative record for disturbing the Board's findings, the court granted summary judgment to the Director. *Id.* at 190a-199a.

4. A panel of the court of appeals affirmed. App., *infra*, 81a-172a. The panel explained that Congress could not reasonably have intended "to allow a patent applicant in a § 145 action to introduce new evidence with no regard whatsoever as to his conduct before the PTO." *Id.* at 146a. The panel emphasized that "it has been the general practice of federal courts for over eighty years in certain circumstances to exclude evi-



dence which a party could and should have introduced before the Patent Office but did not despite an obligation to do so.” *Id.* at 121a. Judge Moore dissented. *Id.* at 149a-172a.

5. a. The court of appeals granted rehearing en banc and reversed the district court’s grant of summary judgment. The en banc court held that Section 145 permits patent applicants to challenge the Board’s determination based on any evidence admissible under the Federal Rules of Evidence, even if the applicant had no justification for failing to provide the evidence to the agency. App., *infra*, 21a. The court stated that Section 145 “provides no indication that this civil action is somehow different from a customary civil action,” *id.* at 11a-12a, and that “[w]here [a] statute permits a ‘civil action’ in relation to agency actions, the Supreme Court has held that this amounts to a trial de novo,” *id.* at 30a (citing *Chandler v. Roudebush*, 425 U.S. 840 (1976)). The court also relied on testimony by witnesses during congressional hearings preceding the 1927 revisions to the Patent Act, in which opponents of R.S. 4915 characterized the provision as permitting a “de novo” proceeding in district court. See App., *infra*, 14a-17a. The court viewed that testimony as indicating that Congress understood R.S. 4915 to “allow[] an applicant to introduce new evidence in district court, regardless of whether that evidence had been provided to the Patent Office in earlier proceedings.” *Id.* at 17a.

The court of appeals further held that “once an applicant introduces new evidence on an issue, the district court reviews that issue de novo,” App., *infra*, 2a, and makes “de novo fact findings if the evidence conflicts with any related [PTO] finding,” *id.* at 32a. In the court’s view, permitting de novo review when new evi-

dence is introduced does not conflict with “principles of deference to agency fact finding” because a deferential “court/agency standard of review” applies when the applicant does not offer new evidence. *Id.* at 31a; see *id.* at 30a. The court also noted that a district court may consider “the proceedings before and findings of the Patent Office in deciding what weight to afford an applicant’s newly admitted evidence.” *Id.* at 28a. The en banc court accordingly vacated the district court’s grant of summary judgment to the PTO, and remanded for further proceedings. *Id.* at 34a-35a.

b. Judge Newman concurred in part and dissented in part. App., *infra*, 36a-43a. She agreed with the majority that Section 145 authorizes the admission of new evidence without regard to the applicant’s conduct before the PTO, but she would have held that Section 145 authorizes de novo review even when the applicant does not introduce new evidence. *Id.* at 38a.

c. Judge Dyk, joined by Judge Gajarsa, dissented. App., *infra*, 44a-80a. The dissenting judges described the en banc court’s decision as “a remarkable departure from settled principles of administrative law” and “yet another misguided effort to craft special rules for patent cases that the Supreme Court in other cases has held to be impermissible.” *Id.* at 44a, 46a (citing *Zurko*, 527 U.S. at 152). They emphasized that courts historically had limited the admissibility of new evidence in Section 145 proceedings, and that Congress has often provided for deferential review in civil actions brought in district court. *Id.* at 53a-78a. They would have held that Section 145 does not permit a disappointed patent applicant to introduce new evidence that could have been submitted to the PTO. *Id.* at 51a-52a. In the dissenting judges’ view, “[t]he majority opinion invites applicants to delib-

erately withhold evidence from the PTO in favor of a more hospitable district court forum,” *id.* at 46a, particularly “in those circumstances where an expert agency would reject the evidence but a non-expert district court might be convinced to accept it,” *id.* at 80a.

#### REASONS FOR GRANTING THE PETITION

The court of appeals’ decision disregards fundamental principles of administrative law and statutory construction, and encourages applicants to withhold relevant evidence from the expert agency charged by Congress with responsibility for the disposition of patent applications. The court’s decision allows a plaintiff to challenge the agency’s considered determination based on evidence that the plaintiff could have provided to the administrative tribunal, and it rewards that conduct by permitting the district court to engage in *de novo* review of the relevant issues once new evidence is introduced. The decision is at odds with this Court’s interpretation of the predecessor to 35 U.S.C. 145, see *Morgan v. Daniels*, 153 U.S. 120, 124 (1894); it is inconsistent with the views of the regional circuit courts that construed Section 145 and its predecessor provisions before the creation of the Federal Circuit; and it undermines the PTO’s exercise of its statutory responsibilities by encouraging applicants to withhold evidence from the agency.

The questions presented are sufficiently important to warrant this Court’s plenary review. Those questions are related, however, to the issue that is currently pending before this Court in *Microsoft Corp. v. i4i Ltd. Partnership*, No. 10-290 (oral argument scheduled for Apr. 18, 2011) (*Microsoft*), which concerns the standard of proof to be applied when a defendant in a patent-

infringement suit asserts that the relevant patent is invalid based on evidence that the PTO did not consider in the examination process. Like a defendant who challenges the validity of a patent in infringement litigation, a Section 145 plaintiff seeks to overturn the PTO's disposition of a patent application, and principles of administrative deference should inform the nature and scope of judicial review in both contexts. See *Morgan*, 153 U.S. at 123-124. It would therefore be appropriate in the first instance to hold this petition pending the Court's decision in *Microsoft*.

**I. THE COURT OF APPEALS' DECISION DISREGARDS FUNDAMENTAL PRINCIPLES OF ADMINISTRATIVE LAW AND DEPARTS FROM THE PREVAILING UNDERSTANDING OF SECTION 145'S PREDECESSOR STATUTE**

**A. The Regime Established By The Court Of Appeals Conflicts With Established Administrative-Review Principles**

Section 145 permits a patent applicant "dissatisfied with the decision" of the PTO to seek a "remedy by civil action against the Director" in district court. 35 U.S.C. 145. More than a century ago, this Court held that a suit under Section 145's predecessor, R.S. 4915, is not a free-standing cause of action to obtain a patent, but is rather "an application to the court to set aside the action of one of the executive departments of the government." *Morgan*, 153 U.S. at 124. Because the decision to deny a patent or award priority is made by "[t]he one charged with the administration of the patent system" after "finish[ing] its investigations and ma[king] its determination," *ibid.*, the agency's determination should be overturned only if its error "is established by testimony which in character and amount carries thorough convic-

tion.” *Id.* at 125. When the evidence is “doubtful, the decision of the Patent Office must control.” *Ibid.* Consistent with those principles, this Court has held that when a disappointed patent applicant challenges the PTO’s denial through a direct appeal under Section 141, the PTO’s decision is final agency action that must be reviewed under the APA’s deferential standards. See *Dickinson v. Zurko*, 527 U.S. 150, 154-165 (1999).

In the en banc court of appeals’ view, the fact that the plaintiff in a Section 145 suit is sometimes permitted to introduce new evidence “distinguishes a civil action under § 145 from an appeal” in which a deferential standard of review would be appropriate. App., *infra*, 2a. That analysis is misconceived. To be sure, the potential for introduction of new evidence in a Section 145 suit reflects a limited exception to the usual rule that judicial review of agency action is confined to the administrative record. That limited exception, however, does not alter the fundamental character of a Section 145 suit as a request to set aside the decision of an expert agency made within the scope of its delegated authority. Nor does it justify the en banc court’s wholesale disregard of other background principles that govern judicial review of agency action. Those principles counsel that, even when judicial review is conducted under a statutory provision that does not wholly bar the introduction of new evidence, the plaintiff must first present his evidence to the agency when that opportunity is reasonably available, and the court’s review must reflect appropriate deference to the agency’s expertise and statutory authority.

**1. *Permitting introduction of new evidence that could have been presented to the agency conflicts with administrative-exhaustion principles***

Ordinarily, an applicant before an agency must provide a complete presentation of his arguments and evidence, thereby affording the agency a full opportunity to apply its judgment and expertise to the issues at hand, before seeking judicial review of the agency's decision. *McKart v. United States*, 395 U.S. 185, 193 (1969); see *Citizens to Preserve Overton Park, Inc. v. Volpe*, 401 U.S. 402, 413-414 (1971). Judicial review then takes place using the existing administrative record, and when material new evidence bearing on the agency's determination is brought to the court's attention, the proper course is generally "to remand to the agency for additional investigation or explanation." *Florida Power & Light Co. v. Lorion*, 470 U.S. 729, 744 (1985); see *Tagg Bros. & Moorhead v. United States*, 280 U.S. 420, 445 (1930). The requirement of administrative exhaustion permits the agency to "develop the necessary factual background upon which decisions should be based" and gives the agency the opportunity to "apply[] a statute in the first instance." *McKart*, 395 U.S. at 193-194; see *McCarthy v. Madigan*, 503 U.S. 140, 145 (1992) (Exhaustion concerns have "particular force \* \* \* when the agency proceedings in question allow the agency to apply its special expertise."). The exhaustion requirement also ensures that the agency is "given a chance to discover and correct its own errors" and prevents "frequent and deliberate flouting of administrative processes." *McKart*, 395 U.S. at 195.

Contrary to the court of appeals' view, those rationales are not rendered inapposite simply because Section 145 does not wholly preclude the introduction of

new evidence. Section 145 provides a safety valve in the situations where a disappointed patent applicant had no reasonable opportunity to present particular relevant evidence to the PTO. With respect to evidence that *could* have been submitted to the agency, however, the reasons for treating exhaustion as a prerequisite to consideration of the evidence by a reviewing court apply with full force here. Congress conferred patent examination authority on the PTO, and it required that examiners and Board judges have extensive technical expertise. As applied in this setting, exhaustion principles serve their usual purpose of protecting the expert agency's ability to consider the full range of relevant information and to correct any errors that may occur at lower levels of the administrative process.

The court of appeals disregarded these principles by creating a regime in which a patent applicant may purposefully withhold relevant evidence from the PTO in order to present that evidence to a non-expert judge, who then must evaluate the evidence without the benefit of the agency's expert judgment. That system undermines Congress's decision to entrust the issuance of patents to an expert agency. See *United States v. Carlo Bianchi & Co.*, 373 U.S. 709, 717 (1963) (Congress's purpose "would be frustrated if either side were free to withhold evidence at the administrative level and then introduce it in a judicial proceeding."). It also hinders the PTO's effectiveness by excusing violations of the PTO's own rules of practice. Those rules provide that arguments not timely presented to the Board are forfeited, see 37 C.F.R. 41.37(c)(1)(vii), and they limit the circumstances in which new evidence may be submitted after an appeal has been taken, see 37 C.F.R. 41.33(d)(1); see also 37 C.F.R. 41.39(b)(1), 41.50(a)(2)(i)

and (b)(1). Moreover, the PTO's procedures permit applicants who have received an adverse Board decision to introduce new evidence of patentability to the PTO before seeking judicial review, by filing a request for continued examination or a continuation application. See 37 C.F.R. 1.53(b), 1.114. When these procedures are available, they provide applicants with a means of alerting the PTO to new evidence and persuading the agency to correct its errors without resorting to judicial review. Exhaustion principles are disserved if applicants are encouraged to bypass the agency's examination procedures in favor of district-court review.

Relying on *Chandler v. Roudebush*, 425 U.S. 840 (1976), the court of appeals stated that “[w]here the statute permits a ‘civil action’ in relation to agency actions, the Supreme Court has held that this amounts to a trial de novo” in which “the admission of new evidence” is “subject only to the Federal Rules of Evidence and Civil Procedure.” App., *infra*, 30a. The en banc court's reliance on *Chandler* was misplaced. The Court in *Chandler* held that Title VII of the Civil Rights Act of 1964, 42 U.S.C. 2000e *et seq.*, conferred on federal employees the right to “trials *de novo*” on their discrimination claims, rather than simply to “‘substantial evidence’ review” of “administrative dispositions of federal employee discrimination complaints.” 425 U.S. at 863. As the dissent below explained, however, the Court did not base that conclusion on the statute's use of the term “civil action” standing alone. Rather, the Court relied on the facts that Title VII gave federal workers the *same* right as private-sector employees to file suit alleging unlawful employment discrimination, and that private-sector employees had an unquestioned right to



trial de novo. See *id.* at 844-846, 863; App., *infra*, 59a-60a (distinguishing *Chandler*).

The PTO's disposition of patent applications, by contrast, has no private-sector analogue, and the en banc court identified no structural feature of the Patent Act (beyond Section 145's use of the term "civil action") suggesting an exception to usual exhaustion principles. The mere fact that Section 145 provides for review in district court rather than in a court of appeals does not render those principles inapplicable. See *Carlo Bianchi & Co.*, 373 U.S. at 715 (stating that "the function of reviewing an administrative decision can be and frequently is performed by a court of original jurisdiction as well as by an appellate tribunal"). This Court's decisions further establish that, absent evidence of contrary congressional intent, see pp. 22-23, *infra*, a statute authorizing a civil suit in district court to challenge an agency's action should not be interpreted to permit a plenary proceeding involving the unrestricted introduction of new evidence. *Ibid.*; *Tagg Bros. & Moorhead*, 280 U.S. at 443-445; see, e.g., *Consolo v. Federal Mar. Comm'n*, 383 U.S. 607, 619 n.17 (1966).

**2. *Permitting de novo review of issues involving new evidence conflicts with longstanding principles of administrative deference***

Having allowed respondent to introduce new evidence that could have been presented to the PTO, the court of appeals compounded its error by directing the district court to "make de novo fact findings with respect to factual issues to which the new evidence relates." App., *infra*, 31a. That holding conflicts with the longstanding rule that a court reviewing an agency's conclusions "is not generally empowered to conduct a *de*

*novo* inquiry into the matter being reviewed and to reach its own conclusions based on such an inquiry.” *Lorion*, 470 U.S. at 744; see *INS v. Orlando Ventura*, 537 U.S. 12, 16 (2002) (per curiam). Because most questions of patentability are “either entirely factual or ha[ve] factual components,” see App., *infra*, 47a (Dyk, J., dissenting), the en banc court’s approach permits the district court to substitute its judgment for that of the PTO not only on subsidiary factual issues where the new “evidence conflicts with any related Patent Office finding,” *id.* at 32a, but also on ultimate questions of patentability such as anticipation or the adequacy of the written description, both of which are questions of fact. See *Cordis Corp. v. Boston Scientific Corp.*, 561 F.3d 1319, 1331-1332, 1335 (Fed. Cir.), cert. denied, 130 S. Ct. 748, and 130 S. Ct. 749 (2009).

The en banc court of appeals viewed its approach as consistent with “principles of deference to agency fact finding” because the court would apply *de novo* review only “[w]hen new evidence is introduced” and would apply the deferential APA standard “when no party introduces new evidence.” App., *infra*, 31a-32a. In fact, that two-tiered approach exacerbates the ill effects of the court’s erroneous determination that the plaintiff in a Section 145 suit may introduce new evidence that he failed without cause to present during the administrative proceedings. By holding that a more plaintiff-friendly standard of review applies in new-evidence cases, even when the plaintiff had a reasonable opportunity to present the relevant information to the agency, the en banc court of appeals created an affirmative incentive for patent applicants to withhold relevant evidence from the PTO in order to improve their chances of success in court. And as the dissenting judges recog-

nized, that incentive will be especially strong “in those circumstances where an expert agency would reject the evidence but a non-expert district court might be convinced to accept it.” *Id.* at 80a.<sup>2</sup>

**B. Before Congress Reenacted R.S. 4915 As Section 145 Of The 1952 Patent Act, Courts In R.S. 4915 Proceedings Consistently Limited The Introduction Of New Evidence And Applied A Deferential Standard Of Review**

The court of appeals believed that its approach was justified because Section 145’s predecessor (R.S. 4915) had been construed to permit the district court to consider evidence beyond the administrative record. App., *infra*, 12a-21a; see *Zurko*, 527 U.S. at 164; *Hoover Co. v. Coe*, 325 U.S. 79, 83 (1945) (evidence “may include evidence not presented in the Patent Office”); *Butterworth v. United States ex rel. Hoe*, 112 U.S. 50, 61 (1884) (same). The en banc court’s analysis reflects a misunderstanding of the manner in which suits of this nature were traditionally adjudicated. Although the admission of new evidence in R.S. 4915 proceedings was not categorically prohibited, courts adjudicating such actions in the early twentieth century recognized that the provision should be construed in light of administrative-law principles, and they routinely excluded evidence that

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<sup>2</sup> Although the Federal Circuit had previously held that de novo review is appropriate when new evidence is admitted, App., *infra*, 31a, the decision below exacerbates the adverse consequences of those prior holdings and threatens to render de novo review the rule rather than the exception. Until the decision of the en banc court below, the practical effect of the availability of de novo review was substantially limited by district courts’ consistent practice of excluding evidence that could have been presented to the PTO. See, e.g., *Takeda Pharm. Co. v. Dudas*, 511 F. Supp. 2d 81, 87 (D.D.C. 2007), vacated on other grounds, 561 F.3d 1372 (Fed. Cir. 2009).

could have been presented to the PTO. Congress's reenactment of R.S. 4915, as Section 145 of the Patent Act of 1952, should be understood to adopt that settled judicial practice.

1. As discussed above, this Court recognized in *Morgan* that the “bill in equity” authorized under R.S. 4915 “is something more than a mere appeal.” 153 U.S. at 124. It is, rather, “an application to the court to set aside the action of one of the executive departments of the government,” made in the exercise of its delegated authority and expert judgment. *Ibid.* A judicial proceeding to overturn such a determination, the Court explained, “is something in the nature of a suit to set aside a judgment, and as such is not to be sustained by a mere preponderance of evidence.” *Ibid.* Rather, any error in the agency's decision must be established “by testimony which in character and amount carries thorough conviction.” *Id.* at 125.

The *Morgan* Court's description of equity proceedings under R.S. 4915 as “something in the nature of a suit to set aside a judgment,” 153 U.S. at 124, is revealing. Under the settled principles of federal equity practice that prevailed at the time, a district court presented with a bill to set aside a prior judgment (known as a “bill of review” or an “original bill in the nature of a bill of review”) would not rehear arguments or evidence that had been adjudicated in the prior proceeding, nor would it consider evidence that could have been produced during that proceeding in the exercise of reasonable diligence. See, e.g., *Beard v. Burts*, 95 U.S. 434, 436 (1877) (“The facts are not open for a re-trial, unless the bill asserts that new evidence has been discovered, not obtainable before the first trial by the exercise of reasonable diligence.”); see also *Scotten v. Littlefield*, 235 U.S.

407, 411 (1914); 2 Thomas Atkins Street, *Federal Equity Practice* § 2119, at 1256 (1909) (*Federal Equity Practice*); *id.* § 2150, at 1272; Benjamin J. Shipman, *Handbook of the Law of Equity Pleading* §§ 215-220, at 309-315 (1897). In addition, a bill of review could not be obtained unless the new evidence clearly established the claimant’s right to relief. See *Southard v. Russell*, 57 U.S. (16 How.) 547, 567, 569 (1854) (new evidence must be “decided and controlling” on the disputed questions); *Federal Equity Practice* § 2151, at 1272 (To obtain leave to file a bill of review, new evidence “must be so controlling in its effect” as to “probably induce a different conclusion” on the merits.). The *Morgan* Court would have been aware of those principles—both the requirement of reasonable diligence, and the heightened standard necessary to overcome deference to the existing judgment—when it described a bill in equity under R.S. 4915 as “something in the nature of a suit to set aside a judgment.”<sup>3</sup>

2. In the years preceding the enactment of the Patent Act of 1952, federal courts considering suits brought under R.S. 4915 routinely recognized limits on the admissibility of new evidence that the proponent could

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<sup>3</sup> The court of appeals disregarded *Morgan*’s analogy to a “suit to set aside a judgment” on the ground that the bill authorized under R.S. 4915 was not literally termed a bill of review. See App., *infra*, 27a. But the fact that R.S. 4915 was not *in fact* a bill of review—the Court in *Morgan* described it as “*something in the nature of* a suit to set aside a judgment,” 153 U.S. at 124 (emphasis added)—does not diminish the force of the analogy. The *Morgan* Court used the comparison to illustrate the deference due the Patent Office’s decision and the resulting rule that the agency’s action should not lightly be overturned. See *id.* at 124-125. The evidentiary limitations on a bill of review are therefore relevant to the *Morgan* Court’s understanding of the nature of review in an R.S. 4915 proceeding.

have presented to the PTO in the first instance.<sup>4</sup> See, e.g., *Schilling v. Schwitzer-Cummins Co.*, 142 F.2d 82, 85 (D.C. Cir. 1944) (R.S. 4915 “was not intended to encourage the practice of suppressing evidence before the administrative agency”; withheld evidence is inadmissible.); *Boucher Inventions, Ltd. v. Sola Elec. Co.*, 131 F.2d 225, 227 (D.C. Cir. 1942) (“Section 4915 \* \* \* contemplates a full disclosure to that office, so far as is reasonably possible.”); *Globe-Union, Inc. v. Chicago Tel. Supply Co.*, 103 F.2d 722, 728 (7th Cir. 1939); *Greene v. Beidler*, 58 F.2d 207, 209-210 (2d Cir. 1932); *Barrett Co. v. Koppers Co.*, 22 F.2d 395, 396 (3d Cir. 1927); *Western Elec. Co. v. Fowler*, 177 F. 224, 228 (7th Cir. 1910); see also *Schering Corp. v. Marzall*, 101 F. Supp. 571, 573 (D.D.C. 1951); App., *infra*, 74a-78a (Dyk, J., dissenting). And even when courts admitted new evidence in R.S. 4915 proceedings, they continued to apply *Morgan’s* deferential standard of review, rather than reviewing

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<sup>4</sup> The court of appeals relied on *Butterworth*, in which the Court stated that an R.S. 4915 proceeding is “heard upon all competent evidence adduced and upon the whole merits.” 112 U.S. at 61; see App., *infra*, 23a-24a. *Butterworth*, like the lower-court decisions on which it relied, predated *Morgan’s* holding that a suit brought under R.S. 4915 is an administrative-review proceeding involving deferential review. See, e.g., *In re Squire*, 22 F. Cas. 1015, 1016 (C.C.E.D. Mo. 1877) (No. 13,269); see also *Gandy v. Marble*, 122 U.S. 432, 439 (1887) (citing *Butterworth* in describing R.S. 4915); App., *infra*, 67a-70a (Dyk, J., dissenting). Moreover, *Butterworth* and *Gandy*, like the subsequent decisions on which the court of appeals relied, see App., *infra*, 25a, 41a (citing *Hoover Co.*, 325 U.S. at 83, and *In re Hien*, 166 U.S. 432, 439 (1897)), stated only that new evidence was admissible in R.S. 4915 proceedings; they did not address the circumstances in which new evidence could be introduced. See, e.g., *Hien*, 166 U.S. at 439 (noting the admissibility of new evidence in R.S. 4915 proceedings in order to “distinguish[] the proceeding by bill in equity under section 4915 from an appeal under section 4911”).

the Patent Office's findings de novo. See *Minnesota Mining & Mfg. Co. v. Carborundum Co.*, 155 F.2d 746, 748-749 (3d Cir. 1946) (citing *Morgan* and stating that “[t]he question therefore is whether all competent evidence, ‘new’ and ‘old’, offered to the District Court carries ‘thorough conviction’ that the Patent Office erred”); *Schilling*, 142 F.2d at 85; *Nichols v. Minnesota Mining & Mfg. Co.*, 109 F.2d 162, 163-164 (4th Cir. 1940) (district court “properly applied the rule of *Morgan v. Daniels*” to newly available evidence); *Globe-Union, Inc.*, 103 F.2d at 732; *Dowling v. Jones*, 67 F.2d 537, 538 (2d Cir. 1933) (L. Hand, J.).

It was against this background—and in the wake of the 1946 enactment of the APA—that Congress readopted without material change the provisions governing judicial review of Patent Office decisions. The reports accompanying the 1952 Patent Act explained that the Act effected “no fundamental change in the various appeals and other review of Patent Office action.” S. Rep. No. 1979, 82d Cong., 2d Sess. 7 (1952). “Congress is presumed to be aware of an administrative or judicial interpretation of a statute and to adopt that interpretation when it re-enacts a statute without change.” *Forest Grove Sch. Dist. v. T.A.*, 129 S. Ct. 2484, 2492 (2009) (quoting *Lorillard v. Pons*, 434 U.S. 575, 580 (1978)). In view of the prevailing judicial practice with respect to new evidence in R.S. 4915 proceedings, there is no reason to conclude that Congress intended Section 145 to authorize a more intrusive judicial inquiry.

3. The en banc court of appeals relied substantially on testimony from congressional hearings preceding the 1927 Patent Act amendments, during which various witnesses urged the repeal or modification of R.S. 4915 and characterized the procedure authorized by the statute as

a “de novo” proceeding in district court. See App., *infra*, 14a-17a. As this Court has repeatedly made clear, however, isolated hearing testimony of this kind—and especially the testimony of opponents of proposed legislation—is not reliable evidence of Congress’s intent and warrants little weight in the interpretation of federal statutes. *Bryan v. United States*, 524 U.S. 184, 196 (1998); *Kelly v. Robinson*, 479 U.S. 36, 51 n.13 (1986). Nor can those witnesses’ use of the term “de novo,” more than 20 years before the enactment of the APA, provide any reliable insight into congressional intent regarding the precise nature and scope of judicial review. Cf. *Zurko*, 527 U.S. at 156 (noting that the “relevant linguistic conventions” of administrative law “were less firmly established before adoption of the APA”); *Globe-Union, Inc.*, 103 F.2d at 728 (describing R.S. 4915 as a “de novo” proceeding while imposing limits on admissibility of new evidence).

**C. The District Court Should Admit New Evidence Only If Its Proponent Had No Reasonable Opportunity To Present It To The PTO, And The Court Should Overturn The PTO’s Decision Only If The Evidence Clearly Establishes That The Agency Erred**

Consistent with principles of administrative exhaustion and deference to agency authority and expertise, as well as the historical practice that prevailed when Congress readopted Section 145, a plaintiff should be permitted to introduce new evidence only if he had no reasonable opportunity to provide that evidence to the PTO in the first instance. Restricting the introduction of new evidence in that manner reflects the PTO’s primary decisionmaking authority, increases the incentive for patent applicants to compile a full factual record in the



agency proceedings, and limits the frequency with which courts must consider new information without the benefit of the agency's expertise. See pp. 13-16, *supra*.

When new evidence is admitted under this standard, the manner in which that evidence is considered may vary depending on the nature of the evidence. When the evidence consists of materials that the PTO can consider as part of its examination process (such as published prior art), the court ordinarily should remand the case to the PTO to permit the agency to consider the evidence in the first instance. See App., *infra*, 52a n.4 (Dyk, J., dissenting). That approach is consistent with administrative exhaustion principles, see *Lorion*, 470 U.S. at 744, and conserves judicial resources by enabling the PTO to correct any errors in its prior decision, which may obviate the need for subsequent judicial review.<sup>5</sup> See *McKart*, 395 U.S. at 193-195.

When the plaintiff in a Section 145 suit introduces new evidence that the PTO may not consider (such as oral testimony, see 37 C.F.R. 1.2), remanding to the agency is not a useful option, and the district court must evaluate the new evidence in the first instance. In considering the new evidence together with the evidence on which the PTO based its decision, the court may give the new evidence more weight in the analysis, in recognition of the fact that the PTO's conclusions did not take that evidence into account. Cf. *American Hoist & Derrick*

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<sup>5</sup> Before the issuance of the decision in this case, district courts routinely remanded to the PTO to permit it to consider new evidence. See, e.g., *ExxonMobil Chem. Patents Inc. v. Godici*, No. Civ. A. 01-00377 (HHK), 2002 WL 34233002, at \*3-\*4 (D.D.C. Feb. 12, 2002) (citing cases in which courts remanded to the "Patent Office after the discovery of additional prior art in order to benefit from the Patent Office's technical expertise in assessing the art").

*Co. v. Sowa & Sons*, 725 F.2d 1350, 1359-1360 (Fed. Cir.) (adopting this approach for new-evidence challenges to the PTO's grant of a patent), cert. denied, 469 U.S. 821 (1984). But the court should overturn the agency's decision only if the new evidence, considered together with the administrative record, creates a "thorough conviction" that the PTO erred. See *Morgan*, 153 U.S. at 125. This approach recognizes that the agency's decision should not be reversed unless the court has a high degree of confidence that the decision was incorrect, while permitting the court to give effect to the fact that the district court has before it a fuller record than the PTO. It is also consistent with the Federal Circuit's treatment of new-evidence challenges to the validity of granted patents. See *American Hoist*, 725 F.2d at 1359-1360.

## II. THE COURT OF APPEALS' DECISION DEVIATES FROM THE DECISIONS OF THE REGIONAL CIRCUIT COURTS

The court of appeals' construction of Section 145 conflicts with the decisions of several regional courts of appeals. Before the Federal Circuit was established and given exclusive appellate jurisdiction over actions under Sections 141 and 145, the D.C. Circuit had held that in Section 145 suits, "the plaintiff may not submit for the first time evidence which he was negligent in failing to submit to the Patent Office." *DeSeversky v. Brenner*, 424 F.2d 857, 858 n.5 (1970); see *California Research Corp. v. Ladd*, 356 F.2d 815, 820 n.18 (1966). Section 145 suits, the court observed, "may not be conducted in disregard of the general policy of encouraging full disclosure to administrative tribunals." *DeSeversky*, 424 F.2d at 858-859 n.5. Even when new evidence was introduced, moreover, the court applied a deferential standard of review derived from *Morgan*: "[G]reat weight

attaches to the expertise of the Patent Office and its findings on the issue of obviousness, particularly in highly technical matters, and the decision of the Patent Office will not be overturned unless new evidence is introduced which carries thorough conviction that the Patent Office erred.” *Id.* at 858 (internal quotation marks omitted).

The decision below also conflicts with pre-1952 circuit-court decisions addressing the admissibility and use of new evidence in proceedings under R.S. 4915. The Second, Third, Seventh, and D.C. Circuits held that evidence that had intentionally been withheld from the Patent Office was not admissible. See *Dowling*, 67 F.2d at 538; *Carborundum Co.*, 155 F.2d at 748; *Barrett Co.*, 22 F.2d at 396-397; *Globe-Union, Inc.*, 103 F.2d at 728; *Schilling*, 142 F.2d at 85; see also App., *infra*, 74a-78a (Dyk, J., dissenting). And even in cases where new evidence was admitted, the Second, Third, Fourth, Seventh, and D.C. Circuits applied *Morgan’s* deferential standard of review, requiring the plaintiff to create a “thorough conviction” that the Patent Office had erred. See *Dowling*, 67 F.2d at 538; *Carborundum Co.*, 155 F.2d at 748-749; *Nichols*, 109 F.2d at 163-164; *Globe-Union, Inc.*, 103 F.2d at 729; *Schilling*, 142 F.2d at 85; see also pp. 20-22, *supra*.

The en banc court below regarded these decisions as irrelevant because the regional courts of appeals excluded evidence under Section 145 “under an array of inconsistent standards.” App., *infra*, 19a. But while the regional courts of appeals employed a range of different verbal formulations, they consistently placed significant limitations on new evidence and insisted on a deferential standard of review. The Federal Circuit is thus alone in departing from established administrative-law princi-

ples in its implementation of Section 145. See App., *infra*, 73a, 78a (Dyk, J., dissenting).

### III. THE QUESTIONS PRESENTED ARE IMPORTANT

The Federal Circuit’s ruling subjects the PTO’s expert decisions to a form of heightened judicial scrutiny that has no statutory or historical foundation and contravenes basic principles of administrative law. Congress placed the administration of the patent system—which by its nature involves the evaluation of claimed advances at the forefront of scientific and technical knowledge—in a specialized agency equipped to make the many factual determinations necessary to decide whether a putative invention should be patented. See 35 U.S.C. 101-103, 112; *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 63 (1998). Absent clear textual or historical evidence that Congress intended the PTO’s expert determinations to be a warmup for a judicial redetermination of patentability, based on evidence withheld from the PTO, the court of appeals should not have departed from the background principles that govern judicial review of agency action.

This Court has previously reversed the Federal Circuit’s deviation from administrative-law principles in its review of PTO decisions. In *Zurko*, the Federal Circuit ruled that the PTO’s patent denials should be subjected to judicial scrutiny under a standard more demanding than that set forth in the APA. 527 U.S. at 153. This Court rejected that approach, holding that there is no reason “why direct review of the PTO’s patent denials demands a stricter fact-related review standard than is applicable to other agencies.” *Id.* at 165. A similar result is warranted here.

That is especially so because the decision below creates an unjustified disparity between the two statutory avenues for judicial review of the PTO's patent denials. Under *Zurko*, challenges brought directly in the Federal Circuit pursuant to Section 141 are subject to the deferential standards set forth in the APA. Under the decision below, by contrast, challenges brought in district court pursuant to Section 145 will proceed under a regime that bears little resemblance to ordinary administrative review. Simply by proffering a declaration or other readily available evidence, a Section 145 plaintiff can obtain searching judicial review of the sort that this Court rejected in *Zurko*.

The court of appeals' decision gives patent applicants an obvious incentive to utilize Section 145 in an attempt to bypass the PTO in favor of patent consideration by a non-expert court. The decision not only permits judicial consideration of evidence that the patent applicant withheld from the examiner; it rewards applicants for such behavior by providing them a more favorable standard of judicial review. Indeed, patent practitioners are already advising their clients that they may "avoid the deference to be given to USPTO fact determinations under the APA \* \* \* merely by the submission of new evidence and/or live testimony" under Section 145. See Monte Cooper & Robert M. Isackson, *The Fed. Circ. Stance in Hyatt v. Kappos*, <http://www.law360.com/ip/articles/211544> (Dec. 3, 2010); see also David J. Muzilla, *Patent Stalled at the USPTO? Consider Presenting New Evidence in Federal District Court*, <http://www.hahnlaw.com/references/73542574-85f1-4e77-b7aa-1094244516b1.pdf> (2011). This derogation of the PTO's expertise and authority is precisely the result that the organizing principles of administrative law are meant to

avoid. As the dissenting judges on the en banc court of appeals observed, applicants are most likely to “bypass the PTO in favor of a second bite at the apple in the district court \* \* \* in those circumstances where an expert agency would reject the evidence but a non-expert district court might be convinced to accept it. A more pernicious approach is difficult to imagine.” App., *infra*, 80a.

2. This case vividly illustrates the perverse consequences of the court of appeals’ rule. The Board held that, under the PTO’s rules governing practice before the agency, respondent had forfeited his new arguments by failing to present them at the appropriate stage of the administrative proceedings. The district court found that respondent had been given a reasonable opportunity to present his new evidence to the PTO but had negligently failed to do so. The en banc Federal Circuit nevertheless held that the district court was required not only to admit the new evidence, but to consider *de novo* every factual question to which that evidence relates. Such an extraordinary and disruptive rule warrants this Court’s review.

#### **IV. THE COURT SHOULD HOLD THIS PETITION PENDING ITS DECISION IN *MICROSOFT***

In *Microsoft*, this Court is considering what evidentiary standard should apply when the defendant in a patent-infringement suit asserts as an affirmative defense that the relevant patent is invalid. That question is substantially related to the questions presented in this case. More than a century ago, this Court recognized that a challenge to the validity of a granted patent in infringement litigation is “closely” related to an action challenging the PTO’s decision that a party is not enti-

tled to a patent. *Morgan*, 153 U.S. at 123. Both types of challenges, the Court explained, are in essence attacks on the PTO's disposition of a patent application. *Id.* at 124. The Court therefore concluded that in both contexts, judicial review should be conducted using a deferential standard of review that requires more than "a mere preponderance" to overturn the PTO's decision. *Ibid.*; *id.* at 125.

In its brief as amicus curiae supporting respondents in *Microsoft*, the United States has argued that this Court should affirm the Federal Circuit's longstanding rule that the party asserting invalidity must establish it by clear and convincing evidence, even when the evidence of invalidity was not considered by the PTO in the examination process. U.S. Amicus Br. at 6, *Microsoft*, *supra* (No. 10-290). New evidence, however, may be given greater weight in the analysis. *Ibid.*; see *American Hoist*, 725 F.2d at 1359-1360. In the United States' view, the principles announced in *Morgan*—which anticipate contemporary rules of administrative review—are best served by adopting that approach in *Microsoft* and reversing the Federal Circuit's deviation from administrative-law principles in this case. That result also best effects the *Morgan* Court's recognition that the two types of challenges implicate common principles of administrative deference that should inform the nature and scope of judicial review in both contexts. By contrast, the decision below, taken together with the clear-and-convincing-evidence standard that the Federal Circuit applies in invalidity challenges, creates a particularly anomalous regime in which the PTO's decision to *grant* a patent receives deference even when the challenger presents new evidence of invalidity, but the

PTO's decision to *deny* a patent receives no deference whenever new evidence is introduced.

To be sure, the decision in *Microsoft* is unlikely fully to resolve the questions presented here. In particular, the first question presented in this case—*i.e.*, whether a patent applicant may introduce in Section 145 proceedings evidence that he failed without reasonable cause to present to the PTO in the first instance—has no analogue in *Microsoft*. Nevertheless, because both cases involve the application of administrative-review principles to the PTO's patenting decisions, the Court's decision in *Microsoft* may shed light on the proper disposition of this case. Although the questions presented in this case are sufficiently important to warrant the Court's plenary review, it therefore would be appropriate in the first instance to hold the petition pending the decision in *Microsoft*.<sup>6</sup> That approach would also ensure that, if the Court ultimately grants certiorari in this case, the parties' briefs on the merits can address the implications of the *Microsoft* decision for the proper implementation of Section 145.

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<sup>6</sup> Copies of this petition will be provided to counsel for the petitioner and respondents in *Microsoft*.



CONCLUSION

The petition for a writ of certiorari should held pending this Court's decision in *Microsoft Corp. v. i4i Ltd. Partnership*, No. 10-290 (oral argument scheduled for Apr. 18, 2011).

Respectfully submitted.

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APRIL 2011

**APPENDIX A**

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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No. 2007-1066

GILBERT P. HYATT, PLAINTIFF-APPELLANT

*v.*

DAVID KAPPOS, DIRECTOR, PATENT AND TRADEMARK  
OFFICE, DEFENDANT-APPELLEE

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Decided: Nov. 8, 2010

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

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Before: RADER, Chief Judge, NEWMAN, LOURIE, BRY-  
SON, GAJARSA, LINN, DYK, PROST, and MOORE, *Circuit  
Judges*.

MOORE, *Circuit Judge*.

Under the patent laws, a patent applicant who is dis-  
satisfied with the decision of the Board of Patent Ap-  
peals and Interferences (Board) regarding his applica-  
tion may choose one of two paths. The applicant may  
appeal the Board's decision to the Court of Appeals for  
the Federal Circuit, which will review the Board's deci-  
sion on the record that was before the U.S. Patent and

Trademark Office (Patent Office). Alternatively, the applicant may file a civil action in district court, and the court will determine whether the applicant “is entitled to receive a patent for his invention . . . as the facts in the case may appear.” 35 U.S.C. § 145. This case presents the issue of what limitations exist on an applicant’s right to introduce new evidence in a § 145 civil action.

We have characterized this civil action as a “hybrid” action. It is not an appeal; the language of § 145 expressly distinguishes its civil action from a direct appeal, and the Supreme Court has recognized that an applicant may introduce new evidence before the district court that was not presented to the Patent Office. However, it is also not an entirely *de novo* proceeding. Issues that were not considered by the Patent Office cannot be raised with the district court in most circumstances, and if no new evidence is introduced, the court reviews the action on the administrative record, subject to the court/agency standard of review. The particular significance of a § 145 civil action is that it affords an applicant the opportunity to introduce new evidence after the close of the administrative proceedings—and once an applicant introduces new evidence on an issue, the district court reviews that issue *de novo*. Thus, an applicant’s ability to introduce new evidence is the hallmark of a § 145 action. It is the primary factor that distinguishes a civil action under § 145 from an appeal.

We hold that 35 U.S.C. § 145 imposes no limitation on an applicant’s right to introduce new evidence before the district court, apart from the evidentiary limitations applicable to all civil actions contained in the Federal Rules of Evidence and Federal Rules of Civil Procedure. In doing so, we reject the Director’s proposal that only

“new evidence that could not reasonably have been provided to the agency in the first instance” is admissible in a § 145 action. Dir. Br. at 8. While the proceedings before the Patent Office do not limit the admissibility of new evidence in the district court, they may be considered by the district court if they cast doubt on the reliability of late-produced evidence, as with inconsistent statements or new recollections of previously forgotten events. As with any evidence introduced in a civil action, the district court as factfinder may give less weight to evidence introduced by an applicant in a § 145 action if the district court questions its credibility or reliability. Because the district court abused its discretion when it excluded Mr. Hyatt’s declaration under the wrong legal standard, we vacate the decision of the district court and remand.

## I. BACKGROUND

Gilbert P. Hyatt is the sole named inventor of U.S. Patent Application No. 08/471,702 (the ’702 application), titled “Improved Memory Architecture Having a Multiple Buffer Output Arrangement.” The ’702 application related to a computerized display system for processing image information.

Mr. Hyatt filed the ’702 application on June 6, 1995. As filed, the ’702 application included a 238-page specification, 40 pages of figures, and 15 claims; it originally claimed priority through a chain of related applications to an application filed in 1984 and was later amended to claim priority to a 1975 application. Mr. Hyatt filed several preliminary amendments in which he amended the drawings and specification and added 74 new claims.

The examiner issued a nonfinal office action rejecting all pending claims on various grounds, including abandonment, obviousness, and double patenting. Mr. Hyatt filed a response, in which he traversed the abandonment and obviousness rejections and amended the claims to distinguish over the claims of his copending applications. Mr. Hyatt also cancelled various claims and added new ones, bringing the total number of claims to 117.

The examiner informed Mr. Hyatt that the response was incomplete because Mr. Hyatt had failed to identify the novelty of and support in the specification for his amended and added claims. Mr. Hyatt identified features of the new claims that allegedly distinguished over the prior art. Mr. Hyatt also listed pages of the specification that contained representative support for each of the distinguishing features of the claims.

The examiner issued a final office action rejecting all 117 claims. He identified particular categories of claimed subject matter that he concluded lacked support in the specification and rejected all claims under 35 U.S.C. § 112, first paragraph, for failure to comply with the written description and enablement requirements. He also rejected all claims for both obviousness-type and *Schneller*-type double patenting over eight references. Finally, he rejected nine claims as being anticipated and seven as being obvious over a combination of three references. All told, the examiner issued 2546 separate rejections of Mr. Hyatt's 117 claims.

Mr. Hyatt appealed to the Board, addressing every one of the examiner's grounds for rejection in a 129-page appeal brief. With respect to the written description rejections, Mr. Hyatt argued that the limitations identified by the examiner as lacking sufficient written

description had “extensive basis” in the specification. J.A. 10830. Mr. Hyatt included a table (Table 1) that listed representative pages in the specification containing the “terminology” objected to by the examiner. J.A. 10832. For certain terms, Mr. Hyatt also identified figures and page ranges of the specification that described the relevant terms.

The Board reversed all of the examiner’s rejections for obvious-type and *Schneller*-type double patenting. The Board also reversed all of the anticipation and obviousness rejections. With respect to the written description rejections, the Board noted that merely pointing to the occurrence of isolated words in the specification—as Mr. Hyatt had done in Table I—did not adequately establish that the specification contained written description for the particular combination of elements that made up each limitation. Still, after performing its own review of the specification, as it is required to do, the Board reversed all of the examiner’s written description and enablement rejections with respect to 38 of the pending claims and many of these rejections for the other 79 claims, finding that the features identified by the examiner as lacking written description were either adequately disclosed or were not claimed. Thus, Mr. Hyatt prevailed on over 93% of the examiner’s rejections at the Board level. The Board affirmed at least one of the examiner’s written description and enablement rejections with respect to each of 79 claims. Mr. Hyatt filed a Request for Rehearing; the Board dismissed the Request without considering the merits, finding that Mr. Hyatt raised new arguments that could have been presented earlier to either the examiner or the Board.

Following the Board's decision dismissing his Request for Rehearing, Mr. Hyatt filed a civil action in the United States District Court for the District of Columbia against the Director of the Patent Office (Director) pursuant to 35 U.S.C. § 145. The Director moved for summary judgment that the pending claims were invalid for failure to comply with the written description requirement. Mr. Hyatt opposed the motion, arguing that genuine issues of material fact existed to preclude summary judgment as to written description. In support of his opposition, Mr. Hyatt submitted a written declaration in which he identified portions of the specification that one of skill in the art would understand to describe the limitations challenged by the Director. The Director argued that the court should not consider Mr. Hyatt's declaration because he did not previously submit it to the examiner or the Board.

The district court determined that it could not consider Mr. Hyatt's declaration. *Hyatt v. Dudas*, 2005 U.S. Dist. LEXIS 45319, at \*12 (D.D.C. Sept. 30, 2005). The court found that the Board's written description rejections were substantively identical to, albeit more detailed than, the rejections issued by the examiner. *Id.* at \*19. Because Mr. Hyatt's declaration was directed to those written description rejections, the court concluded that he could have presented the declaration earlier, "certainly by the time his patent application was considered by the Board." *Id.* at 24. Finding that Mr. Hyatt had no explanation for why he failed to offer his declaration during the proceedings before the Board, the court determined that "[Mr.] Hyatt's failure to explain why he didn't submit his declaration earlier is negligent, and the district court need not consider evidence negligently

submitted after the end of administrative proceedings.” *Id.* at \*26.

Mr. Hyatt did not submit any evidence to the district court apart from his declaration, which the court excluded. Therefore, the court reviewed the Board’s fact findings for substantial evidence and granted summary judgment to the Director that the pending claims were unpatentable for failure to comply with the written description requirement. *Id.* at \*27.

Mr. Hyatt appealed, and a divided panel of this court affirmed. *Hyatt v. Doll*, 576 F.3d 1246 (Fed. Cir. 2009). The panel majority acknowledged that “it is beyond question that in appropriate circumstances new evidence may be submitted to the district court in a § 145 action (subject, at least, to the Federal Rules of Evidence).” *Id.* at 1266. However, the majority stated that there was a “general practice” among federal courts “in some circumstances to exclude evidence which a party could and should have introduced before the Patent Office but did not despite an obligation to do so.” *Id.* at 1266. The majority also concluded that the Administrative Procedure Act (APA) imposed restrictions on the admission of new evidence in a § 145 action. *Id.* at 1270. The majority noted that judicial review of an agency action is generally restricted to the agency record and that the Patent Office is an agency whose findings of fact must be reviewed according to the APA’s court/agency standard of review. *Id.* at 1267, 1269. Therefore, the majority determined that although review in a § 145 action is “[o]f course . . . not strictly confined to the agency record,” “neither are [§ 145] proceedings wholly de novo.” *Id.* at 1269.



Turning to the merits of Mr. Hyatt's case, the majority stated that although Mr. Hyatt could have identified the portions in the specification that provided written description support for the disputed limitations any time after the office action, he "refused to cooperate, even though he necessarily possessed the information the examiner sought by the time he filed his application." *Id.* Although the majority acknowledged the district court's finding that Mr. Hyatt's failure to submit the evidence in his declaration earlier was negligent, the majority determined that "it is clear from the record that Hyatt *willfully* refused to provide evidence in his possession in response to a valid action by the examiner." *Id.* (emphasis added). In light of Mr. Hyatt's "willful non-cooperation," the majority held that the district court did not abuse its discretion in excluding the declaration. *Id.* The majority then affirmed the court's grant of summary judgment. *Id.* at 1279.

The dissenting judge disagreed, arguing that the district court abused its discretion by applying the wrong legal test for the admissibility of the evidence. The dissent argued that the plain language, legislative history, and Supreme Court jurisprudence relating to § 145 establish that an applicant's right to present new evidence in a § 145 action is subject only to the Federal Rules of Evidence and Civil Procedure. *Id.* at 1280-81, 1284. Further, the dissent disputed the propriety of determining on appeal that Mr. Hyatt willfully withheld his declaration.

We agreed to rehear the appeal en banc and vacated the judgment of the panel. *Hyatt v. Kappos*, 366 Fed. Appx. 170 (Fed. Cir. 2010). We asked the parties to direct their briefs to the following questions:

(a) Are there any limitations on the admissibility of evidence in section 145 proceedings? In particular-

(i) Does the Administrative Procedure Act require review on the agency record in proceedings pursuant to section 145?

(ii) Does section 145 provide for a de novo proceeding in the district court?

(iii) If section 145 does not provide for a de novo proceeding in the district court, what limitations exist on the presentation of new evidence before the district court?

(b) Did the district court properly exclude the Hyatt declaration?

In addition to the parties' briefs, we received seven amicus briefs. Amicus briefs submitted by amici Public Patent Foundation, American Intellectual Property Law Association (AIPLA), Fédération Internationale des Conseils en Propriété Industrielle, New York Intellectual Property Law Association (NYIPLA), and Intellectual Property Owners Association (IPO) opposed the panel majority's imposition of limitations on the evidence admissible in a § 145 action. Amici Intel Corporation and the Franklin Pierce Law Center submitted briefs arguing in favor of greater limitations on the admissibility of evidence in § 145 actions, though neither argued in favor of the standard proposed by the Patent Office in this case.

We heard oral argument on July 8, 2010. For the reasons below, we hold that the only limitations on the admissibility of evidence applicable to a § 145 proceeding are the limitations imposed by the Federal Rules of

Evidence and Federal Rules of Civil Procedure. Therefore, we hold that the district court applied the wrong legal standard for the admissibility of evidence in a § 145 proceeding and abused its discretion when it excluded Mr. Hyatt's declaration.

## II. DISCUSSION

On rehearing, Mr. Hyatt argues that the only limitations on the admissibility of new evidence in a § 145 proceeding are the rules of evidence generally applicable to all civil actions. Mr. Hyatt asserts that the legislative history of § 145 and its predecessor statute shows that Congress intended to provide a genuine alternative to an on-the-record appeal that permits an applicant to bring a new case, complete with new evidence, to show that his patent should issue. Mr. Hyatt asserts that case law from the Supreme Court and this circuit supports his interpretation. Mr. Hyatt also argues that nothing in the APA limits the introduction of new evidence in a § 145 proceeding. Therefore, Mr. Hyatt contends that the district court acted improperly in excluding his declaration.

The Director, in contrast, argues that § 145 should be interpreted to prohibit an applicant from introducing new evidence before the district court unless the applicant could not reasonably have provided that evidence to the Patent Office in the first instance. The Director asserts that the proceeding authorized by the predecessor statute of § 145 was effectively a suit to set aside a judgment and that under established rules of equity practice, a court presiding over such a suit would have excluded evidence that the plaintiff failed, without reasonable excuse, to present previously. Further, the Director

argues that APA principles and various policy considerations weigh in favor of limiting an applicant's right to introduce new evidence. The Director contends that because Mr. Hyatt could have presented the declaration to the examiner and the Board prior to instigating the present action, the district court correctly excluded the declaration.

A.

Section 145, titled "Civil action to obtain patent," provides as follows:

An applicant dissatisfied with the decision of the Board of Patent Appeals and Interferences in an appeal under section 134(a) of this title may, *unless appeal has been taken* to the United States Court of Appeals for the Federal Circuit, *have remedy by civil action* against the Director in the United States District Court for the District of Columbia if commenced within such time after such decision, not less than sixty days, as the Director appoints. 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 shall authorize the Director to issue such patent on compliance with the requirements of law. All the expenses of the proceedings shall be paid by the applicant.

35 U.S.C. § 145 (emphases added).

On its face, § 145 authorizes a civil action in district court by which an applicant can prove his entitlement to a patent. The statute provides no indication that this

civil action is somehow different from a customary civil action. In particular, § 145 does not provide that unique rules of evidence, separate from or supplementary to the Federal Rules of Evidence that apply to all civil actions, control to limit an applicant's ability to introduce new evidence before the district court. Additionally, § 145 makes clear that the civil action is distinct from an appeal, in which the applicant would be limited to the record before the Patent Office. *See* 35 U.S.C. § 144. Pursuant to the plain language of § 145, this civil action does not merely afford judicial review of agency action. Rather, the statute directs that the district court may “adjudge that such applicant is entitled to receive a patent for his invention . . . as the facts in the case may appear.”

## B.

The lengthy legislative history of § 145 and its predecessor statute, which dates back nearly to the creation of the Patent Office, shows that Congress intended to provide for a civil action in which an applicant would be free to introduce new evidence. Congress established the Patent Office and the patent examination scheme in 1836. Act of July 4, 1836, ch. 357, 5 Stat. 117 (1836 Act). The 1836 Act provided that the Commissioner of Patents would determine whether each applicant was entitled to a patent on his application. *Id.* §§ 1, 7, 5 Stat. 117, 120. An applicant dissatisfied with the Commissioner's decision regarding his application could appeal to a board of three examiners, which could overturn the Commissioner's decision in full or in part. *Id.* § 7, 5 Stat. 121.

The decision of the board of examiners was final in *ex parte* cases. *Id.*; *see also* P.J. Federico, *Evolution of*

*Patent Office Appeals*, 22 J. Pat. Off. Soc’y 838, 840 (1940). However, in cases where the board rejected an application on the ground that it interfered with an unexpired patent, the 1836 Act provided that the applicant “may have remedy by bill in equity.” *Id.* § 16, 5 Stat. 123-24. A bill in equity was the written mechanism that commenced an original suit in a court of equity. See Shipman, *Handbook of the Law of Equity Pleading* § 101, p. 168 (West 1897). Courts with jurisdiction over an applicant’s bill in equity could “adjudge that such applicant is entitled . . . to have and receive a patent for his invention . . . as the fact of priority of right or invention shall in any such case be made to appear.” 1836 Act, § 16, 5 Stat. 124. Three years later, Congress extended an applicant’s remedy by bill in equity beyond interferences to “all cases where patents are refused for any reason whatever.” Act of Mar. 3, 1839, ch. 88, § 10, 5 Stat. 353, 354.

Congress made various changes to the appeal structure within the Patent Office over the next few decades. None of these changes affected an applicant’s separate remedy by bill in equity, which continued to be available. In 1870, Congress passed an act to “revise, consolidate, and amend the Statutes relating to Patents and Copyrights.” Act of July 8, 1870, ch. 230, 16 Stat. 198 (1870 Act). The 1870 Act provided for a three-tier appeal process within the Patent Office. An applicant whose application was rejected by the primary examiner could appeal to a board of examiners-in-chief. *Id.* § 46, 16 Stat. 204-05. Similarly, a party to an interference could appeal an adverse decision by the examiner in charge of interferences to the board. *Id.* If the applicant or party to the interference was dissatisfied with the board’s decision, he could appeal first to the Commissioner of Pat-

ents and then to the supreme court of the District of Columbia. *Id.* §§ 47-48, 16 Stat. 205.

Pursuant to the 1870 Act, after all of these appeals were exhausted, the applicant could still seek remedy by bill in equity:

[W]henever a patent on application is refused . . . the applicant may have remedy by bill in equity; and the court . . . may adjudge that such applicant is entitled, according to law, to receive a patent for his invention . . . as the facts in the case may appear. . . . [A]nd all the expenses of the proceeding shall be paid by the applicant, whether the final decision is in his favor or not.

*Id.* § 52. Congress later recodified this section as § 4915 of the Revised Statutes.

Congress significantly modified the patent application review process in 1927, primarily in response to criticism regarding the length and complexity of the process. Act of March 2, 1927, ch. 273, 44 Stat. 1335 (1927 Act); *see also* Federico, 22 J. Pat. Off. Soc’y at 941.<sup>1</sup> Various schemes were proposed to Congress for simplifying the process. Some proposals advocated eliminating one of the appeals; others advocated doing away with the bill in equity under § 4915. *Id.* at 941-42. The con-

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<sup>1</sup> As P.J. Federico explained in 1940, the “bill in equity” which in 1839 applied to both ex parte and interference cases “was thus at this time [1839] given the scope which has been maintained to the present day.” Federico, 22 J. Pat. Off. Soc’y at 935. While Congress considered and changed the appeals process in 1927, the language of § 4915 in the bills debated in February 1927 and December 1927 was identical, and was ultimately enacted in § 4915 including the requirement that “the record in the Patent Office shall be admitted . . . without prejudice, however, to the right of the parties to take further testimony.”

tinued viability of § 4915 was a particularly disputed issue, and Congress heard extensive testimony regarding the merits of the remedy by bill in equity in the hearings that preceded the Act.

Those who favored retaining § 4915 argued that an applicant's right to introduce evidence that had not been before the Patent Office created a truly distinct, and therefore valuable, alternative to an on-the-record appeal. Charles E. Howson, Chairman of the Committee on Patent Law Revision for the American Bar Association, explained the significance of § 4915 as follows:

Section 4915 has always been regarded by the patent bar, or those experienced in patent practice, as the final check on the Patent Office to enable a deserving inventor to get his just deserts if everything else fails. The advantage of section 4915 is that it enables the party in interest, desiring to obtain a patent, to take evidence in a court or tribunal whose business it is to try issues of facts *and make up a record in addition to that he has been enabled to furnish the examiners in the Patent Office*, and therefore get before a court of competent jurisdiction everything connected with his rights and every fact connected with his patent; in other words, *have before him everything that courts in the country have before them in infringement cases*.

*To Amend Section 52 of Judicial Code and Other Statutes Affecting Procedure in Patent Office: Hearings on H.R. 6252 and H.R. 7087 Before the H. Comm. on Patents, 69th Cong., 1st Sess. 20-21 (1926) (To Amend Section 52) (emphases added).* Another proponent of § 4915, A.C. Paul, the Chairman of the Patent Section of the Legislation Committee of the American Bar Associa-



tion, testified that he understood § 4915 to grant an applicant the right to “have the case start *de novo* after the decision of the board.” *Id.* at 81. Mr. Paul distinguished the bill in equity under § 4915 from an on-the-record appeal, explaining that “the difference [between § 4915 and an appeal] would be then if we went to the court of appeals by an appeal the decision must be based upon the same record. If we go into a court of equity the *parties may use the record that they have in the Patent Office and may supplement it by additional evidence.*” *Id.* (emphasis added). Another committee member testified that the original suit under § 4915 allowed an inventor to strengthen his case by enabling an applicant to “take testimony and bring out all the facts pertinent and have an absolutely full hearing in the matter.” *Id.* at 13 (statement of Henry Huxley, Member of the Patent Section of the Legislation Committee of the American Bar Association). Congressman Albert Vestal similarly explained that “if a party feels aggrieved, he can bring his suit in the equity court [under § 4915], but it is not an appeal. It is the bringing of a new suit.” *Id.* at 36; *see also id.* at 66 (under § 4915, “you may go to a court of equity and take testimony in open court and use the testimony in the Patent Office or both and have it as a proceeding *de novo*, not appeal with the presumption in favor of what has been done, but where you stand and the court listens to what you have to say and decides it on the merits”) (statement of Otto R. Barnett, President, American Patent Law Association, Chicago, Ill.).

The opponents of § 4915 also recognized that the remedy by bill in equity allowed an applicant to freely introduce new evidence in the district court. Indeed, they objected to the provision on precisely this basis.

For example, the Commissioner of Patents testified that § 4915 entitled an applicant to “start de novo . . . and build up a new record” in district court. *Id.* at 80 (statement of Hon. Thomas E. Robertson, Commissioner of Patents). He cautioned that § 4915 permitted applicants to “bring[] in evidence that they could have brought in before [the Patent Office] but did not.” *Id.* at 81. The Commissioner also recognized that this new action allowed the relitigation of matters already decided by the Patent Office, permitting the applicant “to build up a new record for dragging an opponent through a second time.” *Id.* at 80; *see also id.* at 81 (“after dragging a man through all this procedure which you have said is so complicated and burdensome, [an applicant can] start de novo in court, and bring in testimony not taken the first time”). The former Assistant Commissioner similarly opposed § 4915, arguing that § 4915 “should be cut out entirely for ex parte applications” to force an applicant to introduce “all the testimony pertinent to his case” to the Patent Office. *Id.* at 76 (statement of Karl Fenning, former Assistant Commissioner of Patents).

Thus, proponents and opponents of § 4915 alike recognized, and conveyed to Congress, that the remedy by bill in equity allowed an applicant to introduce new evidence in the district court, regardless of whether that evidence had been provided to the Patent Office in earlier proceedings. Nothing in the Congressional record leading up to the 1927 Act indicates that any member of Congress or the bar contemplated any limit on this right apart from the limits imposed by the normal rules of equity practice.

Despite being presented with the policy reasons for eliminating the remedy by bill in equity, Congress chose

to retain § 4915. 1927 Act, § 3, 44 Stat. 1335-36. However, Congress gave applicants a right to choose between an appeal and the remedy by bill in equity. An applicant who chose to appeal an adverse decision by the Patent Office thus “waive[d] his right to proceed under section 4915.” *Id.* § 8, 44 Stat. 1336.

Congress bifurcated § 4915 into two provisions in 1952, sections 145 and 146 of Title 35 of the United States Code.<sup>2</sup> Act of July 19, 1952, ch. 950, §§ 145-46, 66 Stat. 792, 803 (1952 Act). Section 145, which controlled *ex parte* proceedings, provided that an “applicant dissatisfied with the decision of the Board of Appeals may unless appeal has been taken to the United States Court of Customs and Patent Appeals have *remedy by civil action* against the Commissioner.” *Id.* § 145, 66 Stat. 803 (emphasis added). Section 146, which applied to interferences, similarly provided for parties to an interference to have a “remedy by civil action” and that “the record in the Patent and Trademark Office shall be admitted . . . without prejudice to the right of the parties to take further testimony.” *Id.* § 146, 66 Stat. 803. Congress stressed that the 1952 Act made “no fundamental change in the various appeals and other review of Patent Office action.” *See* S. Rep. No. 82-1979 (1952), reprinted in 1952 U.S.C.C.A.N. 2394, 2400. Subsequent changes to § 145 have not altered the substantive application of the statute in any way relevant to our analysis.

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<sup>2</sup> As sections 145 and 146 both stem from § 4915, we have characterized these sections as “parallel provisions” to be treated similarly. *Winner Int’l Royalty Corp. v. Wang*, 202 F.3d 1340, 1345 (Fed. Cir. 2000). We see no rationale that would justify distinguishing between interferences and *ex parte* actions for admissibility purposes.

Though the Director does not directly dispute any of the relevant legislative history, he nonetheless argues that Congress intended for new evidence to be admitted in § 145 actions only where it could not reasonably have been presented to the agency in the first instance. Dir. Br. at 28. The Director points to pre-1952 decisions of some federal courts which he characterizes as having “excluded or discounted evidence which the applicant had failed, without reasonable excuse, to present to the agency.” *Id.* at 26. According to the Director, Congress must have intended to codify this “longstanding” interpretation when Congress reenacted § 4915 without substantive change as § 145. *Id.* at 28. The flaw with the Director’s claim is inherent in his argument—Congress could not have implicitly adopted the different approaches various courts took with regard to an admissibility standard.

The Director is correct that, prior to the 1952 Act, some regional circuits excluded or gave less weight to evidence based on an applicant’s conduct before the Patent Office. The courts did so under an array of inconsistent standards (including willful withholding, intentional suppression, and bad faith). *See, e.g., Barrett Co. v. Koppers Co.*, 22 F.2d 395, 397 (3d Cir. 1927) (holding that when a party intentionally withholds evidence within his possession before the Patent Office, he may not later introduce that evidence in a suit under § 4915); *Dowling v. Jones*, 67 F.2d 537, 538 (2d Cir. 1933) (explaining that in *Barrett* “the Third Circuit refused to consider evidence which the inventor had deliberately suppressed in the interference, and used broader language than the exact situation required . . . However, it does not follow that it would have extended the doctrine to evidence not suppressed, but merely neglected

through the plaintiff’s slackness in preparation.”); *Knutson v. Gallsworthy*, 164 F.2d 497, 509 (D.C. Cir. 1947) (“[I]f no bad faith on the part of the profferer is involved, such as deliberate withholding for some tactical reason, the court could receive the evidence.”).<sup>3</sup> In many of the cases cited by the Director, the court both admitted and considered the applicant’s new evidence. *See, e.g., Globe-Union, Inc. v. Chicago Tel. Supply Co.*, 103 F.2d 722, 727 (7th Cir. 1939) (“We can not escape the strength and the compelling influence of the additional evidence that was adduced in the district court.”) Some courts held that an applicant’s failure to previously introduce the evidence before the Patent Office goes to the weight of the evidence, not to its admissibility. *E.g., Western Electric Co. v. Fowler*, 177 F. 224, 228-29 (7th Cir. 1910); *Standard Cartridge Co. v. Peters Cartridge Co.*, 77 F. 630, 638 (6th Cir. 1896). As we explain in greater detail below, when failure to introduce the evi-

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<sup>3</sup> Post-1952 cases added to the hodgepodge of standards. *See, e.g., Standard Oil Co. v. Montedison, S.p.A.*, 664 F.2d 356, 376 (3d Cir. 1981) (rejecting the argument that the district court should have required the party to explain why it was offering evidence for the first time before the district court and holding that “new expert testimony is clearly admissible in a section 146 action without such justification”); *Velsicol Chem. Co. v. Monsanto Co.*, 579 F.2d 1038 (7th Cir. 1978) (adopting a reasonably diligent standard); *Heil Co. v. Snyder Indus. Inc.*, 763 F. Supp. 422, 426 (D. Neb. 1991) (holding that new evidence is admissible subject only to the rules of evidence). Our court previously recognized: “We are aware that this provision has received varying interpretations in the circuits. In our view, since an action under 35 U.S.C. § 146 has the hybrid nature of an appeal and a trial de novo, the statute authorizes the district court to accept all proffered testimony on issues raised by the parties during the proceedings below or by the board’s decision.” *Case v. CPC Int’l, Inc.*, 730 F.2d 745, 752 (Fed. Cir. 1984).

dence earlier casts doubt as to its credibility or reliability, we believe this is the correct approach.

We are not persuaded by the Director's argument that Congress intended that only evidence that could not have reasonably been presented to the Patent Office in the first instance is admissible in § 145 proceedings. In view of the language of the statute and the extensive legislative history, we agree with Mr. Hyatt that Congress intended that applicants would be free to introduce new evidence in § 145 proceedings subject only to the rules applicable to all civil actions, the Federal Rules of Evidence and the Federal Rules of Civil Procedure.

### C.

The Director does not dispute that § 145, like its predecessor provisions, permits applicants to introduce new evidence in the district court proceedings. *See, e.g.*, Dir. Br. at 9, 12, 18. However, the Director contends that the applicant is only allowed to introduce new evidence that “the applicant could not reasonably have provided to the agency in the first instance.” *Id.* at 9. The Director argues that this limitation stems from the rules of equity practice applicable to § 4915 actions, which would have prohibited an applicant from introducing new evidence except in limited circumstances. The Director also asserts that the APA and various policy considerations operate to impose additional limitations on an applicant's right to introduce new evidence. We address each of these arguments in turn.

#### 1.

The Director argues that the rules of equity practice barred an applicant from introducing evidence in a

§ 4915 suit if the applicant failed, without reasonable excuse, to provide the evidence to the Patent Office in the first instance. The Director relies for this proposition on *Morgan v. Daniels*, 153 U.S. 120 (1894), where the Supreme Court characterized a suit under § 4915 as “something in the nature of a suit to set aside a judgment.” *Id.* at 124. The Director argues that a suit to set aside a judgment is a specific type of bill in equity used to seek reversal of a prior decree or judgment and was called a “bill of review.” The Director explains that a court presented with a bill of review to overturn a judgment would not consider any new evidence unless the plaintiff could not have obtained the evidence before the first trial without reasonable diligence. *See Shipman, supra*, at § 101, p. 168. The Director argues that the evidentiary constraints applicable to a bill of review applied to actions under § 4915 and, therefore, asserts that an applicant could not introduce any new evidence in a § 4915 action unless he could not reasonably have introduced it to the Patent Office in the first instance.

There are several problems with the Director’s reliance on *Morgan* and the analogy to a bill of review. The Supreme Court’s decision in *Morgan* does not provide support for the Director’s “reasonable excuse” admissibility standard. In fact, *Morgan* does not relate to the admissibility of new evidence at all: the parties in that case did not seek to introduce any new evidence before the Circuit Court. 153 U.S. at 122. Instead, when the Supreme Court indicated that the suit under § 4915 was “something in the nature of a suit to set aside a judgment,” it was referring to the standard of review applicable to Patent Office fact findings when no new evidence is introduced in the district court. The Supreme Court considered what “rule . . . should control the

[reviewing] court in the determination of this case.” *Id.* at 123. The Court observed that the Circuit Court, which had required the plaintiff to provide “a clear and undoubted preponderance of proof,” apparently applied the standard of review used by “an appellate court in reviewing findings of fact made by the trial court.” *Id.* at 123. “The [*Morgan*] Court, in other words, reasoned strongly that a court/court review standard is *not* proper [for a court reviewing Patent Office fact findings] . . . And its reasoning makes clear that it meant those words to stand for the court/agency review standard.” *Dickinson v. Zurko*, 527 U.S. 150, 159-60 (1999).

Thus, *Morgan* is a case about what standard of review ought to apply when the district court decides whether an applicant is entitled to a patent on exactly the same record that was before the Patent Office. When no new evidence is introduced, the § 145 action is “something in the nature of a suit to set aside a judgment,” and the district court reviews the Patent Office fact findings for substantial evidence (i.e., according to the court/agency standard of review). *Morgan* offers no guidance on the scope of admissibility of evidence in a § 4915 proceeding. There are, however, other Supreme Court cases that have spoken to the admissibility of evidence in these types of proceedings. In *Butterworth v. Hoe*, 112 U.S. 50 (1884), the Supreme Court explained:

It is thereby provided [in § 4915] that the applicant may have remedy by bill in equity. This means a proceeding in a court of the United States having original equity jurisdiction under the patent laws, *according to the ordinary course of equity practice and procedure*. It is not a technical appeal from the patent-office, like that authorized in section 4911,



confined to the case as made in the record of that office, but is prepared and heard upon *all competent evidence adduced and upon the whole merits*.

*Id.* at 61 (emphasis added).

The *Butterworth* Court identified three circuit court cases as exemplifying “the uniform and correct practice in the Circuit Courts” with respect to suits under § 4915. 112 U.S. at 61. In each of these cases, the Circuit Court explicitly recognized that a § 4915 suit was to be heard upon all competent evidence that the parties chose to introduce, regardless of whether the evidence was or could have been provided to the Patent Office. Evidence was “competent” for admissibility purposes so long as it complied with the “rules and practice of a court of equity.” See *In re Squire*, 22 F. Cas. 1015, 1016 (C.C.E.D. Mo. 1877) (“Either party, therefore, is at liberty to introduce additional evidence, or rather, to speak more accurately, the hearing is altogether independent of that before the commissioner, and takes place on such testimony as the parties may see fit to produce agreeably to the rules and practice of a court of equity.”); *Butler v. Shaw*, 21 F. 321, 327 (C.C.D. Mass. 1884) (“[§ 4915] contains no provision requiring the case to be heard upon the evidence produced before the commissioner . . . and, as has been held in this and other circuits, the court may receive new evidence, and has the same powers as in other cases in equity”); *Whipple v. Miner*, 15 F. 117, 118 (C.C.D. Mass. 1883) (“[§ 4915] is, plainly, an independent, original jurisdiction which is given to the courts”). Admitting evidence in accordance with the “ordinary course of equity practice and procedure” is admitting evidence in accordance with the Federal Rules of Evidence and Civil Procedure.

The Supreme Court has consistently recognized that new evidence may be introduced in these district court proceedings. *See, e.g., Gandy v. Marble*, 122 U.S. 432, 439 (1887) (explaining that the § 4915 suit in equity was “not a technical appeal from the Patent Office, nor confined to the case as made in the record on that office”); *Hoover Co. v. Coe*, 325 U.S. 79, 83 (1945) (explaining that the bill in equity in a § 4915 action afforded applicants “a formal trial . . . on proof which may include evidence not presented in the Patent Office”). No Supreme Court case has ever placed any limitations on the admissibility of evidence in a § 145 or § 4915 proceeding apart from the ordinary rules applicable to all civil actions. To the contrary, the Supreme Court observed that the remedy by bill in equity provided by § 4915 “sav[ed] to litigants *the option* of producing new evidence in a court.” *Hoover Co.*, 325 U.S. at 87. Most recently, in *Zurko*, the Supreme Court stated that “[Section 145] *permits* the disappointed applicant to present to the court evidence that the applicant did not present to the PTO. The presence of such new or different evidence makes a factfinder of the district judge.” 527 U.S. at 164. Our court has likewise held that a § 145 applicant is “entitled to” and may “choose to” to introduce new evidence in the district court proceedings. *See, e.g., Mazzari v. Rogan*, 323 F.3d 1000, 1004-05 (Fed. Cir. 2003) (“A section 145 review . . . affords the applicant an opportunity to present additional evidence or argue the previous evidence afresh” and “[i]f the parties *choose to* present additional evidence to the district court . . . the district court would make *de novo* factual finding.”) (emphasis added); *Fregeau v. Mossinghoff*, 776 F.2d 1034, 1037 (Fed. Cir. 1985) (“The [§145] proceeding, however, is not simply an

appeal since the parties are *entitled to* submit additional evidence.”) (emphasis added).

To the extent that the Supreme Court precedent offers guidance on the admissibility of evidence in these proceedings, it indicates that all competent evidence is admissible subject only to the ordinary course of equity practice and procedure, which is the Federal Rules of Evidence and Civil Procedure that are applicable to all civil actions. There is no support for the Director’s proposed standard, which would allow new evidence only if the evidence could not reasonably have been provided to the Patent Office.

The Director’s argument also fails because the bill in equity authorized by § 4915 is not a bill in review. The Director is correct in his characterization of the admissibility rules that would apply if a § 145 proceeding was nothing more than a bill of review. As the Director points out, a party filing a bill of review could introduce new evidence only if that evidence “could not have been discovered and presented by the exercise of due diligence before the decree in question was made.” Shipman, *supra*, at § 216; *see also Beard v. Burts*, 95 U.S. 434, 436 (1877). However, the bill in equity authorized by § 4915 is not a bill of review. A bill in equity was the written mechanism that began a judicial proceeding in any court of equity. *See* 1 Street, *Federal Equity Practice* § 135 (1909). A bill in equity could be either an original bill, which began “an independent suit in equity unconnected with any other previous or pending suit in the same court,” or a “dependent” bill, which “relate[d] to some matter already litigated in the court by the same parties.” *Id.* § 141, § 142. A bill of review was a particular type of dependent bill. *Id.* at § 146.

The bill in equity authorized by § 4915 is fundamentally different from a bill of review. Although the § 4915 action is “in fact, and necessarily, a part of the application for a patent,” *Gandy*, 122 U.S. at 439, it is not a bill of review. A bill of review was a mechanism by which a court could reverse its own decree. 2 Street, *Federal Equity Practice* § 2121 (1909) (“that a bill of review will lie *only in the court where the decree to be reversed was rendered is subject to no exception whatever*”) (emphasis added). The Supreme Court explained the distinction in *Barrow v. Hunton*, 99 U.S. 80 (1878): a bill in equity authorized “the investigation of a new case arising upon new facts, although having relation to the validity of an actual judgment or decree,” while a bill of review involved “a mere revision of errors and irregularities, or of the legality and correctness of the judgments and decrees.” *Id.* at 82-83. Because the bill in equity under § 4915 was not a bill of review, the evidentiary constraints peculiar to a bill of review do not control the admissibility of evidence in a § 145 civil action. Rather, the action is a civil action in which the district court is authorized to “adjudge that such applicant is entitled to receive a patent for his invention . . . as the facts of the case may appear.” 35 U.S.C. § 145. While a § 145 proceeding is not completely independent from the prosecution process in the Patent Office, neither is it comparable to a bill of review.

Certainly, the proceedings before the Patent Office remain relevant in a § 145 action. As we explained in *Fregeau*, “in the absence of additional evidence affecting a particular finding,” the district court must apply the court/agency standard of review to that fact finding. 776 F.2d at 1038. This deferential standard of review applies in recognition that the fact findings were made by

the Patent Office—the knowledgeable agency charged with assessing patentability. “On the other hand, where new evidence is presented to the district court on a disputed fact question, a *de novo* finding will be necessary to take such evidence into account together with the evidence before the board.” *Id.* We have also concluded that issues (and evidence relating to new issues) that were not raised in the Patent Office proceedings generally may not be raised in a § 145 proceeding. *See Conservolite, Inc. v. Widmayer*, 21 F.3d 1098, 1102 (Fed. Cir. 1994) (listing circumstances in which new issues may be raised before the district court). Moreover, as we observed in *Fregeau*, in adjudicating entitlement to a patent, the district court must consider the record before the Patent Office as well as any new evidence admitted by the applicant. 776 F.2d at 1038. Although the Patent Office proceedings do impact § 145 proceedings in these various ways, we conclude that, consonant with the language of the statute, legislative history, and Supreme Court precedent, the only limitations on the admissibility of evidence in § 145 proceedings (for issues raised before the Patent Office) are the Federal Rules of Evidence and Civil Procedure.

Although we reject the Director’s proposed restriction on admissibility, the district court may consider the proceedings before and findings of the Patent Office in deciding what weight to afford an applicant’s newly-admitted evidence. As with any evidence introduced in a civil action, the weight given to evidence introduced by an applicant in a § 145 action falls within the discretion of the district court. Should the facts of a particular case cast suspicion on new evidence that an applicant failed to introduce before the Patent Office, the district court in a § 145 action would be within its discretion

to give that evidence less weight. Indeed, as discussed above, courts have considered an applicant's failure to introduce evidence before the Patent Office in determining what weight to afford to the evidence. *See Standard Cartridge Co.*, 77 F. at 638 (concluding that the evidentiary weight of new witness testimony on oral declarations supposedly made by the patentee who died and thus lost all opportunity to explain or deny was "much impaired from the fact that . . . it was not introduced during the interference proceedings"); *Western Electric Co.*, 177 F. at 228-29 (finding new recollections unconvincing: "And how comes it that the testimony of these witnesses, at this later date, comes out with so much greater definiteness than it came out at the earlier date, when, under ordinary circumstances, the event, being much more recent, ought to have been fresher in the witnesses' minds?") The practice of giving less weight to evidence whose reliability is impacted by an applicant's failure, without explanation, to provide it to the Patent Office, is entirely proper, and this practice is fully consistent with the rule that we announce today.

Quite separate from the Director's proposal, the dissent would have us rely on *Citizens to Preserve Overton Park v. Volpe*, 401 U.S. 402, 414-20 (1971) to hold that the only new evidence that we should allow is that which the applicant could not bring to the Patent Office due to the inadequacies of the Patent Office's procedures. Dissent 7-9. First, the Director expressly rejects the applicability of *Overton Park* to § 145. Dir. Br. 19, n.4 ("We do not contend that an applicant's ability to introduce new evidence under Section 145 is limited to circumstances in which 'agency factfinding procedures are inadequate.'" citing *Overton Park*). Additionally, the statute in question in *Overton Park* only provided for "judi-

cial review” of agency action. 401 U.S. at 410. Section 145 specifically permits a “civil action” where the district court may adjudge entitlement to a patent “as the facts in the case may appear.” Where the statute permits a “civil action” in relation to agency actions, the Supreme Court has held that this amounts to a trial de novo. *See Chandler v. Roudebush*, 425 U.S. 840, 845-46, 862 (1976) (“Here, by contrast, there is ‘specific statutory authorization’ of a district court ‘civil action,’ which both the plain language of the statute and the legislative history reveal to be a trial de novo.”). Here, the language of the statute and legislative history support the admission of new evidence in § 145 actions subject only to the Federal Rules of Evidence and Civil Procedure.

## 2.

With respect to the Director’s APA argument, the Director does not assert that the APA controls the admissibility of evidence in a § 145 action. To the contrary, the Director consistently acknowledges throughout his brief that new evidence is admissible in a § 145 action—unlike a typical APA action, in which judicial review is strictly limited to the administrative record. The Director’s argument instead is that when no new evidence is admitted in a § 145 action, the district court must review the fact findings of the Patent Office on the administrative record and subject to the APA.

This is an uncontroversial proposition: it is well-settled that a reviewing court must apply the APA’s court/agency standard of review to Patent Office fact findings when no new evidence is admitted in a § 145 action. If the parties to a § 145 action do not introduce any new evidence before the district court, the court reviews

the case on the same record presented to the agency and the reviewing court must apply the APA's substantial evidence standard to Patent Office fact findings. *See Mazzari*, 323 F.3d at 1005.

But when a party to a § 145 action does introduce new evidence, the court's review is no longer limited to the administrative record. Instead, the court must consider the new evidence in addition to the record, and “[t]he presence of such new or different evidence makes a fact-finder of the district judge.” *Zurko*, 527 U.S. at 164. Because the court must determine the weight and import of this new evidence, we have held that the district court in a § 145 action must make *de novo* fact findings with respect to factual issues to which the new evidence relates. *Fregeau*, 776 F.2d at 1038 (“where new evidence is presented to the district court on a disputed fact question, a *de novo* finding will be necessary to take such evidence into account together with the evidence before the board”); *see also Mazzari*, 323 F.3d at 1005 (“if the parties choose to present additional evidence to the district court [§ 145 action] . . . the district court would make *de novo* factual findings if the evidence is conflicting [with the administrative record]”). The Director does not dispute that these standards of review apply in a § 145 action.

At most, the Director argues that the principles of deference to agency fact finding inherent in the APA scheme would tend to support more restrictions on the admissibility of evidence. However, this deference is already embodied in the standard of review applicable in a § 145 action. When the court reviews a case on the administrative record—that is, when no party introduces new evidence—the court applies the APA standard of



review to Patent Office fact findings. *Mazzari*, 323 F.3d at 1005. When new evidence is introduced, the court acts as a factfinder with respect to that new evidence and would make de novo fact findings if the evidence conflicts with any related Patent Office finding. *Id.*; see also *Zurko*, 527 U.S. at 164. However, the court must still consider the administrative record in making its fact findings; we have made clear that the court’s de novo finding must “take [new] evidence into account together with the evidence before the board.” *Fregeau*, 776 F.2d at 1038. Therefore, the dual standards of review applicable in a § 145 action maintain an appropriate level of deference to agency findings, while preserving to the court its role as factfinder with respect to new evidence.

### 3.

Finally, the Director presents various policy considerations in support of its proposal that evidence is not admissible unless it could not have reasonably been presented to the Patent Office first. The Director first argues that requiring plaintiffs to completely present all arguments and evidence to the agency in the first instance protects agency authority and promotes judicial efficiency. Although we agree that encouraging full disclosure to administrative tribunals is sound policy, Congress—not the Federal Circuit—must decide how best to do this. Congress heard extensive testimony on the advantages and disadvantages of providing applicants with a civil action to obtain a patent. In fact, Congress heard testimony on this very issue: the former Assistant Commissioner of Patents argued that § 4915 “should be cut out entirely for ex parte applications,” to force an applicant to introduce “all the testimony pertinent to his

case” to the Patent Office. *To Amend Section 52*, 69th Cong., 1st Sess., at 76. This was a policy decision committed to the sole discretion of Congress; we may not replace Congress’ judgment with our own.

The Director asserts that if we do not limit an applicant’s right to introduce new evidence in a § 145 action, applicants will inevitably choose this route of review over a direct appeal under § 141 or will withhold evidence from the Patent Office to avoid generating adverse prosecution history. To deter applicants from exactly the type of procedural gaming that concerns the Director, Congress imposed on the applicant the heavy economic burden of paying “[a]ll the expenses of the proceedings” regardless of the outcome. 35 U.S.C. § 145. An applicant has every incentive to provide the Patent Office with the best evidence in its possession, to obtain a patent as quickly and inexpensively as possible. “It would be counterintuitive for an applicant to deliberately withhold non-cumulative evidence that would help persuade the BPAI to reverse the examiner’s rejection, and instead . . . present it later on in a civil action when the party (as plaintiff) would be obligated to pay all the expenses—including the defendant PTO’s expenses.” NYIPLA Br. at 13; *see also* IPO Br. at 17 (“applicants proceeding before the PTO strike a strategic balance, submitting evidence likely sufficient to obtain a patent while avoiding overburdening the PTO”). Indeed, the fact that the vast majority of applicants pursue an on-the-record appeal instead of a § 145 action indicates that applicants generally consider the evidence before the Patent Office to be sufficient. Where an applicant decides to pursue a § 145 action, this may reflect a belief that the application at issue is or could be especially commercially significant; in such a case, the appli-

cant likely believes that the additional cost of a § 145 action may be merited. *See* AIPLA Br. at 1.

Next, the Director asserts that interpreting § 145 to allow applicants to freely introduce new evidence before the district court would disturb the rule that arguments waived in administrative proceedings may not be raised for the first time in federal court. We have held that, in general, parties may not raise issues in the district court that were not raised during the proceedings before the Patent Office or by the Board's final decision. *Conser-volite*, 21 F.3d at 1102 (listing exceptions where courts may allow new evidence on new issues). However, this rule does not preclude parties from introducing additional *evidence* as to issues that were raised before the Patent Office. Here, the issue is written description—the subject of Mr. Hyatt's excluded declaration—and was raised before the Patent Office. Therefore, the doctrine of waiver is not applicable to this case.

#### D.

We hold that new evidence is admissible in a civil action under 35 U.S.C. § 145, subject only to the Federal Rules of Evidence and Federal Rules of Civil Procedure. We now consider whether, under this standard, the district court abused its discretion in excluding Mr. Hyatt's declaration.

The district court found that Mr. Hyatt's failure to explain why he did not submit his declaration to the Patent Office was negligent. Stating that it “need not consider evidence negligently submitted after the end of administrative proceedings,” the court excluded Mr. Hyatt's declaration. *Hyatt*, 2005 U.S. Dist. LEXIS 45319, at \*26. The district court erred in determining

that Mr. Hyatt's negligence affected admissibility and therefore abused its discretion in excluding the declaration.<sup>4</sup>

#### CONCLUSION

For the reasons stated herein, the district court abused its discretion in excluding Mr. Hyatt's declaration. We therefore vacate the judgment of the District Court for the District of Columbia and remand for further proceedings consistent with this opinion.

VACATED AND REMANDED

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<sup>4</sup> Nothing in *In re Alton*, 76 F.3d 1168 (Fed. Cir. 1996) is inconsistent with our decision today. An applicant may respond to a written description rejection in whatever way the applicant deems effective.

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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2007-1066

GILBERT P. HYATT, PLAINTIFF-APPELLANT

*v.*

DAVID KAPPOS, DIRECTOR, PATENT AND TRADEMARK  
OFFICE, DEFENDANT-APPELLEE

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Decided: Nov. 8, 2010

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

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NEWMAN, *Circuit Judge*, concurring in part, dissenting  
in part.

I join the en banc court's holding that new evidence may be provided in a civil action brought in the district court under 35 U.S.C. §145. However, the court also holds that when no new evidence is provided, the findings and rulings of the PTO receive the same deferential treatment in the district court as would apply if the cause were not a civil action under section 145, but instead were an Administrative Procedure Act direct appeal to the Federal Circuit under 35 U.S.C. §141. That is not the statutory plan.

The statutory plan is designed to differ from such a duplicative procedure, not to create it. Nonetheless, the court today holds that for those issues for which the applicant relies on the same evidence as was before the patent examiner, the ruling of the PTO is not determined *de novo* but is reviewed with APA deference, identically to the section 141 appeal, except that the decision is initially made by one judge in the district court, en route to three-judge review if appeal is then taken to the Federal Circuit. No party presented or even contemplated such a redundant procedure, and no *amicus* discussed it. It is contrary to statute, to precedent, and to almost two centuries of legislative policy.

Section 145 requires the district court to determine whether “such applicant is entitled to receive a patent for his invention . . . as the facts in the case may appear.” Since it is a *de novo* proceeding, the PTO findings and fact-based rulings are not reviewed on the deferential “substantial evidence” standard, and the methodology of analysis of the evidence does not depend on whether the PTO had also received the same evidence. Although an applicant who chooses a section 145 civil action is quite likely to present new evidence as to some issues, on other issues the applicant may choose to reargue the evidence that was before the PTO.

Usually the evidence before the PTO consists of references cited during examination—with the applicant arguing, in a section 145 action, that the PTO misweighed or misapplied or misunderstood the evidence. Such issues are often present in a section 145 action, where they receive *de novo* determination, whether or not new evidence is adduced in the district court. The purpose of the section 145 proceeding is to achieve fresh

judicial determination of patentability issues that had been decided by the Patent Office, and to conduct this determination *de novo* on the evidence before the court, whether or not the same evidence or all of it was before the examiner. Thus, although this court's affirmation of the principle of the *de novo* section 145 action is salutary, somehow a new flaw has crept in. The court's promulgation of a different intellectual mechanism, depending on whether an issue did or did not receive evidence in addition to that which was before the examiner, creates a convoluted analytical process, a burden on the court as well as on objective analysis.

As the en banc court explains, the legislative purpose of the equity action was to assure that the courts had the last word as to entitlement to a patent. For a brief period after patent examination was renewed in 1836, only priority contests between competing inventors had judicial recourse. The Patent Act of 1839 extended judicial participation to "all cases where patents are refused for any reason whatever." As the patent statutes continued to receive legislative attention, the Court explained in *Butterworth v. Hoe*, 112 U.S. 50, 61 (1884):

It is thereby provided that the applicant may have remedy by bill in equity. This means a proceeding in a court of the United States having original equity jurisdiction under the patent laws, according to the ordinary course of equity practice and procedure. It is not a technical appeal from the patent office . . . confined to the case as made in the record of that office, but is prepared and heard upon all competent evidence adduced, and upon the whole merits.

The Court observed that "such *de novo* determination has been the uniform and correct practice in the circuit

courts.” *Id.*; see, e.g., *Ex parte Squire*, 22 F. Cas. 1015, 1016 (C.C.E.D. Mo. 1877) (“[T]he hearing is altogether independent of that before the commissioner, and takes place on such testimony as the parties may see fit to produce agreeably to the rules and practice of a court of equity.”).

The Court’s decision in *Dickinson v. Zurko*, 527 U.S. 150 (1999), applying the Administrative Procedure Act’s standard of review to direct appeals to the Federal Circuit on the administrative record, did not deal with the section 145 civil action. Indeed, the APA recognized the preservation of previously existing judicial review mechanisms including those that provided for a trial *de novo*, stating that “[t]he form of the proceeding for judicial review is the special statutory review proceeding relevant to the subject matter in a court specified by the statute.” 5 U.S.C. §703. The APA states that nothing in the judicial review provisions of the APA “limit[s] or repeal[s] additional requirements imposed by statute or otherwise recognized by law.” 5 U.S.C. §559.

Neither the APA nor *Zurko* obliterated the purpose or changed the structure of the section 145 action as a full *de novo* proceeding. In preserving this traditional path, analogy is seen to tax refund suits in the district courts or the Court of Federal Claims, where “a refund suit is a *de novo* proceeding.” *Democratic Leadership Council, Inc. v. United States*, 542 F. Supp. 2d 63,70 (D.D.C. 2008); see *Vons Cos. v. United States*, 51 Fed. Cl. 1, 5 (2001) (“We begin with the axiomatic principle that tax refund cases are *de novo* proceedings. *Lewis v. Reynolds*, 284 U.S. 281, 283 (1932). Factual issues in such cases ‘are tried . . . with no weight given to subsidiary factual findings made by the Service in its inter-



nal administrative proceedings.’ *Cook v. United States*, 46 Fed. Cl. 110, 113 (2000). See also *Dixon v. United States*, 381 U.S. 68, 74-75 (1965).”).

Such a *de novo* path, whether or not on the same evidence that was before the examiner, has long characterized section 145 actions and its predecessor bills in equity. See, e.g., *Bernardin v. Northall*, 77 F. 849, 851 (C.C.D. Ind. 1897) (“The constitution and laws give a property right in his invention or discovery to an inventor, and it was the manifest legislative intent that such inventor should not be deprived of his property right in his invention until he had had his day in a court in which the party aggrieved by the determination of an executive officer might pursue his remedy judicially, according to the practice of a court of chancery.”).

Legislation concerning the bill of equity/civil action consistently recognized that the proceeding is a “new suit.” For example, in connection with the Patent Act of 1927 the Chairman of the House Committee on Patents, Congressman Albert H. Vestal, stated “if a party feels aggrieved, he can bring his suit in the equity court, but it is not an appeal. It is the bringing of a new suit.” *To Amend Section 52 of Judicial Code and Other Statutes Affecting Procedure in Patent Office: Hearings on H.R. 6252 and H.R. 7087 Before the H. Comm. on Patents*, 69th Cong., 1st Sess. 36 (1926). The issues of patentability are determined in accordance with the laws of patentability, on original jurisdiction undisturbed by whether the same evidence was previously before the patent examiners. As summarized by Emerson Stringham, *Patent Interference Equity Suits* §7942, at 69 (1930): “A suit by a defeated applicant is an action *de novo* for the purpose of securing a patent.”

No rule or protocol requires that the civil suit cannot receive *de novo* adjudication based on the same documentary evidence that was before the Patent Office. See *Central Ry. Signal Co. v. Jackson*, 254 F. 103, 105 (E.D. Pa. 1918) (observing that although the purpose of a proceeding under section 4915 “is to secure the issue of a patent, the issue of which has been refused, it does not seek that issue through a reversal of the ruling first made, but through an independent finding that the applicant is entitled upon the merits of his application to a patent”). The Court has repeatedly confirmed this understanding. See *In re Hein*, 166 U.S. 432, 439 (1897) (“The bill in equity provided for by section 4915 is wholly different from the proceeding by appeal from the decision of the commissioner. . . . The one is in the exercise of original, the other of appellate, jurisdiction.”); *Gandy v. Marble*, 122 U.S. 432, 439 (1887) (“[T]he proceeding by bill in equity, under section 4915, on the refusal to grant an application for a patent, intends a suit according to the ordinary course of equity practice and procedure, and is not a technical appeal from the patent office, nor confined to the case as made in the record of that office, but is prepared and heard upon all competent evidence adduced, and upon the whole merits. . . .” (citing *Butterworth*, 112 U.S. at 61)).

The applicant may not wish, or need, to present new evidence as to every issue of patentability. P.J. Federico observed in his definitive article, “Evolution of Patent Office Appeals,” that “[t]he bill in equity is not a technical appeal from a decision of the Patent Office, but is ‘a suit according to the ordinary course of equity practice and procedure.’” 22 J. Pat. Off. Soc’y 838, 937 (1940). Such “ordinary course” takes up the issues that the examiner had decided adversely to the applicant, on

whatever evidence the applicant and the Patent Office present to the district court. I have come upon no legislative or precedential hint that there should be judicial deference in the equity action to the examiner's findings for those issues upon which no new evidence is presented to the court.

The history of section 145 differs from that for priority contests between competing inventors, as discussed in *Morgan v. Daniels*, 153 U.S. 120 (1894), now relied on by this court as meaning that in the absence of new evidence “the district court reviews the Patent Office fact findings for substantial evidence (i.e., according to the court/agency standard of review).” Maj. Op. 25. That interpretation is contrary to *Morgan v. Daniels* itself, for the Court there recognized that it was dealing with a different statute, “where the question decided in the Patent Office is one between contesting parties as to priority of invention.” 153 U.S. at 125. Judicial review of priority contests is now codified at 35 U.S.C. §146, which expressly provides for admission of the PTO record to “have the same effect as if originally taken and produced in the suit.” There is no similar provision in section 145, which instead requires the district court to adjudge entitlement to a patent “as the facts in the case may appear.” Section 145 calls upon the independent judgment of the district court, whether the evidence before the court augments or simply repeats the evidence that was before the Patent Office.<sup>1</sup>

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<sup>1</sup> The PTO Solicitor and my colleagues in dissent argue that applicants will deliberately withhold evidence in their possession, in order to spring it on the district court under section 145. I share the view of the *amici curiae* that it is unlikely that applicants will withhold winning evidence from the examiner, in favor of a multi-year and expensive civil action in the district court.

This court's new dual standard of evidentiary analysis in section 145 actions will not only come as a surprise to practitioners, but raises new problems of adjudication, for the weight of findings on various issues often must be balanced, in reaching the ultimate determination of patentability. I must, respectfully, dissent from this additional and unnecessary encumbrance on the patenting process.

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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No. 2007-1066

GILBERT P. HYATT, PLAINTIFF-APPELLANT

*v.*

DAVID KAPPOS, DIRECTOR, PATENT AND TRADEMARK  
OFFICE, DEFENDANT-APPELLEE

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Decided: Nov. 8, 2010

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

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**ON PETITION FOR REHEARING EN BANC**

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DYK, *Circuit Judge*, with whom GAJARSA, *Circuit Judge*, joins, dissenting.

In my view today's majority decision reflects a remarkable departure from settled principles of administrative law. The majority holds today that a patent applicant may decline to present his evidence supporting a patent application to the Patent and Trademark Office ("PTO"), the expert agency charged by Congress with reviewing patent applications. Instead, he may elect to present that evidence to a district court in a de novo pro-

ceeding. As the majority itself states, “We hold that 35 U.S.C. § 145 imposes *no limitation* on an applicant’s right to introduce new evidence before the district court, apart from the evidentiary limitations applicable to all civil actions. . . . ” Maj. op. at 5 (emphasis added). Moreover, when the district court considers that new evidence, it owes no deference to the PTO’s resolution of the fact issues. Rather, the district court makes *de novo* findings of fact. *See id.*

The established administrative law standard, embodied in section 706 of the Administrative Procedure Act (“APA”), 5 U.S.C. § 706, requires judicial review on the agency record and submission of all relevant evidence to the agency. In general, it permits supplementation in court only when agency procedures are inadequate. *See Citizens to Preserve Overton Park v. Volpe*, 401 U.S. 402, 414-20 (1971). Here, the agency procedures are inadequate only insofar as they do not provide for live testimony.

There is no question that Hyatt’s affidavit evidence here could have been submitted to the Patent Office during the examination. The PTO rules specifically provide that “[w]hen any claim of an application . . . is rejected or objected to, any evidence submitted to traverse the rejection or objection on a basis not otherwise provided for must be by way of an oath or declaration under this section.” 37 C.F.R. § 1.132. The Manual of Patent Examining Procedures recognizes that section 1.132 “sets forth the general policy of the Office consistently followed for a long period of time of receiving affidavit evidence traversing rejections or objections.” MPEP § 716

(8th ed. Rev. 7, Sept. 2008).<sup>1</sup> But the examination proceedings are based on a paper record (except for interviews with the examiner). There is no provision for the receipt of live testimony from witnesses.

As discussed below, while section 145 contemplates the introduction of live testimony (because that testimony could not be submitted to the PTO), section 145 does not provide for a trial de novo or excuse the applicant from submitting affidavit evidence to the PTO. Limiting new evidence in the section 145 action to evidence, such as live testimony, that could not be presented to the PTO in the first instance would recognize that section 145 is fully consistent with traditional administrative law standards.

Allowing a trial de novo in the district court denigrates the important expertise of the PTO, is contrary to established principles of administrative law, finds no support in the language of the statute, and is contrary to decisions of at least five other circuits. The majority opinion invites applicants to deliberately withhold evidence from the PTO in favor of a more hospitable district court forum. Today's decision reflects yet another misguided effort to craft special rules for patent cases that the Supreme Court in other cases has held to be impermissible. See *eBay v. MercExchange, LLP*, 547 U.S. 388 (2006) (overturning this court's special test for issuing permanent injunctions in patent cases); *MedImmune v. Genentech, Inc.*, 549 U.S. 118 (2007) (rejecting this court's Declaratory Judgment Act test). The major-

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<sup>1</sup> The PTO rules also provide that affidavits may be submitted after final rejection "upon a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented." 37 C.F.R. § 1.116(e).

ity decision is all the more remarkable because the Court has previously rejected our efforts to craft a special rule for review of PTO decisions in *Dickinson v. Zurko*, 527 U.S. 150, 152 (1999), holding that review under section 141 must proceed under the established administrative law substantial evidence standard. I respectfully dissent.

## I

The majority speaks hardly at all to the important expert role that the PTO plays in patent examination proceedings. The statute provides a variety of grounds for rejecting a patent application. In each case the inquiry is either entirely factual or has factual components. For example, questions involving anticipation, obviousness, indefiniteness, written description, and enablement typically involve fact questions that are beyond the knowledge of an ordinary layman, and must be addressed by those skilled in the particular art.

The PTO examiner corps and the Board of Patent Appeals and Interferences (“Board”) possess such expertise, and the examination process is carefully structured to utilize that expertise. For example, when a patent application is received, the proposed invention is classified so that it can be given to the proper art unit, which then determines whether the application “properly belongs” in the unit and assigns the application to an examiner within the art unit with the expertise necessary to conduct a field search of the prior art. *See* MPEP §§ 903.02, 903.08, 904 (8th ed. Rev. 7, Sept. 2008). With respect to the Board, its Standard Operating Procedures state that the Chief Judge should “designate judges as the merits panel to decide ex parte appeals



based upon their legal and technical expertise.” B.P.A.I., Standard Operating Procedure 1 (Revision 13) (2009), *available at* <http://www.uspto.gov/web/offices/dcom/bpai/sop1.pdf>.

The importance of PTO expertise in the examination process is confirmed by the history of the statute. Although the original patent act provided for examination of patents, Act of Apr. 10, 1790, ch. 7, 1 Stat. 109, 112, three years later, Congress abolished the examination of patents, and for the next three decades the United States operated under a regime of patent registration. *See* Act of Feb. 21, 1793, ch. 11, § 1, 1 Stat. 318; P.J. Federico, *Evolution of Patent Office Appeals*, 22 J. Pat. Off. Soc’y 838 (1940). This approach was found to be entirely unsatisfying.

The legislative history of the 1836 Act, substituting an examination system for the registration system, cites the following evils of the existing registration system:

[1] A considerable portion of all the patents granted are worthless and void . . . ; [2] The country becomes flooded with patent monopolies, embarrassing to bona fide patentees, whose rights are thus invaded on all sides . . . ; [3] Out of this interference and collision of patents and privileges, a great number of lawsuits arise, which are daily increasing in alarming degree, onerous to the courts, ruinous to the parties, and injurious to society; [4] It opens the door to frauds, which have already become extensive and serious.

S. Rept. No. 24-338, at 3 (1836). In the new law in 1836, Congress created the Patent Office and the post of Commissioner of Patents, and this was intended to “establish

a check upon the granting of patents, allowing them to issue only for such inventions as are in fact new and entitled, by the merit of originality and utility, to be protected by law.” *Id.* at 4.

The system created by Congress relied heavily on the expertise of the Commissioner and his staff who were responsible for evaluating the merits of patent applications. *See* Act of July 4, 1836, ch. 357 at §§ 2, 7, 5 Stat. 117, 118-20. As the legislative history reveals, the purpose of the act was to bring specialized expertise to bear on questions of patentability:

*The duty of examination and investigation necessary to a first decision at the Patent Office, is an important one, and will call for the exercise and application of much scientific acquirement and knowledge of the existing state of the arts in all their branches, not only our own, but in other countries. Such qualifications in the officers charged with the duty, will be the more necessary and desirable, because the information upon which a rejection is made at the office, will be available in the final decision.* It becomes necessary, then, to give the Patent Office a new organization, and secure to it a character altogether above a mere clerkship. The competency and efficiency of its officers should correspond with their responsibility, and with the nature and importance of the duties required of them.

S. Rep. No. 24-338, at 4 (emphases added). An applicant dissatisfied with the Commissioner’s decision could appeal to a “board of examiners” appointed by the Secretary of State. In creating the Board, Congress also drew on the expertise of those skilled in the art. At least one board member was “to be selected, if practicable

and convenient, for his knowledge and skill in the particular art, manufacture, or branch of science to which the alleged invention appertains.” Act of July 4, 1836, ch. 357 at § 7, 5, Stat. 117, 119-20. The de novo standard in today’s decision will allow applicants to bypass the PTO expertise that Congress viewed as critical to effective patent examinations.<sup>2</sup>

## II

Today’s decision not only departs from the Congressional design for the examination of patents. It also departs from settled principles of administrative law applicable to expert agency review generally and to the PTO in particular. The Supreme Court has emphasized that in general the PTO should be treated like other administrative agencies; that patent cases are subject to the same general administrative law principles under the APA; and that departure from those principles requires clear statutory language—language that is absent here.

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<sup>2</sup> Allowing the applicant to bypass PTO expertise is particularly problematic where, as here, the applicant submitted multiple applications over a long period with multiple claims and multiple rejections. The ’702 application at issue in this case is one of at least 39 identical applications filed by Hyatt in 1995. Appellee’s Brief at 3. Indeed, Hyatt appears to have a long history before the Board as well as this court. See, e.g., *Hyatt v. Dudas*, 492 F.3d 1365, 1371 (Fed. Cir. 2007) (rejecting Hyatt’s claim that the examiner failed to establish a prima facie case for a lack of written description); *In re Hyatt*, 211 F.3d 1367, 1371 (Fed. Cir. 2000) (rejecting Hyatt’s claim that the Board failed to analyze the claims on an element-by-element and claim-by-claim basis and affirming the Board’s anticipation determination); *In re Hyatt*, No. 87-1597, 1988 WL 57813, at \*2 (Fed. Cir. 1988) (holding that the examiner raised substantial questions concerning enablement, shifting the burden to applicant, who failed to offer any competent evidence to overcome the examiner’s prima facie case).

See *Zurko*, 527 U.S. at 161-65; *In re Comiskey*, 554 F.3d 967, 974 (Fed. Cir. 2009).

Except in very rare circumstances, judicial review of administrative action is based on the agency record. See, e.g., *Camp v. Pitts*, 411 U.S. 138, 141-42 (1973); *Overton Park*, 401 U.S. at 414-20; *Axiom Res. Mgmt., Inc. v. United States*, 564 F.3d 1374, 1381 (Fed. Cir. 2009) (“The focus of judicial review of agency action remains the administrative record, which should be supplemented only if the existing record is insufficient to permit meaningful review consistent with the APA.”); 33 Wright & Koch, *Federal Practice and Procedure: Judicial Review of Administrative Action* § 8306 (2006) (“[E]xcept in the rare case, review in a federal court must be based on the record before the agency and, hence, a reviewing court may not go outside the administrative record.”).

As the Supreme Court stated in *Overton Park*, the circumstances under which de novo review of factual issues is appropriate are “narrow” indeed. 401 U.S. at 414. One example of such an exception is when “the agency fact-finding procedures are inadequate.”<sup>3</sup> *Id.* at 415. This same standard could apply to PTO review. As noted earlier, the PTO in examination proceedings generally can receive affidavit evidence but cannot receive live testimony. The PTO agrees that in such circum-

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<sup>3</sup> Another exception enumerated in *Overton Park* is not applicable here. De novo review is also authorized “when issues that were not before the agency are raised in a proceeding to enforce nonadjudicatory agency action.” 401 U.S. at 415. This exception does not apply to section 145 cases because new issues cannot be raised in a section 145 action. See *Newman v. Quigg*, 877 F.2d 1575, 1579 (Fed. Cir. 1989) (citing *DeSeversky v. Brenner*, 424 F.2d 857, 858 (D.C. Cir. 1970)).

stances live testimony in district court may be appropriate. Appellee's Brief at 9 (noting an applicant can introduce new evidence that "the applicant could not reasonably have provided to the agency in the first instance"). For example, in a narrow class of cases under section 145, the outcome will hinge on credibility determinations, such as where there is a question about the date of reduction to practice. In such circumstances, PTO procedures may be inadequate and it makes sense to permit the district court to take live testimony under *Overton Park* to resolve credibility issues. Where credibility issues are not presented, however, there is nothing inadequate about the PTO factfinding process, and under general administrative law principles, the district court should be confined to the record presented to the PTO where the applicant could have presented the evidence in the first instance.<sup>4</sup>

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<sup>4</sup> While the PTO states that "[w]e do not contend that an applicant's ability to introduce new evidence is limited to situations in which 'agency factfinding procedures are inadequate,'" Appellee's Brief at 19 n.4, there is little difference between the standard for the receipt of new evidence urged by the PTO and the standard I think is appropriate. The PTO agrees that new evidence that could not be submitted to the PTO may be introduced in district court. *Id.* at 29. In exceptional circumstances, the PTO apparently would allow other evidence in district court where there was a reasonable excuse for not submitting it to the PTO in the first instance and the evidence would be conclusive. *See id.* Those circumstances seem to be limited to situations where the evidence "in character and amount carries thorough conviction that the agency's decision was mistaken." *Id.* (internal quotation omitted). That describes situations where the failure to submit the evidence to the PTO would be harmless error. Where new evidence is discovered after the PTO proceeding and is presented to the district court, the district court in most instances should remand to the agency for its initial consideration.

The necessity of presenting evidence to the administrative agency in the first instance when the agency can receive the evidence is supported as well by principles of administrative exhaustion, which require that evidence and arguments both be presented in the first instance to the agency. The ordinary rule is that “no one is entitled to judicial relief for a supposed or threatened injury until the prescribed administrative remedy has been exhausted.” *McKart v. United States*, 395 U.S. 185, 194 (1969) (internal quotation omitted); see *Woodford v. Ngo*, 548 U.S. 81, 90 (2006). “Exhaustion concerns apply with particular force when the action under review involves exercise of the agency’s discretionary power or when the agency proceedings in question allow the agency to *apply its special expertise*.” *McCarthy v. Madigan*, 503 U.S. 140, 145 (1992) (citing *McKart*, 395 U.S. at 194) (emphasis added). The majority ignores these important principles of administrative law, adopting a rule that effectively allows a patentee to decline to present his evidence supporting patent issuance to the PTO in the first instance.

### III

The majority’s approach also finds no support in the language of the statute. Section 145 provides:

An applicant dissatisfied with the decision of the Board of Patent Appeals and Interferences in an appeal under section 134(a) of this title may, unless appeal has been taken to the United States Court of Appeals for the Federal Circuit, *have remedy by civil action* against the Director in the United States District Court for the District of Columbia if commenced within such time after such decision, not less

than sixty days, as the Director appoints. 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 shall authorize the Director to issue such patent on compliance with the requirements of law. All the expenses of the proceedings shall be paid by the applicant.

35 U.S.C. § 145 (emphasis added).<sup>5</sup>

Contrary to the majority, the language of section 145 providing for district court review does not in any way suggest that the proceedings should be *de novo* rather than generally on the agency record. Even before the 1946 enactment of the APA, *see* Act of June 11, 1946, ch. 324, 60 Stat. 237, the Supreme Court had held that provisions for district court or trial court review of agency

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<sup>5</sup> The comparable provision for interference proceedings, section 146, provides:

Any party to an interference dissatisfied with the decision of the Board of Patent Appeals and Interferences on the interference, *may have remedy by civil action*, if commenced within such time after such decision, not less than sixty days, as the Director appoints or as provided in section 141 of this title, unless he has appealed to the United States Court of Appeals for the Federal Circuit, and such appeal is pending or has been decided. 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.

35 U.S.C. § 146 (emphasis added).

action would not be read to imply the power to go outside the agency record. For example, in *Tagg Bros. & Moorhead v. United States*, 280 U.S. 420 (1930), the Court held that although the Packers and Stockyards Act of 1921, 7 U.S.C. §§ 181-229, provided for suits to be brought in federal district court to enjoin the enforcement of agency orders, this did not imply a trial de novo. 280 U.S. at 444-45. The Court explained:

A proceeding under section 316 of the Packers and Stockyards Act is a *judicial review*, not a *trial de novo*. *The validity of an order of the Secretary, like that of an order of the Interstate Commerce Commission, must be determined upon the record of the proceedings before him . . . .* On all other issues his findings must be accepted by the court as conclusive, if the evidence before him was legally sufficient to sustain them and there was no irregularity in the proceeding. *To allow his findings to be attacked or supported in court by new evidence would substitute the court for the administrative tribunal as the rate-making body.* Where it is believed that the Secretary erred in his findings because important evidence was not brought to his attention, the appropriate remedy is to apply for a rehearing before him or to institute new proceedings.

*Id.* at 443-45 (emphases added; footnote omitted; citations omitted).

The Court disposed of similar arguments in the context of district court actions authorized by the judicial review provision of the Communications Act of 1934, 47 U.S.C. § 402(a). *See Nat'l Broad. Co. v. United States*, 319 U.S. 190, 227 (1943). The statute initially provided for “suits in equity” to “enjoin, set aside, annul, or



suspend any order or requirement of the Commission . . . .”<sup>6</sup> Communications Act of 1934, ch. 652, Title IV, § 402(a), 48 Stat. 1064, 1093. The Court held that such suits were not de novo, and the review was limited to the agency record: “The court below correctly held that its inquiry was limited to review of the evidence before the Commission. *Trial de novo of the matters heard by the Commission and dealt with in its Report would have been improper.*” *Id.* at 227 (emphasis added).

After enactment of the APA in 1946, the Supreme Court and other courts of appeals have repeatedly held that broad, general language such as “bill in equity” or “civil action” providing for trial court review does not create trial de novo, and that much more specific language is required. For example, in *United States v. Carlo Bianchi & Co.*, 373 U.S. 709 (1963), the Court held that “suit[s]” brought in the Court of Claims under the Wunderlich Act, Pub. L. No. 83-356, 68 Stat. 81 (1954),<sup>7</sup>

<sup>6</sup> This statute was later amended to transfer jurisdiction to three-judge panels of the district courts under the Urgent Deficiencies Act of 1913, 38 Stat. 208, 219. A proceeding to set aside an order of the Commission under that act was also considered “a plenary suit in equity.” *Columbia Broad. Sys., Inc. v. United States*, 316 U.S. 407, 415 (1942).

<sup>7</sup> The statute provides:

No provision of any contract entered into by the United States, relating to the finality or conclusiveness of any decision of the head of any department or agency or his duly authorized representative or board in a dispute involving a question arising under such contract, shall be pleaded in any suit now filed or to be filed as limiting judicial review of any such decision to cases where fraud by such official or his said representative or board is alleged: *Provided, however*, [t]hat any such decision shall be final and conclusive unless the same is fraudu-

were not trials de novo. 373 U.S. at 713-15 (1963). The Court noted that “the standards of review adopted in the Wunderlich Act—‘arbitrary,’ ‘capricious,’ and ‘not supported by substantial evidence’—have frequently been used by Congress and have consistently been associated with a review limited to the administrative record.” *Id.* at 715. The Court gave the following general rule:

[T]he reviewing function is one ordinarily limited to consideration of the decision of the agency or court below *and of the evidence on which it was based*. Indeed, in cases where Congress has simply *provided for review, without setting forth the standard to be used or the procedures to be followed, this Court has held that consideration is to be confined to the administrative record and that no de novo proceeding may be held*.

*Id.* at 715 (emphases added). Similarly, in *Anderson v. District of Columbia*, 877 F.2d 1018 (D.C. Cir. 1989), the District of Columbia Circuit held that under the Individuals with Disabilities Education Act, which explicitly provides for a “civil action” in which the district court can hear “additional evidence at the request of a party,” 20 U.S.C. § 1415(i)(2), “[t]he authority of the district court to receive new evidence does not transform the review proceedings into a trial de novo,” 877 F.2d at 1025.

There is only one feature that distinguishes actions under section 145 from agency review in other contexts. Congress has provided for a dual avenue of review—review in this court under section 141 based on the

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lent or capricious or arbitrary or so grossly erroneous as necessarily to imply bad faith, or is not supported by substantial evidence.

41 U.S.C. § 321 (emphasis in original).

agency record and review under section 145. This suggests that the two types of review proceedings are different, and that evidence that could not be submitted to the PTO may be received in section 145 actions. But it does nothing to suggest that district court review may proceed on an entirely new record or hold de novo proceedings, or that Congress intended to do anything more than permit evidence to be presented in district court that could not be presented before the Patent Office.

The APA contemplates that statutes providing for de novo proceedings will specifically use that language. Under 5 U.S.C. § 706(2)(F), a reviewing court may “set aside agency action, findings, and conclusions” if “unwarranted by the facts[,] to the extent that the facts are subject to *trial de novo* by the reviewing court.” Other federal statutes that have been held to provide for de novo review provide for such review explicitly. *See, e.g.*, Food Stamp Act, 7 U.S.C. § 2023(a)(15) (“The suit in the United States district court or State court *shall be a trial de novo* by the court in which the court shall determine the validity of the questioned administrative action in issue . . . .”).<sup>8</sup> This distinction has been repeatedly recognized. For example, in *Ibrahim. v. U.S.*, 834 F.2d 52 (2d Cir. 1987), the court held that,

[t]he Food Stamp Act’s de novo review provision embodies a different and broader scope of review than that available under the APA . . . [Cases requiring

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<sup>8</sup> *See also* 19 U.S.C. § 1592(e) (providing that, for review of customs penalties for negligence or fraud, “[n]otwithstanding any other provision of law, in any proceeding commenced by the United States in the Court of International Trade for the recovery of any monetary penalty claimed under this section . . . all issues, including the amount of the penalty, *shall be tried de novo*”).

review on the agency record are different because there,] no statute or regulation provided for de novo review. The APA therefore governed. Here, in contrast, the Food Stamp Act specifically provides that review of FNS determinations ‘shall be a trial de novo.’ 7 U.S.C. § 2023(a).<sup>9</sup>

*Id.* at 53-54.

As these statutes demonstrate, when Congress intends review by de novo trial, Congress explicitly authorizes de novo trial. In the absence of specific statutory authorization, “de novo review is generally not to be presumed.” *Consolo v. Fed. Mar. Comm’n*, 383 U.S. 607, 619 n.17 (1966). Section 145 does not include language providing for “de novo” review or the equivalent.

The majority is unable to point to any Supreme Court authority that has construed a statute not providing explicitly for de novo review or the equivalent as providing for such review. To be sure, the majority claims that *Chandler v. Roudebush*, 425 U.S. 840 (1976), recognizes de novo review based solely on the provision for a district court “civil action.” *See* Maj. op. at 31 (“Where the statute permits a ‘civil action’ in relation to agency actions, the Supreme Court has held that this amounts to a trial de novo.”). That is not accurate.

The *Chandler* Court found that the plain language (and legislative history) of that particular statute did provide for de novo review. *Chandler*, 425 U.S. at

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<sup>9</sup> *See United States v. Ford Motor Co.*, 463 F.3d 1286, 1298 (Fed. Cir. 2006) (finding that even the explicit language of § 1592(e) should be interpreted narrowly as providing for de novo review only of certain aspects of the customs determination, not to “permit an importer to end run the protest provisions”).

844-46. The Civil Rights Act of 1964 provided for “civil action[s]” in district courts to redress discrimination against government employees. *Id.* at 844. Significantly, the statute also provided that “the provisions of section 706(f) through (k) as applicable shall govern civil actions brought hereunder.” *Id.* at 844 (quoting 42 U.S.C. § 2000e-16(d) (1970 ed., Supp. IV)). Those sections, dealing with civil actions involving private employees, had repeatedly been interpreted as providing for a trial de novo based on specific language in the private employee provision. *Id.* at 844-45. The Court held that the incorporation of the private employee standard for a de novo trial meant that there was to be a trial de novo in government employee cases by virtue of the plain language of the statute. *Id.* at 845-46. The Court reasoned that the “terminology employed by Congress” in providing for a “civil action” in section 706, relating to private sector employees, “indicates clearly that the ‘civil action’ to which private-sector employees are entitled . . . is to be a trial de novo.” *Id.* “Since federal-sector employees are entitled by § 717(c) to ‘file a civil action as provided in section 706 [for private-sector employees] . . . [and] the civil action provided in § 706 is a trial de novo, it would seem to follow syllogistically that federal employees are entitled to a trial de novo . . . .” *Id.* Thus, based on that plain language of the statute and its legislative history, it found the general presumption against de novo review inapplicable because “here . . . there is a ‘specific statutory authorization’ of a district court ‘civil action,’ which both the plain language of the statute and the legislative history reveal to be a trial de novo.” *Id.* at 862. There is no support for reading “civil action” language, standing alone, as requiring a

trial de novo. The Supreme Court's decision in *Chandler* supports that well-established rule.

#### IV

Additionally, the legislative history of the predecessor of section 145, when enacted in 1927, provides no support for the majority's interpretation of the statutory text. The majority relies wholly on hearing testimony. As the Supreme Court stated in *Kelly v. Robinson*, 479 U.S. 36 (1986), the Court has declined "to accord any significance to . . . statements" made in hearings. 479 U.S. at 51 n.13. Earlier, in *McCaughn v. Hershey Chocolate Co.*, 283 U.S. 488 (1931), the Court noted, "such individual expressions [as statements made in committee hearings] are with out weight in the interpretation of a statute." *Id.* at 493-94. The majority's decision here flies in the teeth of this established principle.

Even if the statements in Committee hearings could be considered relevant legislative history, the materials cited by the majority would be entitled to little weight. The 1927 legislation was based initially on a proposal drafted by the American Bar Association. *To Amend Section 52 of the Judicial Code and Other Statutes Affecting Procedure in the Patent Office: Hearings on H.R. 6252 and H.R. 7087 Before the H. Comm. On Patents*, 69th Cong. 14 (February 1926) [hereinafter *To Amend Section 52*]. The purpose of the proposal was to simplify the appeals procedure both within the Patent Office and in the courts. *Id.* at 3. Under section 4915 (section 145's predecessor) as it then existed, an appeal could be taken from the Patent Office decision to the Supreme Court of the District of Columbia. Act of March 2, 1927, ch. 273, § 11, 44 Stat. 1335, 1336-37.

Thereafter a “bill in equity” proceeding could be brought to set aside the Patent Office decision in district court. *Id.* The bills initially proposed to eliminate the appeal to the Supreme Court of the District of Columbia and to rely entirely on the bill in equity as the form of judicial review. *To Amend Section 52*, at 9.

Hearings were initially held in February of 1926 in the 69th Congress, First Session, on two separate bills. *Id.* at 1-2; see *To Amend the Statutes of the United States as to Procedure in the Patent Office: Hearings on H.R. 7563 and H.R. 13487*, 69th Cong. 5 (Dec. 1926) (explaining the prior hearings) [hereinafter *Procedure in the Patent Office*]. The quotes from the majority are taken entirely from the February 1926 hearings on bills that were not enacted into law insofar as they concerned revisions to section 4915.<sup>10</sup> The Commissioner of Patents objected to various provisions of the bill, and new bills were drafted reflecting substantial changes, including the creation of two alternative avenues for review—an appeal to the Court of Appeals for the District of Columbia based on the Patent Office record and the “bill in equity” procedure that would receive the full Patent Office record but allow supplementation.<sup>11</sup> Those

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<sup>10</sup> The only bill that was enacted (H.R. 6252) concerned amendments to the jurisdictional rules in Section 52 of the judicial code and allowed parties in a 4915 action, if they resided in different districts, all to bring suit in the Supreme Court of the District of Columbia. Act of March 3, 1927 ch. 364, 44 Stat. 1394.

<sup>11</sup> A.C. Paul, Chairman of the Legislation Committee of the Patent Section of the American Bar Association explained, “We had a hearing before the committee on February 4, 1926. At that time some provisions of the bill were objected to by the commissioner, and after a hearing, as chairman of the legislation committee of the patent section of the American Bar Association, I undertook to see if we could get

February 1926 hearings were unlikely to be considered by members of Congress voting on a new and quite different bill in the subsequent session.

New hearings were held in December 1926 on the bill that ultimately became law (S. 4812 and H.R. 13487). In those hearings, both proponents of section 4915 (from the bar) and opponents (from the Patent Office) described the motivation for the new legislation in identical terms. While the bill in equity was characterized by some as a “de novo” proceeding or as “starting all over,”<sup>12</sup> those statements did not suggest that the Patent Office could be bypassed in the presentation of evidence. Indeed, the proponents viewed section 145 proceedings as involving review of PTO decisions. A.C. Paul, the Chairman of the legislation committee of the patent section of the American Bar Association viewed it as “practically another appeal.” *See, e.g., Procedure in the Patent Office*, at 8. Three features are significant. First, the statute, unlike the existing provision, allowed the Patent Office record to be received in section 4915 interference proceedings, and the hearings noted the benefits of using the Patent Office record in the bill of equity proceeding. For instance, Otto Barnett explained that the bill “for the first time . . . provided that in [the bill of equity proceeding] you may use the testimony taken in the Patent Office” and that the new law

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together and reconcile the views of the commissioner and the members of the committee, and we had negotiations extending over a number of months.” *Procedure in the Patent Office*, at 5.

<sup>12</sup> *Procedure in the Patent Office*, at 11 (statement of Hon. Thomas E. Robertson, Comm’r of Patents); Amending the Statutes of the United States as to Procedure in the Patent Office: Hearings on S. 4812, 69th Cong. 10 (December 1926) (statement of Thomas E. Robertson, Comm’r of Patents) [hereinafter Senate Hearings].



was preferable because “under the present law it is all lost, and you have to start a new record.” *Senate Hearings*, at 13 (Statement of Otto R. Barnett).

Second, even more significantly, the purpose of the bill was described as permitting the presentation of live testimony in the bill in equity proceeding because it could not be submitted before the Patent Office.<sup>13</sup> For example, Edward S. Rogers explained,

There was a faction . . . who were in favor of doing away with section 4915 [the predecessor of section 145] . . . . It was thought inadvisable to do so, because the court, in hearing cases, will see the witnesses. *The testimony in the Patent Office hearings is all taken by deposition, and you cannot take the bearing of a man in a deposition, and frequently there are clashes in the testimony and lapses of memory, if not actual perjury. So it seems quite necessary to have the men who are to testify put on the stand in court.*

*Senate Hearings*, at 15 (statement of Edward S. Rogers) (emphasis added). Similarly, Commissioner of Patents Robertson noted,

My own preference would be to repeal entirely section 4915 . . . but the bar unquestionably wants that section 4915 to continue, because *it does permit*

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<sup>13</sup> The prevailing situation had been described in the earlier hearing as follows: “[E]ach applicant [in interference proceedings] is allowed to put in as much testimony as he wishes, but they do not have the same cross-examination privileges that they have in open court . . . . In ex parte cases, there is no testimony except affidavits.” *To Amend Section 52*, at 37 (statements of Alexander J. Wedderburn, Patent Att’y & Karl Fenning, former Assistant Comm’r of Patents).

*bringing the witnesses in open court which we can not have under the present procedure in the Patent Office and so we have all agreed . . . .*

*Procedure in the Patent Office*, at 11 (statement of Thomas E. Robertson, Comm'r of Patents) (emphasis added).<sup>14</sup> The purpose of the new legislation would be entirely served by allowing in the trial court only evidence that could not have been submitted to the Patent Office, such as live testimony.

Third, there was no suggestion in the December 1926 hearings, as there was in the February 1926 hearing, that applicants in the bill in equity could “bring[] in evidence that they could have brought in before [the Patent Office] but did not.” *To Amend Section 52*, at 81 (statement of Thomas E. Robertson, Comm'r of Patents). That latter statement was made by the Commissioner of Patents only in February 1926 in his opposition to the bill. The omission of such statements in later hearings could well be explained by the Commissioner’s receiving assurances in negotiations over the bill that it did not go that far. In any event, the earlier statement cannot be afforded any weight. As the Supreme Court noted in *Bryan v. United States*, 524 U.S. 184 (1998), “the fears and doubts of the opposition are no authoritative guide to the construction of legislation. In their zeal to defeat a bill, they understandably tend to overstate its reach.”

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<sup>14</sup> Commissioner Robertson also stated that “[t]he judges who decide these cases have never seen the witnesses [but if you] want a trial de novo under section 4915 you can force your opponent to come under section 4915 so that the *witnesses can be seen in court and have the testimony decided by the judges who actually see the witnesses as they testify.*” *Procedure in the Patent Office*, at 14 (statement of Thomas E. Robertson, Comm'r of Patents) (emphasis added).

524 U.S. at 196 (citations, brackets, and quotation marks omitted).

Far more pertinent than the committee hearings in connection with the 1927 Act is the history of the 1952 codification. As I discuss below, at the time of the 1952 codification the courts had uniformly rejected a *de novo* standard in interpreting section 4915. It is fair to assume that Congress approved that interpretation in codifying the section. Congress explicitly stated that codification of section 145 made “no fundamental change in the various appeals and other review of Patent Office action . . . .” S. Rep. No. 82-1979 (1952), *reprinted in* 1952 U.S.C.C.A.N. 2394, 2400. The Supreme Court has recognized that the “evaluation of congressional action . . . must take into account its contemporary legal context,” *Cannon v. Univ. of Chi.*, 441 U.S. 677, 698-99 (1979), and that “Congress is presumed to be aware of an administrative or judicial interpretation of a statute and to adopt that interpretation when it re-enacts a statute without change,” *Lorillard v. Pons*, 434 U.S. 575, 580 (1978).

## V

The earlier Supreme Court cases relied on by the majority do not suggest a different construction. None of the cases cited by the majority held that any and all evidence could be admitted without regard to whether it was submitted to the Patent Office. *Hoover Co. v. Coe*, 325 U.S. 79 (1945), merely states that section 145 allows for an action “on proof which *may* include evidence not presented in the Patent Office.” 325 U.S. at 83 (emphasis added). Similarly, *Gandy v. Marble*, 122 U.S. 432 (1887), merely noted that section 4915 was “not a techni-

cal appeal from the patent-office, nor confined to the case as made in the record of that office” and did not explicitly state there were no limits on the evidence introduced. 122 U.S. at 439.

The majority, however, places emphasis on language in *Butterworth v. Hoe*, 112 U.S. 50 (1884), stating that in an action under section 4915 of the Revised Statutes (section 145’s predecessor):

Further provision, covering such and also all other cases in which an application for a patent has been refused, either by the commissioner of patents or by the supreme court of the district, is found in Revised Statutes, § 4915. It is thereby provided that the applicant may have remedy by bill in equity. This means a proceeding in a court of the United States having original equity jurisdiction under the patent laws, according to the ordinary course of equity practice and procedure. *It is not a technical appeal from the patent-office, like that authorized in section 4911, confined to the case as made in the record of that office, but is prepared and heard upon all competent evidence adduced, and upon the whole merits.* Such has been the uniform and correct practice in the circuit courts. *Whipple v. Miner*, 15 Fed. Rep. 117; *Ex parte Squire*, 3 Ban. & A. 133; *Butler v. Shaw*, 21 Fed. Rep. 321.

*Butterworth*, 112 U.S. at 61 (emphasis added).

In fact, *Butterworth* is no help to the majority for several reasons. First, *Butterworth* and the cases that it cited were all interference cases. Pre-1927 decisions of the Supreme Court and other courts in interference proceedings concerning the ability and necessity of cre-

ating a new record in bill in equity proceedings are of no value in interpreting the 1927 legislation. That legislation worked a major change on interference proceedings. The 1927 law explicitly provided that, for the first time, the PTO record would be received in the bill in equity interference proceedings and that “when admitted shall have the same force and effect as if originally taken and produced in the suit.” Act of March 2, 1927, ch. 273, § 11, 44 Stat. 1335, 1337 (1927). Previously in the bill in equity proceedings, the Patent Office record, because of the informal procedures followed in the Patent Office, was viewed as having secondary value, and it was necessary to create a new *duplicate* record in the trial court.<sup>15</sup> This was recognized both in the hearings on the 1927 legislation (as noted above) and in subsequent court cases. As the Third Circuit explained,

[T]he evidence given in the interference proceedings could be introduced only as secondary evidence, after proper foundation laid. The competency of such evidence had to be determined according to the principles of equity jurisprudence. In other words, the witnesses who had testified in the interference proceedings had to testify anew in the suit in the district court. If they did not so testify their absence had to be accounted for in the usual way if the testimony taken in the interference was to be received as secondary evidence. The [1927] amendment was passed to avoid this arduous and expensive means of reproducing the evidence of the interference proceedings in the suit.

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<sup>15</sup> To be sure, in some cases the case did proceed based on the PTO record. See, e.g., *Morgan v. Daniels*, 153 U.S. 120, 124 (1894).

*Gen. Talking Pictures Corp. v. Am. Tri-Ergon Corp.*, 96 F.2d 800, 812 (3d Cir. 1938) (citations omitted). Under these circumstances, pre-1927 court cases naturally referred to the creation of a new record in the bill in equity proceedings. Under the 1927 legislation the legislation of a new record in interferences became unnecessary. The legislation provided that the Patent Office record would be received and left it to the trial court to determine what additional cross examination and new testimony could appropriately be received.<sup>16</sup>

Second, *Butterworth* did not address the question whether evidence was required to be submitted to the Patent Office in the first instance if it was later to be used in bill in equity proceedings. The sole issue decided in *Butterworth* was whether the Secretary of the Interior could override the Patent Office decision approved by the court in a proceeding under section 4915.

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<sup>16</sup> Although sections 145 and 146 stem from the same root, namely, R.S. § 4915, they are distinct because they have different content and contain different procedures for admitting evidence. In section 145 ex parte proceedings, the Patent Office is a direct party to the action whereas in section 146 interferences, the two private parties to the interference are the parties in interest. Section 146 explicitly addresses the optional procedure for admitting the entire administrative record, and such language is absent from section 145 because the administrative record is automatically admitted in judicial review proceedings. Thus, it is inaccurate to conflate sections 145 and 146 with regard to admissibility. Section 145 could be construed as a “mongrel” cause of action in the same sense that claim construction is “a mongrel practice,” as Justice Souter noted in *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 378 (1996). Once again, as in *Zurko*, the majority is attempting to develop a distinction between patent administrative law and the traditional administrative agency procedure. In doing so, it fails to focus on the core of the matter, namely the discretion of a district court regarding the admissibility of evidence in a section 145 case.

112 U.S. at 54, 62, 68-69. The language of *Butterworth* is at best ambiguous. Like the other Supreme Court cases, it recognizes that new evidence may be received and considered in the trial court proceedings, *id.* at 61, but it says nothing about whether that evidence had to be submitted to the Patent Office in the first instance if such a submission were possible.

The three cases cited in *Butterworth* are no more illuminating. *Whipple* simply held that the trial court proceeding was an “original proceeding” and that the trial court could generally not enjoin issuance of a patent pending its outcome. 15 F. at 117-18. *Butler* held that for interference cases the 4915 proceeding could be invoked without first appealing to the Supreme Court of the District of Columbia, and noted that “the court may receive new evidence and has the same powers as in other cases in equity.” 21 F. at 326-27. Again, what new evidence could be heard remained unclear. In the third case the court rejected the contention that the court was confined entirely to the record before the Patent Office, holding that in addition to the Patent Office records “new and additional testimony” could be received in the equity proceedings. *In re Squire*, 22 F. Cas. at 1016. But again, the court was considering only a proposed blanket bar on new evidence; it did not consider whether the substance of testimony could be withheld from the Patent Office in the agency proceeding if the Patent Office could receive and consider it.<sup>17</sup>

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<sup>17</sup> The language quoted by the majority is not in fact from *Squire* itself but from the earlier case of *Atkinson v. Boardman* quoted in *Squire* as part of the background description. See *Atkinson v. Boardman*, 2 F. Cas. 97 (C.C.N.Y. 1851).

Third, *Butterworth's* reference to “the ordinary course of equity practice and procedure” and “competent evidence” suggests meaningful limits on the admissibility of new evidence in section 4915 proceedings. See 112 U.S. at 61. As the Supreme Court explained in *Morgan v. Daniels*, a bill in equity<sup>18</sup> in the context of section 4915 was

*an application to the court to set aside the action of one of the executive departments of the government. The one charged with the administration of the patent system had finished its investigations and made its determination with respect to the question of priority of invention. That determination gave to the defendant the exclusive rights of a patentee. A new proceeding is instituted in the courts—a proceeding to set aside the conclusions reached by the administrative department, and to give to the plaintiff the rights there awarded to the defendant. It is something in the nature of a suit to set aside judgment, and such, is not to be sustained by a mere preponderance of evidence.*

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<sup>18</sup> A “bill in equity,” also termed a “bill of complaint,” was the initial pleading that invoked the jurisdiction of the courts of equity. See Federal Equity Rule 25 (1913). Equity courts recognized various species of bills, depending on the nature of the relief sought. The “bill of review” was a type of bill in equity seeking a reversal or modification of a prior decree or judgment. See, e.g., *Kingsbury v. Buckner*, 134 U.S. 650, 671-72 (1890); *Thompson v. Maxwell*, 95 U.S. 391, 395-96 (1877) (“It is manifest that the object of this bill, especially after being amended, was to set aside the decree made in the original cause, and to substitute therefor a new decree supposed to be more advantageous to the complainants, upon the same matters which were before the court and under its consideration in the said cause. Under the guise of a bill for quieting title it was in reality a bill of review.”).



153 U.S. 120, 124 (1894) (emphases added); *see also Fregeau v. Mossinghoff*, 776 F.2d 1034, 1037 (Fed. Cir. 1985) (applying *Morgan* to section 145 and noting that “an action under § 145 is . . . in essence a suit to set aside the final decision of the board, like the bill in equity from which it was derived”). Under settled principles of federal equity practice, a court presented with a bill to set aside a prior judgment would not rehear arguments or evidence that had been adjudicated in the prior proceeding, nor would it consider evidence that could have been produced during that proceeding in the exercise of reasonable diligence. Rather, the court would limit its review to (1) legal errors apparent on the face of the decree and (2) new evidence of such compelling character as to call into doubt the outcome of the prior proceeding. *See, e.g., Beard v. Burts*, 95 U.S. 434, 436 (1877); *Scotten v. Littlefield*, 235 U.S. 407, 411 (1914).

In *Beard*, the Court explained:

To sustain a bill of review, there must be errors of law apparent on the face of the decree, or some *new matters of fact material in themselves, and discovered after the rendition of the decree*. This is the general rule in equity . . . . The facts are not open for a re-trial, unless the bill asserts that new evidence has been discovered, not obtainable before the first trial by the exercise of reasonable diligence.

*Beard*, 95 U.S. at 436 (emphasis added).<sup>19</sup> Thus, federal courts in equity rejected attempts to litigate, through a bill of review, factual questions that could have been raised in the prior proceeding. *See id.* at 436; *Purcell*, 71 U.S. (4 Wall.) at 521 (rejecting petitioner’s bill in equity because the complainant “offers no new evidence, but what he might as well have produced before”). These basic principles of equity practice would have been familiar to Congress in 1836, when it first authorized a “remedy by bill in equity” for applicants aggrieved by the final determination of the Commissioner of Patents. *See* Act of July 4, 1836, ch. 357, § 17, 5 Stat. 117, 124. Thus, the ordinary rules of equity practice tolerated nothing like the de novo relitigation that the majority adopts.

Finally, and most significantly, none of the cases subsequent to *Butterworth* has interpreted it, or the cases that it cited, to require de novo review under the 1927 legislation. The Supreme Court has never directly addressed the de novo review issue. The only Supreme Court case to address the scope of section 145 after passage of the 1927 Act, *Dickinson v. Zurko*, 527 U.S. 150 (1990), does not address the issue of the scope of section

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<sup>19</sup> *See also* *Scotten*, 235 U.S. at 411 (explaining that a bill of review encompassed only manifest legal errors and “new facts discovered since the decree, which should materially affect the decree and probably induce a different result”); *Purcell v. Miner*, 71 U.S. (4 Wall.) 519, 521 (1866) (“By Lord Chancellor Bacon’s rules, it was declared: ‘No bill of review shall be admitted except it contain either error in law appearing in the body of the decree without further examination of matters in fact, or some new matter which hath arisen in time after the decree; and not on any new proof which might have been used when the decree was made.’”); *Whiting v. Bank of United States*, 38 U.S. (13. Pet.) 6, 13-14 (1839).

145 with regard to new evidence. *Zurko* involved the question of what was the proper standard of review on direct appeal to the Federal Circuit under 35 U.S.C. § 141. *Id.* at 152-53. Although the Supreme Court noted that a section 145 claimant can “present to the court evidence that the applicant did not present to the PTO,” the Court said nothing about when or under what circumstances such evidence could be introduced. *See id.* at 164. The decision in *Zurko* in fact undermines the majority’s holding both by recognizing the importance of applying traditional administrative law principles to the PTO and in recognizing that the “PTO is an expert body” that “can better deal with the technically complex subject matter” of patent applications than the federal courts. *Id.* at 160. As will be seen in the next section, *Butterworth* has never been seen by other courts of appeals as barring limitations on new evidence that could have been presented to the Patent Office under the 1927 Act.

## VI

The majority opinion is, in fact, contrary to decades of circuit authority under the 1927 legislation, after *Butterworth*, recognizing limits on the admissibility of new evidence in section 145 and section 146 proceedings. One of the more influential cases on the admissibility of evidence is *Barrett Co. v. Koppers Co.*, 22 F.2d 395 (3d Cir. 1927), decided several months after the passage of the 1927 legislation. There, during interference proceedings in the Patent Office, the Barrett Company instructed its employees not to answer questions about certain of its “commercial practices.” *Id.* at 396. The Barrett Company lost the interference, and then filed a bill in equity under Revised Statutes § 4915 and sought to introduce

before the district court the exact testimony it had instructed its employees not to provide during the interference. *Id.* The Third Circuit found that the district court properly exclude this evidence, saying:

The law gave the plaintiffs a day in court on the issue of priority. That was the day the interference was heard and if they chose not to avail themselves of their full rights but to gamble on the decision by giving only a part, and the weaker part, of the evidence they had in hand, they did it at their own risk. After losing on such evidence in what otherwise would be a train of futile appeals in the patent tribunals and Court of Appeals of the District of Columbia they cannot come into a District Court and say, now for the first time we shall tell the true story of reduction to practice and demand a patent.

. . . When, as in this case, a party has refused to produce evidence for consideration by the Court of Appeals of the District of Columbia and then in the statutory action under section 4915, R.S., *produces that very evidence to overcome the effect of that court's decision, he comes very close to trifling with the courts' processes.* If in this case the Court of Appeals of the District of Columbia was wrong it was because the plaintiffs purposely kept it in the dark. If now this court were in effect to reverse the decision of that court on evidence brought to light for the first time, we should be assisting the plaintiffs to profit by their own technical wrong doing.

. . . Particularly are we anxious that no one should think that we hold that any evidence not before the Court of Appeals of the District of Columbia is inadmissible in an action under section 4915, R.S. Such

a notion would destroy the action given by section 4915, R.S. and throw overboard the whole doctrine of *Morgan v. Daniels*. Specifically our decision is that the plaintiffs in this action under section 4915, R.S., are *estopped to offer evidence which was wholly within their possession and control at the interference proceeding* and which they withheld from that proceeding and, therefore, withheld from the other patent tribunals and the Court of Appeals of the District of Columbia, and thereby made it impossible for those tribunals and that court to render what they, the plaintiffs, now maintain is the right decision.

*Id.* at 397 (formatting altered; emphasis added).

Subsequent to *Barrett*, three circuits—the District of Columbia, the Seventh, and the Eighth—have essentially followed the *Barrett* rule. The District of Columbia Circuit in *Cal. Research Corp. v. Ladd*, 356 F.2d 813 (D.C. Cir. 1966), adopted a negligence standard to limit the introduction of new evidence in a section 145 proceeding and explained that a section 145 action “may not be conducted in disregard of the general policy of encouraging full disclosure to administrative tribunals.” *Id.* at 821. The Seventh Circuit adopted a “reasonably diligent” standard for determining whether evidence is admissible in a section 146 interference proceeding. In *Velsicol Chem. Corp. v. Monsanto Co.*, 579 F.2d 1038 (7th Cir. 1978), it held “that absent special circumstances, the proper question for the district court was whether the failure of the proponent of the additional evidence to uncover its existence earlier or to procure it for the interference proceeding occurred in spite of the proponent’s diligence in preparing his case before the Board.” *Id.* at 1046. The court cited the “policy of encouraging

full disclosure” to the administrative tribunal as the reason for this limitation. *Id.*; *see also Globe-Union v. Chi. Tel. Supply Co.*, 103 F.2d 722, 728 (7th Cir. 1939) (“We do not dispute the soundness of the proposition that all pertinent evidence, actually available, should be submitted in the first instance. To permit partial presentation before the Patent Office is to sanction *the destruction of administrative justice.*” (emphasis added)).

The Eighth Circuit adopted the rule that “deliberate, intentional, or willful withholding or suppression of pertinent and available evidence from the Patent Office, whether attended by reprehensible motives or not, whether it be for tactical or other reasons, justifies exclusion of such evidence in a section 146 proceeding.” *Kirschke v. Lamar*, 426 F.2d 870, 874 (8th Cir. 1970). The court reasoned that a section 146 proceeding was not a “full trial de novo; rather, allowance of evidence in addition to the Patent Office record must be tempered and circumscribed to some degree to effectuate the policy favoring full disclosure to administrative tribunals.” *Id.*

Although subsequent to *Barrett* the Third and Second Circuits limited the exclusion to testimony intentionally suppressed, their holdings too are inconsistent with the majority’s approach here. The Third Circuit continued to hold that intentionally suppressed evidence must be excluded.<sup>20</sup> The Second Circuit, which origi-

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<sup>20</sup> *See Minn. Mining & Mfg. Co. v. Carborundum*, 155 F.2d 746, 748 (3d Cir. 1946) (distinguishing *Barrett* and allowing expert testimony that was not intentionally suppressed at the time of the Patent Office proceedings). Although another later Third Circuit case, *Standard Oil Co. v. Montedison, S.P.A.*, 664 F.2d 356, 376 (3d Cir. 1981), stated that “new expert testimony is clearly admissible in a section 146 proceeding

nally approved of *Barrett*, see *Greene v. Beidler*, 58 F.2d 207, 208-09 (2d Cir. 1932), later suggested an exclusion might be limited to evidence “suppressed,” not “merely neglected through the plaintiffs slackness in preparation,” *Dowling v. Jones*, 67 F.2d 537, 538 (2d Cir. 1933).

Not a single court of appeals case has interpreted section 145 as permitting the submission of any and all new evidence. Although the cases suggest varying standards for the admission of new evidence, they all acknowledge the necessity of establishing significant limitations on the admission of new evidence, and recognize that to provide otherwise would undermine the requirement of administrative exhaustion. Today’s decision represents an anomalous and unjustified departure from prevailing circuit authority.

## VII

The majority suggests that one should not be too concerned about its special rule for patent cases because general evidentiary principles will somehow allow the district court to discount evidence not submitted to the PTO and thus reach the same result at least in some cases. See Maj. op. at 30-31. This approach is remarkably similar to the argument rejected in *Zurko* where it was suggested that there was no meaningful difference between the APA substantial evidence standard and the clearly erroneous standard for review of PTO decisions. The Supreme Court concluded that while the differences

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without [showing special circumstances explaining why the testimony was not presented first to the Board] to the extent that it aids the court in understanding issues presented to the Board,” the court was apparently responding to an attempt by the objecting party to place the burden of justifying the evidence on the party offering it.

were “subtle” and might not affect many cases, the differences were nonetheless important. *Zurko*, 527 U.S. at 161-65. Even if here the majority were right as to the consequences, this would not support application of the wrong law, as *Zurko* makes clear.

But the majority is not right as to the consequences, and there is nothing subtle about the difference between excluding evidence and admitting it. The evidentiary cases cited by the majority offer no support for discounting evidence not submitted to the PTO on grounds that it would be too costly to do so, and the majority offers applicants a ready made excuse—the costs of making a full record before the PTO—for the withholding of evidence under such circumstances.<sup>21</sup> The rules of evidence do not remotely offer a different path to the same result.

In conclusion, I note the quite arresting policy argument made by the majority for permitting applicants to bypass the PTO—that the applicant would bypass the PTO in favor of a de novo district court proceeding only

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<sup>21</sup> The majority suggests that two cases from the turn of the last century recognize that “courts have considered an applicant’s failure to introduce evidence before the Patent Office in determining what weight to afford to the evidence.” Maj. op. at 30. The limited holdings of these cases impose no meaningful limits. The first simply recognizes that a witness’ new explanation, not offered in his Patent Office declaration, was not credible. *W. Elec. Co. v. Fowler*, 177 F. 224, 228-29 (7th Cir. 1910). The second recognizes that prior consistent declarations of a witness in the PTO proceeding, only introduced in district court after the witness had died, would be given little weight in evaluating the witness’ earlier testimony. *Standard Cartridge Co. v. Peters Cartridge Co.*, 77 F. 630, 638 (6th Cir. 1896). These cases impose no limit on new evidence presented by new witnesses whose declarations were not supplied to the PTO.



in cases where the patent is commercially significant and the costs of a separate proceeding can be justified. *See* Maj. op. at 30-31. But those are exactly the cases in which PTO review is most important. In such cases, contrary to the majority, it is not somehow fantastic to imagine that applicants will elect to bypass the PTO in favor of a second bite at the apple in the district court. They will do so exactly in those circumstances where an expert agency would reject the evidence but a non-expert district court might be convinced to accept it. A more pernicious approach is difficult to imagine.

**APPENDIX B**

UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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No. 2007-1066

GILBERT P. HYATT, PLAINTIFF-APPELLEE

*v.*

JOHN J. DOLL, ACTING DIRECTOR, PATENT AND  
TRADEMARK OFFICE, DEFENDANT-APPELLEE

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[Filed: Aug. 11, 2009]

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Before: MICHEL, Chief Judge, DYK and MOORE, Circuit  
Judges.

Opinion for the court filed by Chief Judge MICHEL.  
Dissenting opinion filed by Circuit Judge MOORE.

MICHEL, Chief Judge.

Plaintiff-Appellant Gilbert P. Hyatt appeals from the grant of summary judgment in favor of Jon Dudas, in his official capacity as the Director of the United States Patent and Trademark Office (“PTO”),<sup>1</sup> sustaining the decision of the Board of Patent Appeals and Interferences (“Board”) to uphold the examiner’s rejection of 79 of the 117 claims of Hyatt’s U.S. Patent Application Serial No. 08/471,702 (“the ’702 application”) as not sup-

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<sup>1</sup> Pursuant to Federal Rule of Appellate Procedure 43(c)(2), John Doll was substituted for Dudas upon Dudas’s resignation as Director.

ported by adequate written description. The appeal was argued on April 7, 2008. It is clear from the record that under our caselaw Hyatt had an affirmative and specific duty to disclose to the PTO the evidence excluded by the district court, and was so notified by the PTO, but willfully refused to cooperate in the examination process. On the facts of this case, we uphold the district court's exclusion of Hyatt's evidence. We therefore hold that the district court correctly granted summary judgment sustaining the Board decision because Hyatt offered no other evidence and the Board's decision was based on findings of fact and factual conclusions, all of which are supported by substantial evidence, and thus we affirm.

## I.

### A. Proceedings Before the Examiner

Hyatt is the sole listed inventor on the '702 application. Hyatt has been registered as a patent agent since 1975 and prosecuted the application wholly on his own.<sup>2</sup>

The '702 application relates to computer and software technology and is entitled "Improved Memory Architecture Having a Multiple Buffer Output Arrange-

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<sup>2</sup> Hyatt is also familiar with this court. See *Hyatt v. Dudas*, 551 F.3d 1307 (Fed. Cir. 2008); *Hyatt v. Dudas*, 267 Fed. Appx. 944 (Fed. Cir. 2008); *Hyatt v. Dudas*, 492 F.3d 1365 (Fed. Cir. 2007); *In re Hyatt*, 243 F.3d 554 (Table) (Fed. Cir. 2000); *In re Hyatt*, 211 F.3d 1367 (Fed. Cir. 2000); *Hyatt v. Boone*, 146 F.3d 1348 (Fed. Cir. 1998); *In re Hyatt*, 108 F.3d 1393 (Table) (Fed. Cir. 1997); *In re Hyatt*, 106 F.3d 424 (Table) (Fed. Cir. 1996); *In re Hyatt*, 925 F.2d 1478 (Table) (Fed. Cir. 1991); *In re Hyatt*, 852 F.2d 1292 (Table) (Fed. Cir. 1988); *In re Hyatt*, 770 F.2d 182 (Table) (Fed. Cir. 1985); *In re Hyatt*, 770 F.2d 181 (Table) (Fed. Cir. 1985); *In re Hyatt*, 770 F.2d 178 (Table) (Fed. Cir. 1985); *In re Hyatt*, 714 F.2d 160 (Table) (Fed. Cir. 1983); *In re Hyatt*, 708 F.2d 712 (Fed. Cir. 1983); *In re Hyatt*, 714 F.2d 160 (Table) (Fed. Cir. 1983).

ment.” Hyatt filed the ’702 application on June 6, 1995. J.A. 10001. The ’702 application is a continuation or continuation-in-part of several earlier applications, some of which were themselves continuations or continuations-in-part. J.A. 10004. When first filed, the ’702 application claimed priority back to 1984; Hyatt later amended the application to claim priority back to 1975. J.A. 10756-57.

The ’702 application as originally filed had 15 claims, a 238-page specification, and 40 pages of drawings. J.A. 10000-293. It also incorporated by reference multiple publications (such as the “Texas Instruments, ALS/AS Logic Circuits Data Book, 1983”), J.A. 10173-74, and a “disclosure document ha[ving] copies of many of” a list of referenced documents; on the list were manuals and specification sheets of products such as the “Viewpoint/3A Plus” and the “Siemens OEM Floppy Disk Drive FDD 100-8”. J.A. 10239-40. After several rounds of amendments to the specification and the claims, Hyatt ultimately cancelled all 15 original claims and added 117 new claims. J.A. 4. New claim 107 is not atypical:

A process of operating a memory system comprising the acts of:

generating input image information;

storing a two dimensional array of blocks of pixel image information by a two dimensional pixel block memory, the two dimensional array of blocks of pixel image information arranged in a two dimensional array of rows and columns of blocks of pixel image information, wherein the blocks of pixel image information have boundaries there between;

generating write addresses and generating read addresses;

writing the two dimensional array of blocks of pixel image information into the two dimensional pixel block memory in response to the input image information and in response to the write addresses;

generating a first clock signal having a first clock rate;

accessing blocks of pixel image information in response to the read addresses, wherein the accessing of blocks of pixel image information from the two dimensional pixel block memory is at a first information rate in response to the first clock signal;

generating block boundary smoothing information to smooth the pixel image information at boundaries between blocks of pixel image information;

storing weight information by a weight memory;

generating accessed weight information by accessing the weight information stored by the weight memory;

generating smoothed weighted image information by weighting the pixel image information contained in the accessed blocks of pixel image information in response to the accessed weight information and in response to the block boundary smoothing information;

generating a second clock signal having a second clock rate that is different than the first clock rate of the first clock signal; and

generating output smoothed weighted image information in response to the smoothed weighted image information, wherein the generation of the output smoothed weighted image information is at a different information rate than the first information rate in response to the second clock signal.

J.A. 10472-73.

In a January 7, 1997 office action, the examiner described Hyatt's final amendment as incomplete, stating:

Applicant also has failed to point out where in the specification support may be found for the amended and added claims. MPEP 714.02 states "Applicant should also specifically point out the support for any amendments made to the disclosure." The disclosure includes the claims.

Since the response appears to be *bona fide*, but through an apparent oversight or inadvertence failed to provide a complete response, applicant is required to complete the response within a TIME LIMIT of ONE MONTH from the date of this letter or within the time remaining in the response period of the last Office action, whichever is longer.

J.A. 10493. Hyatt responded a month later with further amendments to the specification and drawings J.A. 10498-503. and the following indication of where support for the 117 new claims and amendments to the specification could be found:

Representative antecedent basis includes page 23:2-19 for data compression; page 50:6-9 for the frame buffer; the section entitled "LOGIC BOARD" "Address Generators" at pages 117-127 for the ad-

dress generator; the section entitled “MEMORY ARCHITECTURE” at pages 25-62 and the section entitled “MEMORY BOARDS” at pages 128-135 for the block memory having accessing, writing, and processing circuits; the section entitled “GRAPHICS PROCESSOR” at pages 9-14, the program listing at pages 214-30, and pages 29-31, 41, 42, 45, and 50 for the vector generator and processor; the section entitled “SPATIAL FILTERING” pages 15-24 and the program listing at pages 231-236 for the spatial processor; and pages 33:15-24:11 for the transform processor.

The Examiner is further referred to the Table of Contents (see the Preliminary Amendments) for additional antecedent basis.

J.A. 10504-05.

In October 1997, the examiner issued a final office action rejecting all 117 of Hyatt’s claims for lack of adequate written description, lack of enablement, double patenting, anticipation, or obviousness. J.A. 10634-64. The examiner rejected groups of claims for lack of written description and enablement based on the following thirteen limitations and groups of limitations:

- “a data decompressed video image input circuit generating data decompressed image information”
- “a writing circuit and an accessing circuit for writing and reading a block of video pixel image data into the block memory” and “the process of writing and reading a block of video pixel image data into the block memory”

- “a vector processor responsive to an accessed block of video pixel image information and to vector information”
- “a processor responsive to an accessed block of video pixel image information”
- “a spatial processor responsive to an accessed block of video pixel image information and to vector information and generating data compressed video”
- “a frequency domain processor,” “generating frequency domain image information,” and “frequency domain information”
- “a block processor responsive to an accessed block of pixel image information and to vector information”
- “[a]n input weight circuit generating input weight information,” “an address generator which will generate weight addresses,” “an address generator which will apply the weight addresses to the inputs of RAMS U5E and U6E at the same time the intensity bits are being applied to RAMS U3E and U4E,” and “an address generator which will generate weight addresses for selecting weight values from the weight table to perform the desired weighting function at the spatial filter” (collectively, “the ‘weight’ limitations”)
- “block boundary smoothing”
- “that the memory system is a video image data compression system”
- “a quantization weighting processor”



- “generating data compressed video image information”
- “the act of making a product in response to image information”

J.A. 10638-56. In some of his written description rejections, the examiner indicated the closest match he could find between the claim language and the disclosure of the specification. For example, the examiner stated “Claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, 95-112, 117, and 188 claim a writing circuit and an accessing circuit for writing and reading a block of video pixel image data into the block memory. These claims cover *simultaneous* writing and reading of a block of graphic image data . . . . The specification describes a sequential write to and read from the block memory.”

J.A. 10641. For the majority of the written description rejections, however, the examiner merely stated a claim limitation—such as “a quantization weighting processor,” “a video image data compression system,” and “a spatial processor responsive to an accessed block of video pixel image information and to vector information and generating data compressed video”—was “not enabled” or “not described in the specification.” *See, e.g.*, A10645, 10652-53.

## B. Proceedings Before the Board

In September 1998, Hyatt—continuing to represent himself—appealed the examiner’s final rejection to the Board. J.A. 10936. Hyatt’s brief presented such arguments as “The ‘112-1 rejections are *prima facie* erroneous because the disclosure is presumptively valid and correct,” J.A. 10824, “The disclosure is significant

. . . , comprising over 200 pages of description **with detailed schematic diagrams** showing actual commercially available electrical **components** in well known schematic symbol form and even showing component **pin** designations and **wire** connections,” J.A. 10827, and “With the extensive memory disclosure (*e.g.*, Spec. at 99-135) and processor disclosure ( *e.g.*, Spec. at 87-98, 214-36) in the instant application, it is unbelievable that the Examiner would object to the disclosure of memory and processor features,” J.A. 10831. In addition, he included a document entitled “Table-1” (reproduced below), which he had not provided to the examiner, purporting to give examples of support:

TABLE-1

<i>REPRESENTATIVE TERMINOLOGY</i>	<i>NOTES</i> <sup>22</sup>	<i>OCCUR- RENCES</i>	<i>REPRESENTATIVE CITES PAGE(S)</i>
access	A	>100	25-83, 128-164
address	A	>500	25-83, 128-164
block	A	>80	25-83, 128-164
boundary		=3	14, 41
compress		=4	23
data compressed		=1	23
decompressed		=1	23
frequency (FFT) C		=7	33-34
graphic	D	>20	9-14, 214-230
image		>50	50-55
information		>100	THROUGHOUT
input		>200	THROUGHOUT
memory	A	>400	25-83, 128-164
pixel		>300	THROUGHOUT
processor		>50	85-98
quantization	E	>100	231-236

read	A	>50	25-83, 128-164
simultaneous		>8	36, 45, 46, 50
smoothing		=1	232
spatial	B	>20	15-24, 231-236
vector	D	>50	9-14, 214-230
video		=8	77, 166, 168-171
weight	F	>100	162-164
write	A	>100	25-83, 128-164

J.A. 10832-34. In accompanying notes, Hyatt asserted that certain broad categories of “terminology” were disclosed in certain textual sections of the specification and in raw source code appearing in the specification. J.A. 10833-34. For example, in note “A” (associated with the terms “access,” “address,” “block,” “memory,” “read,” and “write”), Hyatt stated that

Memory terminology; including memory access, memory read, memory write, and memory block terminology; is disclosed, for example, in **two whole sections** entitled “MEMORY ARCHITECTURE” and “MEMORY BOARDS” (Spec. at 25-62 and 128-35 and Figs. 6E-6N) and in **two additional whole sections** entitled “BUFFER MEMORY” and “BUFFER BOARD” (Spec. at 63-83 and 136-58 and Figs. 6W-6AF).

J.A. 10833. Although Hyatt presented thirty-six pages of general argument that the written description and enablement rejections should be reversed, J.A. 10823-58, Hyatt did not separately address—and did not indicate where in the specification support could be found for—any of the claim limitations the examiner determined lacked support, except for the limitation “making a product,” J.A. 10836-40, and the group of “weight” limita-

tions. J.A. 10835. Hyatt made general statements that Table-1 and the table of contents of his specification indicated that support for the relevant limitations existed in his specification. J.A. 10827, 10831. Hyatt also argued that lists of twenty-nine publications had been incorporated by reference into the specification and provided enabling disclosure. J.A. 10848-51. Aside from the “making a product” and the “weight” limitations, Hyatt did not correlate Table-1, his table of contents, or any of the incorporated-by-reference publications with particular limitations.

Although reversing some of the examiner’s written description and enablement rejections, the Board sustained the written description and enablement rejections for seventy-nine claims in a July 2002 decision. J.A. 11638. The Board addressed each of the claim limitations relied on by the examiner. The Board rejected Table-1 as unhelpful in identifying written description support:

We agree with the examiner that merely pointing to isolated words scattered throughout the specification does not describe the invention claimed as a combination of elements, functions, and interconnections, anymore than a dictionary provides written description support for a book where words are used in combination to provide a certain meaning.

J.A. 11594. The Board even considered Table-1 “misleading” in that it indicated that the word “quantization” appeared in the specification, while the specification actually contained the “%” symbol and the arithmetic functions “FIX(exp)” and “INT(exp).” J.A. 11617.

The Board nevertheless reversed the examiner's rejections of thirty-eight of the claims. J.A. 11638. The Board reviewed the entire specification, looking for support for each of the claim limitations at issue and found support for three of the limitations (such as one for "a data decompressed video image input circuit generating data decompressed video image information"). *See, e.g.*, J.A. 11599-601. The Board also reversed one rejection because it was based on language not appearing in the claims (the "weight" limitations). J.A. 11602-03. For the other eight groups of claim limitations at issue, however, the Board agreed with the examiner that these limitations (such as "generating two dimensional processed image information in response to the accessed blocks of pixel image information and in response to the two dimensional vector information") were not supported by adequate written description, and explained its reasoning in detail. *See, e.g.*, J.A. 11604-06. The Board also reversed the rejections on the grounds of obviousness, anticipation, and double patenting, which are not at issue in this appeal. J.A. 11638.

Hyatt filed a request for rehearing with the Board on September 30, 2002. J.A. 11642. In the brief supporting his request, he provided extensive new arguments and citations to the specification purportedly detailing where disputed limitations of each still-rejected claim derive written description support and are enabled. J.A. 11642-792. The Board denied his request for rehearing, holding that these new arguments and citations could and should have been presented during the original appeal briefing. J.A. 11805-07.

### C. The § 145 Action

On April 16, 2003, Hyatt, now acting through counsel, filed a district court action under 35 U.S.C. § 145 against the Director. The Director filed a motion for summary judgment, arguing principally that the Board's decision to reject all of the relevant claims of the '702 application for lack of written description and enablement was supported by substantial evidence. Hyatt opposed the motion, proffering his own declaration as well as his briefing from his request for rehearing before the Board (collectively, "Hyatt declaration") as purported evidence supporting his opposition and precluding summary judgment in favor of the Director. The Director objected to the Hyatt declaration on the ground that Hyatt failed to timely submit it before the Board. *Hyatt v. Dudas*, 2005 WL 5569663, at \*\*4, 6 n.11 (D.D.C. Sept. 30, 2005) ("*Hyatt II*"). Hyatt submitted no other evidence.

The district court excluded the Hyatt declaration because it found Hyatt had been "negligent" in failing to submit it to the PTO during examination or in a timely manner to the Board on appeal. *Id.* at \*4-7. The district court then proceeded to analyze the record before the Board and concluded that the Board's decision to uphold the written description rejections was supported by substantial evidence. *Id.* at \*7-10. As the court found that no genuine issues of material fact had been raised, it granted summary judgment to the Director that Hyatt's claims were invalid for failure to meet the written description requirement (and considered the enablement issue moot). *Id.* at \*10. The district court denied Hyatt's subsequent motion for reconsideration. *Hyatt v. Dudas*, 2006 WL 4606037 (D.D.C. Sept. 30, 2006).

Hyatt then timely appealed the district court’s judgment to this court. We stayed this appeal pending the decision in a related appeal, *Hyatt v. Dudas*, 492 F.3d 1365 (Fed. Cir. 2007) (“*Hyatt I*”). We have jurisdiction under 28 U.S.C. § 1295(a)(4)(C).

## II.

The central issue in this appeal is whether the district court properly excluded the Hyatt declaration. The parties argue whether, in light of over a century of precedent and practice involving trial court actions to overturn Patent Office decisions, the district court properly excluded Hyatt’s declaration. The parties are correct that this court has never squarely addressed the issue of exactly what standard governs district courts in ruling on the admissibility of evidence withheld during examination in the PTO. Hyatt argues that a plaintiff in a § 145 action is “‘entitled’ to submit additional evidence” subject to no limitations other than those imposed by the Federal Rules of Evidence. [Blue br. at 11-12]. The Director counters that Congress could not have intended district courts in § 145 actions to disregard the proceedings before the PTO altogether. The Director urges that § 145 actions are at least partly a form of appeal of PTO decisions, and that evidence not submitted to the PTO through the negligence, or at least the gross negligence, of the applicant is properly excluded in a § 145 action.

Section 145 is silent regarding what evidence—or whether any new evidence—can be admitted in such an action. Nor does the statute expressly indicate what, if any, deference the district court must give to the findings of the Board, or our court to the rulings of the district court. As background, we will trace the origins of

§ 145<sup>3</sup> and summarize the historical practice of excluding certain evidence an applicant did not present to the Patent Office. We will also discuss one issue the parties did not, the Administrative Procedure Act (“APA”).

A.

1.

Shortly after the founding of the United States, Congress, pursuant to its constitutional power to “promote the Progress of Science and useful Arts,” U.S. Const. art. I, § 8, cl. 8, passed its first patent act. Act of Apr. 10, 1790, ch. 7, 1 Stat. 109-12. Under this statute, a majority of “the Secretary of State, the Secretary for the department of war, and the Attorney General” had the power to allow a patent application. *Id.* § 1. Congress did not provide for judicial review of the decision to reject a patent application. Three years later, Congress abolished the examination of patents, and for the next three decades, the United States operated under a regime of patent registration. *See* Act of Feb. 21, 1793, ch. 1, § 1, 1 Stat. 318; P.J. Federico, *Evolution of Patent Office Appeals* (pts. 1 & 2), 22 J. Pat. Off. Soc’y 838 (1940), 22 J. Pat. Off. Soc’y 920 (1940), at 838.

In 1836, Congress created the Patent Office and the post of Commissioner of Patents. Act of July 4, 1836, ch. 357, § 1, 5 Stat. 117. The Commissioner and his staff of seven were responsible for determining if patent applications disclosed sufficiently useful, important, and novel alleged inventions to warrant a patent. *See id.* §§ 2, 7. An applicant dissatisfied with the Commis-

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<sup>3</sup> Which, according to the Supreme Court, “cannot be stated briefly.” *Hoover Co. v. Coe*, 325 U.S. 79, 84, 65 S. Ct. 955, 89 L. Ed. 1488 (1945) (discussing origins of R.S. § 4915).



sioner's decision could appeal to a "board of examiners" appointed by the Secretary of State; at least one board member was "to be selected, if practicable and convenient, for his knowledge and skill in the particular art, manufacture, or branch of science to which the alleged invention appertains." *Id.* § 7. Congress also created a process whereby an applicant could challenge the decision of the board of examiners in court, although this was limited to situations involving overlap between patents or between a patent and a patent application:

*[W]henever there shall be two interfering patents, or whenever a patent on application shall have been refused on an adverse decision of a board of examiners, on the ground that the patent applied for would interfere with an unexpired patent previously granted, any person interested in any such patent, either by assignment or otherwise, in the one case, and any such applicant in the other case, may have remedy by bill in equity; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge and declare either the patents void in the whole or in part, or inoperative and invalid in any particular part or portion of the United States, according to the interest which the parties to such suit may possess in the patent or the inventions patented, and may also adjudge that such applicant is entitled, according to the principles and provisions of this act, to have and receive a patent for his invention, as specified in his claim, or for any part thereof, as the fact of priority of right or invention shall in any such case be made to appear. And such adjudication, if it be in favor of the right of such applicant, shall authorize the Commissioner to issue such patent, on his filing a copy of the adjudication,*

and otherwise complying with the requisitions of this act. Provided, however, That no such judgment or adjudication shall affect the rights of any person except the parties to the action and those deriving title from or under them subsequent to the rendition of such judgment.

*Id.* § 17 (emphasis added and removed). Congress additionally provided for federal jurisdiction over such actions with no restrictions on venue: “[A]ll actions, suits, controversies, and cases arising under any law of the United States, granting or confirming to inventors the exclusive right to their inventions or discoveries, shall be originally cognizable, as well in equity as at law, by the circuit courts of the United States, or any district court having the powers and jurisdiction of a circuit court.” *Id.* § 18.

Over the next several decades, minor changes were made to the process of contesting an adverse decision of the Commissioner. In 1839, Congress specified that instead of to a board of examiners, appeals from a decision of the Commissioner would be taken “to the chief justice of the district court of the United States for the District of Columbia.” Act of Mar. 3, 1839, ch. 88, § 11, 5 Stat 355. Several years later, Congress instead directed appeals to any one of the judges of “the Circuit Court of the District of Columbia.”<sup>4</sup> Act of Aug. 30, 1852, ch. 107, § 1, 10 Stat. 75. During the Civil War, Congress abolished the District of Columbia district and circuit courts and assigned all their functions to the newly-created “supreme court for the District of Columbia.” Act of

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<sup>4</sup> The District of Columbia district and circuit courts were both staffed by the same three judges. Federico at 850-52.

Mar. 3, 1863, ch. 91, §§ 1, 3, 12 Stat 762-63. None of these changes affected the procedure of the 1836 act for a bill in equity, which remained available after some court of the District of Columbia had reviewed the Commissioner's decision. See *Potter v. Dixon*, 19 F. Cas. 1145, 1146 (C.C.S.D.N.Y. 1863) (No. 11, 325).

Congress substantially revised the patent laws in 1870. See Act of July 8, 1870, ch. 230, 16 Stat. 198-217. Primary responsibility for examining an application was vested in a "primary examiner;" Congress also authorized a single "examiner in charge of interferences." *Id.* §§ 4, 46. The decision of either could be appealed "to the board of examiners-in-chief," and from there to the Commissioner.<sup>5</sup> *Id.* §§ 46-47. Further appeal could be taken "to the supreme court of the District of Columbia, sitting in banc;" the appeal was to be decided "on the evidence produced before the commissioner." *Id.* §§ 48-50. The decision of the District of Columbia supreme court could be challenged via a bill in equity:

*[W]henever a patent on application is refused, for any reason whatever, either by the commissioner or by the supreme court of the District of Columbia upon appeal from the commissioner, the applicant may have remedy by bill in equity; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim, or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the com-*

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<sup>5</sup> These statutory changes merely formalized the practice that had developed over time within the Patent Office. Federico at 853-56.

missioner to issue such patent, on the applicant filing in the patent office a copy of the adjudication, and otherwise complying with the requisitions of law. *And in all cases where there is no opposing party a copy of the bill shall be served on the commissioner, and all the expenses of the proceeding shall be paid by the applicant, whether the final decision is in his favor or not.*

*Id.* § 52 (later codified as R.S. § 4915) (emphasis added).<sup>6</sup> Unlike the procedure under the 1836 act, the 1870 act allowed a bill in equity for any refusal to allow a patent application, not just a refusal based on an interfering patent.<sup>7</sup>

In 1893, Congress created “the court of appeals of the District of Columbia,” which had general appellate supervision of the supreme court of the District of Columbia. Act of Feb. 9, 1893, ch. 74, §§ 1, 7, 27 Stat. 434-35. To this new court were also assigned appeals from decisions of the Commissioner. *Id.* § 9. While appeals from “final judgments” of the court of appeals of the District of Columbia could be taken to the Supreme Court, *id.* § 8, the Supreme Court held that it lacked jurisdiction to review a decision of the Court of Appeals of the District of Columbia affirming the Commis-

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<sup>6</sup> Although the statute provided a bill in equity could be filed after an adverse decision “either by the commissioner or by the supreme court of the District of Columbia upon appeal from the commissioner,” the statute was nonetheless interpreted as allowing a bill in equity to be filed only after an adverse decision of the supreme court of the District of Columbia. See *Kirk v. Comm’r of Pats.*, 5 Mackey 229, 1886 WL 15875, \*2 (D.C.Sup. 1886).

<sup>7</sup> The rules of equity practice applied to suits under Revised Statutes § 4915. See *Appleton v. Ecaubert*, 45 F. 281, 282 (C.C.E.D.N.Y. 1891).

sioner's rejection of an application because "the decision of that court may be challenged generally and a refusal of patent may be reviewed and contested by bill as provided" for by Revised Statutes § 4915. *Frasch v. Moore*, 211 U.S. 1, 9, 29 S. Ct. 6, 53 L. Ed. 65 (1908).

Although this created an appellate path from the Patent Office that may seem highly unusual to us today, such a path was used. See *Uihlein v. Gen. Elec. Co.*, 47 F.2d 997, 998 (7th Cir. 1931) (appeal from examiner of interferences, to board of examiners-in-chief, to Commissioner, to D.C. Cir., to E.D. Wis., to 7th Cir.); *Courson v. O'Connor*, 227 F. 890, 890, 892 (7th Cir. 1915) (appeal from examiner of interferences, to board of examiners-in-chief, to Commissioner, to D.C. Cir., to N.D. Ill., to 7th Cir.). It also seemed unusual to many at the time; in Congressional hearings and reports leading up to the 1927 amendments to the Patent Act, the fact that in no other area of law were "five appeals" possible was often mentioned. See, e.g., *Procedure in the Patent Office: Hearing on H.R. 7563 and H.R. 13487 before the H. Comm. on Pats.* ("H.R. 7563 Hearing"), 69th Cong. 8 (Dec. 10, 1926) (statement of A.C. Paul, Chairman of Legislation Comm., Pat. Section, of the Am. Bar Ass'n); *Procedure in the Patent Office: Hearing on S. 4812 before the S. Comm. on Pats.* ("S. 4812 Hearing"), 69th Cong. 8 (Dec. 20, 1926) (statement of Thomas E. Robertson, Comm'r of Pats.); H.R.Rep. No. 69-1889, at 1, 2, 7 (Jan. 28, 1927).<sup>8</sup>

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<sup>8</sup> While Revised Statutes § 4915 did not on its face limit the venues in which a dissatisfied applicant could file a bill in equity, the practice of the Commissioner sometimes did. See *S. 4812 Hearing* at 8 (Robertson) ("If it is an ex parte case, the statute requires that service must be made on the Commissioner of Patents, and the Commissioner of Patents will not accept service in these suits all over the United States.

In 1927, Congress significantly altered the process of reviewing rejections. A substantial motivation for doing so was the unusual and lengthy process involving “five appeals” for patent applicants. *See id.* To streamline the appeal process, various groups suggested eliminating the bill in equity or the direct appeal from the Patent Office; Congress settled on retaining both procedures but forcing applicants to elect one or the other. *Hoover Co. v. Coe*, 325 U.S. 79, 83, 65 S. Ct. 955, 89 L. Ed. 1488 (1945); *S. 4812 Hearing* at 10 (Paul). Defenders of the bill in equity primarily argued for it by pointing out that it was the only method for supporting a patent application with live testimony. *See, e.g., H.R. 7563 Hearing* at 11, 15 (Robertson); *S. 4812 Hearing* at 15 (statement of Edward S. Rogers). Congress additionally simplified the appeal process by combining the two appeals within the Patent Office (to the board of examiners-in-chief and then to the Commissioner) into one (to a three-member “board of appeals” constituted from “the Commissioner of Patents, the first assistant commissioner, the assistant commissioner, and the examiners in chief”). Act of Mar. 2, 1927, ch. 273, §§ 3-9, 44 Stat. 1335-36.

Because of a backlog in the Court of Appeals of the District of Columbia, in 1929, Congress renamed the “Court of Customs Appeals” the “Court of Customs and Patent Appeals,” and redirected appeals from the Patent Office to the renamed court. Act of Mar. 2, 1929, ch. 488, 23 Stat. 1475-76; *S. 4812 Hearing* at 25-27 (state-

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The Department of Justice has not thought it proper to do that, so the commissioner will accept service only in the District of Columbia, or in Baltimore, nearby . . . . When I came in as commissioner five years ago we had one in Texas, and, of course, it makes it very difficult for the department to handle.”)

ment of Karl Fenning, Chairman, Comm. on Laws & Rules of the Am. Pat. Law Ass'n).<sup>9</sup>

Congress significantly reworked the Patent Act in 1952. Revised Statutes § 4915 was bifurcated into separate provisions: 35 U.S.C. § 145 for ex parte proceedings, and 35 U.S.C. § 146 for interference proceedings. Congress made clear that this was not meant to change the substantive application of Revised Statutes § 4915. *See* S. Rep. No. 82-1979 (1952), as *reprinted in* 1952 U.S.C.C.A.N. 2394, 2400. (“This group of sections makes no fundamental change in the various appeals and other review of Patent Office action, but has made a few changes in the procedure in various instances to correct some of the problems which have arisen, particularly in section 146. These details are mainly procedural.”). Subsequent changes to § 145 have been mainly cosmetic; § 145 currently reads (much as it did in 1952):

An applicant dissatisfied with the decision of the Board of Patent Appeals and Interferences in an appeal under [35 U.S.C. § 134(a)] may, unless appeal has been taken to the United States Court of Appeals for the Federal Circuit [under 35 U.S.C. § 141], have remedy by civil action against the Director in the United States District Court for the District of Columbia if commenced within such time after such decision, not less than sixty days, as the Director appoints. 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

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<sup>9</sup> Prior to this change, Chief Justice William Howard Taft had been regularly reassigning judges from the Court of Customs Appeals to the Court of Appeals of the District of Columbia to help relieve the latter court's congestion. *S. 4812 Hearing* at 25-27.

the Board of Patent Appeals and Interferences, as the facts in the case may appear and such adjudication shall authorize the Director to issue such patent on compliance with the requirements of law. All the expenses of the proceedings shall be paid by the applicant.

## 2.

Under Revised Statutes § 4915 as it existed from 1927 to 1952, differences existed between the procedure for bills in equity based on ex parte proceedings and those based on interferences; as enacted in 1927, the last three sentences read:

*In all cases where there is no opposing party a copy of the bill shall be served on the commissioner; and all the expenses of the proceedings shall be paid by the applicant, whether the final decision is in his favor or not. In all suits brought hereunder where there are adverse parties the record in the Patent Office shall be admitted in whole or in part, on motion of either party, subject to such terms and conditions as to costs, expenses, and further cross-examination of the witnesses as the court may impose, without prejudice, however, to the right of the parties to take further testimony. The testimony and exhibits, or parts thereof, of the record in the Patent Office when admitted shall have the same force and effect as if originally taken and produced in the suit.*

(emphasis added). The first of these sentences is the basis for the last sentence of the current version of § 145: “All the expenses of the proceedings shall be paid by the applicant.” The last two sentences of Revised



Statutes § 4915 appear in revised form in the current version of § 146:

*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.*

(emphasis added). Congress added these last two sentences to Revised Statutes § 4915 in 1927 to eliminate an inefficient practice that had previously been required in interferences. As the Third Circuit explained, under Revised States § 4915 prior to the 1927 amendment,

the evidence given in the interference proceedings could be introduced only as secondary evidence, after proper foundation laid. The competency of such evidence had to be determined according to the principles of equity jurisprudence. In other words, the witnesses who had testified in the interference proceedings had to testify anew in the suit in the district court. If they did not so testify their absence had to be accounted for in the usual way if the testimony taken in the interference was to be received as secondary evidence. The [1927] amendment was passed to avoid this arduous and expensive means of reproducing the evidence of the interference proceedings in the suit.

*Gen. Talking Pictures Corp. v. Am. Tri-Ergon Corp.*, 96 F.2d 800, 812 (3d Cir.1938).

To the extent that pre-1927 interferences cases could be read to support a de novo review standard, these cases are based on the prior practice of affording the Patent Office record little weight. For example, in *Ex parte Squire* (which was cited in *Hoe*, 112 U.S. at 61, 5 S. Ct. 25) the court explained that “[t]he evidence before the commissioner is not evidence here, except by consent of parties. It is taken, generally, without much regard to formality, and is ex parte, and, even if permitted to be used here, not entitled to the credit of proof taken in the usual way.” 22 F. Cas. at 1016-17. In amending Revised Statutes § 4915 in 1927, Congress clearly rejected this approach.

Because both § 145 and § 146 are derived from Revised Statutes § 4915, and we have previously described them as “parallel provisions,” *Winner Int’l Royalty Corp. v. Wang*, 202 F.3d 1340, 1345 (Fed. Cir. 2000), our precedent from § 146 cases can be used for guidance in interpreting § 145. We have noted that while § 146 prescribes a method for introducing the PTO record in a § 146 action, “section 145 is completely silent about evidence.” *Winner*, 202 F.3d at 1345.

However, as explained in *General Talking Pictures*, Congress provided in § 146 this method of admitting the Patent Office record and required that it “shall have the same effect as if originally taken and produced in the suit” to overcome a specific problem that existed only in bills in equity based on interferences, not those based on ex parte prosecution. The absence of similar language in § 145 does not suggest that the PTO record should be given less weight in a § 145 action. But see *Fregeau v.*

*Mossinghoff*, 776 F.2d 1034, 1041-42 (Fed. Cir. 1985) (Newman, J., concurring in part) (asserting § 145's silence about evidence means that § 145 proceedings should be conducted without regard to PTO record). Indeed, as we discuss below, it was well established by the Supreme Court that review of agency decisions was generally on the agency record. It should also be kept in mind that there are differences between ex parte prosecution and interference practice before the PTO, such as that live testimony may in certain circumstances be taken in interferences but not ex parte prosecution, see Trial Division of the Board of Patent Appeals and Interferences Standing Order at 1, <http://www.uspto.gov/go/dcom/bpai/Standing-Order.pdf>; *Ginter v. Benson*, 81 U.S.P.Q. 2d 1342, 1349 (B.P.A.I. 2005).

## 3.

While the Federal Circuit has not delineated a standard under which evidence may be excluded in § 145 actions,<sup>10</sup> various other courts have. Issues specific to § 145 actions are a matter of Federal Circuit, rather than regional circuit, law. *Titanium Metals Corp. of Am. v. Banner*, 778 F.2d 775, 779 (Fed. Cir. 1985). So far, we have left open the extent to which we should adopt the § 145 precedents from other circuits. *Id.* We

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<sup>10</sup> The dissent presents several of cases in which this court has considered new evidence in § 145 and § 146 cases without analyzing whether that evidence should have been presented to the PTO. Dissent at 1284-85. In none of the cases the dissent cites, however, did any party object to the evidence. This court does not engage in sua sponte review of evidentiary rulings; objections not raised before the district court are ordinarily considered waived. *Caterpillar Inc. v. Sturman Indus.*, 387 F.3d 1358, 1368 (Fed. Cir. 2004).

thus undertake a review of past decisions of other courts.

Under the pre-1927 version of the statute, the Supreme Court made clear that a bill in equity under Revised Statutes § 4915 was not independent of proceedings in the Patent Office. Instead, the Court described this bill in equity as

something more than a mere appeal. It is an application to the court to set aside the action of one of the executive departments of the government. The one charged with the administration of the patent system had finished its investigations and made its determination with respect to the question of priority of invention. That determination gave to the defendant the exclusive rights of a patentee. A new proceeding is instituted in the courts,—a proceeding to set aside the conclusions reached by the administrative department, and to give to the plaintiff the rights there awarded to the defendant. *It is something in the nature of a suit to set aside a judgment, and, as such, is not to be sustained by a mere preponderance of evidence.*

*Morgan v. Daniels*, 153 U.S. 120, 124, 14 S. Ct. 772, 38 L. Ed. 657 (1894) (emphasis added). Although dealing with the burden of proof and not admissibility of evidence, Morgan makes clear that the proceedings before the Patent Office could not be disregarded in court proceedings. The Supreme Court had also explained that under Revised Statutes § 4915, an applicant could file a

bill in equity. This mean[t] a proceeding in a court of the United States having original equity jurisdiction under the patent laws, according to the ordinary

course of equity practice and procedure. It [wa]s not a technical appeal from the patent-office, like that authorized in section 4911, confined to the case as made in the record of that office, but [wa]s prepared and heard upon all competent evidence adduced, and upon the whole merits.

*Butterworth v. United States ex rel Hoe*, 112 U.S. 50, 61, 5 S. Ct. 25, 28 L. Ed. 656 (1884);<sup>11</sup> *see also Hoover Co. v. Coe*, 325 U.S. 79, 83, 65 S. Ct. 955, 89 L. Ed. 1488 (1945) (Under R.S. § 4915, “a formal trial is afforded on proof which may include evidence not presented in the Patent Office.”); *In re Hien*, 166 U.S. 432, 439, 17 S. Ct. 624, 41 L. Ed. 1066 (1897) (“The bill in equity provided for by section 4915 is wholly different from the proceeding by appeal from the decision of the commissioner . . . . The one is in the exercise of original, the other of appellate, jurisdiction.”). More recently, the Court has also, “in passing, noted the settled law that in a section 145 action a disappointed applicant may present evidence that it did not present to the Board, and that the ‘presence of such *new* or *different* evidence makes a factfinder of the district judge.’” *Winner*, 202 F.3d at 1345-46 (quoting *Dickinson v. Zurko*, 527 U.S. 150, 164, 119 S. Ct. 1816, 144 L. Ed.2d 143 (1999)) (emphasis added in *Winner*).

The dissent states that our holding is “in conflict with Supreme Court jurisprudence on this point.” Dissent at 1282. In fact, the Supreme Court has never decided the issue of what kind of evidence or when evidence could be introduced in § 145 or Revised Statutes § 4915 actions, and there is no clear guidance to be gleaned from Su-

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<sup>11</sup> The dissent misrepresents the import of an isolated phrase from this quotation. *See Dissent* at 1283.

preme Court jurisprudence. The dissent fails to recognize that *Hoe* involved not a bill in equity under Revised Statutes § 4915 but rather a writ of mandamus; the issue was “whether the secretary of the interior had power by law to revise and reverse the action of the commissioner of patents” in an interference. 112 U.S. at 54, 5 S. Ct. 25. As quoted above, the Court in *Hoe* noted that a suit under Revised Statutes § 4915 was “prepared and heard upon all competent evidence adduced,” but remained silent as to what was “competent evidence” under Revised Statutes § 4915.<sup>12</sup> The dissent erroneously presents these phrases from *Hoe* as a holding. Dissent at 9. The dissent’s reading of *Hoe*, however, is contrary to the Supreme Court’s:

Although, as was said by this court in [*Hoe*], the proceeding by bill in equity, under section 4915, on the refusal to grant an application for a patent, intends a suit according to the ordinary course of equity practice and procedure, and is not a technical appeal from the patent-office, nor confined to the case as made in the record of that office, but is prepared and heard upon all competent evidence adduced, and upon the whole merits, *yet the proceeding is, in fact and necessarily, a part of the application for the patent.*

*Gandy v. Marble*, 122 U.S. 432, 439, 7 S. Ct. 1290, 30 L. Ed. 1223 (1887) (emphasis added; citations omitted); *see also Hien*, 166 U.S. at 434, 17 S. Ct. at 626 (in explaining *Gandy*, noting that “the bill in equity was sub modo a branch of the application for the patent”).

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<sup>12</sup> Competent evidence is a synonym for admissible evidence. Bryan A. Garner, *A Dictionary of Modern Legal Usage* 186 (1995 2d ed.).

None of the other Supreme Court cases the dissent relies upon addressed this question either, or even involved suits under § 145 or Revised Statutes § 4915. The issue in *Zurko* (which involved an appeal under § 141 rather than an action under § 145) was whether the standard of review set forth in the APA “applies when the Federal Circuit reviews findings of fact made by the Patent and Trademark Office.”<sup>13</sup> 527 U.S. at 152, 119 S. Ct. 1816. In *Hien*, which involved an appeal under Revised Statutes § 4911 rather than a bill in equity under Revised Statutes § 4915, the Court decided whether the two-year time limit for an applicant to respond to actions of the Patent Office required that an applicant be allowed two years to file a notice of appeal with the court of appeals for the District of Columbia. 166 U.S. at 436, 17 S. Ct. 624.

To be sure, the Supreme Court cases establish that in some circumstances new evidence may be submitted. But merely because new evidence may be submitted does not necessarily mean this right is unfettered;<sup>14</sup>

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<sup>13</sup> It is ironic that the dissent downplays the importance of the holding of *Zurko* (and criticizes the fact that we even discuss the APA), see Dissent at 12 n. 4, and instead fixates on the statement that § 145 “permits the disappointed applicant to present to the court evidence that the applicant did not present to the PTO” (which was part of a rejection of the Federal Circuit’s rationale for holding that the APA did not apply to appeals under § 141). See *Zurko*, 527 U.S. at 164, 119 S. Ct. 1816. Of course new evidence is “permit[ted]”, but this does not mandate the admission of all evidence whatsoever. If this statement were as absolute as the dissent believes, it would seemingly trump the Federal Rules of Evidence.

<sup>14</sup> The dissent overlooks this distinction. See Dissent at 1281-85. Neither *Ex parte Squire*, 22 F. Cas. 1015, 1017 (C.C.E.D. Mo. 1877) (No. 13,269), nor *Butler v. Shaw*, 21 F. 321, 326 (C.C.D. Mass. 1884), support the dissent’s argument that the right to admit new evidence is

there still may be situations in which new evidence may be excluded. Over the last century, lower federal courts have found circumstances in which the actions of a party before the Patent Office justify excluding evidence offered by that party from a suit to obtain a patent.

In an opinion from 1896, the Sixth Circuit, although not excluding evidence outright, stated “that its evidential weight is much impaired from the fact that, though accessible, it was not introduced during the interference proceedings.” *Standard Cartridge Co. v. Peters Cartridge Co.*, 77 F. 630, 638 (6th Cir. 1896).

In *Western Electric Co. v. Fowler*, a party to an interference, Fowler, argued for and submitted evidence supporting a June 1901 date of reduction to practice, and, after the examiner of interferences awarded priority to his opponent in the interference, Fowler attempted to submit new evidence supporting a March 1901 reduction to practice. 177 F. 224, 226 (7th Cir. 1910). This new evidence was admitted, but the examiner of interferences held Fowler to his original argument. *Id.* Fowler appealed successively to the examiner in chief, the Commissioner, and the Court of Appeals for the District of Columbia, but the decision of the examiner of interferences was affirmed each time. *Id.* Fowler filed a bill in equity to obtain a patent, and the Circuit Court for the Northern District of Illinois found for Fowler. *Id.* at 224. On appeal, the Seventh Circuit discounted the evidence Fowler produced tardily in the Patent Office, and on that basis, reversed the district court. *Id.* at 228-29; *see also Courson v. O’Connor*, 227

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wholly unconstrained; each merely recites the unremarkable proposition that new evidence may have been submitted in a suit under Revised Statutes § 4915.



F. 890, 892-93 (7th Cir. 1915) (allowing new testimony in the circumstance of that case).

The court in *General Electric Co. v. Steinberger* took a limited view of what new evidence could be disregarded:

In some instances the new testimony is offered as to matters which were not thought relevant or necessary for presentation to the Patent Office in the previous hearing.

In general it must be held that all such testimony is competent and must be considered by the court in the action under section 4915, but in so far as the conclusions of the Patent Office, as sustained on appeal, are treated as a fair determination, upon similar testimony, and hence as being valid unless plainly erroneous, and in so far as the parties to the interference proceeding may have been estopped from asserting things inconsistent with their claims before the Patent Office, this court will not use the additional proofs in reaching a conclusion on the right to the patent, until it has determined whether the defeated party is in a position to contest further, or to give additional testimony about, the matters thus previously determined.

208 F. 699, 701 (E.D.N.Y. 1913).

After the 1927 amendments to the Patent Act, no circuit court allowed a de novo trial in an action under Revised Statutes § 4915. One of the more influential cases on the admissibility of evidence is *Barrett Co. v. Koppers Co.*, 22 F.2d 395 (3d Cir. 1927). There, during interference proceedings in the Patent Office, the Barrett Company instructed its employees not to answer questions

about certain of its “commercial practices.” *Id.* at 396. The Barrett Company lost the interference, and then filed a bill in equity under Revised Statutes § 4915 and sought to introduce before the district court the exact testimony it had instructed its employees not to provide during the interference. *Id.* The Third Circuit found that the district court properly excluded this evidence, saying:

The law gave the plaintiffs a day in court on the issue of priority. That was the day the interference was heard and if they chose not to avail themselves of their full rights but to gamble on the decision by giving only a part, and the weaker part, of the evidence they had in hand, they did it at their own risk. After losing on such evidence in what otherwise would be a train of futile appeals in the patent tribunals and Court of Appeals of the District of Columbia they cannot come into a District Court and say, now for the first time we shall tell the true story of reduction to practice and demand a patent.

. . . . *When, as in this case, a party has refused to produce evidence for consideration by the Court of Appeals of the District of produces that very evidence to overcome the effect of that court’s decision, he comes very close to trifling with the courts’ processes.* If in this case the Court of Appeals of the District of Columbia was wrong it was because the plaintiffs purposely kept it in the dark. If now this court were in effect to reverse the decision of that court on evidence brought to light for the first time, we should be assisting the plaintiffs to profit by their own technical wrong doing.

. . . . Particularly are we anxious that no one should think that we hold that any evidence not before the Court of Appeals of the District of Columbia is inadmissible in an action under section 4915, R.S. Such a notion would destroy the action given by section 4915, R.S. and throw overboard the whole doctrine of *Morgan v. Daniels*. Specifically our decision is that the plaintiffs in this action under section 4915, R.S., are *estopped to offer evidence which was wholly within their possession and control at the interference proceeding* and which they withheld from that proceeding and, therefore, withheld from the other patent tribunals and the Court of Appeals of the District of Columbia, and thereby made it impossible for those tribunals and that court to render what they, the plaintiffs, now maintain is the right decision.

*Id.* at 397 (formatting altered; emphasis added); *see also Standard Oil Co. v. Montedison, S.p.A.*, 540 F.2d 611, 616 (3d Cir. 1976) (“An action brought under § 146” is “limited to the review of a decision of the Board of Patent Interferences.”).

While the Third Circuit gave *Barrett* a fairly limited reading in a subsequent case,<sup>15</sup> other courts have inter-

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<sup>15</sup> *See Minn. Mining & Mfg. Co. v. Carborundum*, 155 F.2d 746, 748 (3d Cir. 1946) (distinguishing *Barrett* and affirming district court’s denial of motion to exclude expert testimony which was allegedly “available to the plaintiffs at the time of the proceedings in the Patent Office” because the evidence was not *intentionally suppressed*). In a subsequent, related appeal of *Standard Oil*, the Third Circuit rejected the argument that the district court should have required a party to explain why it was only offering evidence for the first time before the district court. *Standard Oil Co. (Ind.) v. Montedison, S.P.A.*, 664 F.2d 356, 376 (3d Cir. 1981) (“[N]ew expert testimony is clearly admissible in a section 146 action without such justification to the extent that it aids the

preted *Barrett* more broadly. The Eighth Circuit cited *Barrett* when affirming a district court's exclusion of evidence that could have been presented to the Patent Office but was not. *Kirschke v. Lamar*, 426 F.2d 870, 872-75 (8th Cir. 1970). The District of Massachusetts followed *Barrett* in *O'Donnell v. United Shoe Machinery Corp.*, 2 F. Supp. 178, 181 (1933). There, the plaintiff presented witnesses to the Patent Office, but they did not testify about an experiment the plaintiff had allegedly performed. *Id.* After losing the interference, the plaintiff instituted a suit under Revised Statutes § 4915, and sought to have the same witnesses testify about the alleged experiment. *Id.* The defendant objected to this new evidence, and the court disallowed it, saying:

All of the additional testimony was available when the question of priority was before the Patent Office.

. . .

I am not inclined to sanction the practice of submitting issues of fact to an administrative department, competent to decide the issue, upon a partial presentation of the available evidence, reserving the full presentation for a trial in the courts to set aside the order of the administrative authority. This practice was justly condemned in *Barrett Co. v. Koppers Co.* . . .

*Id.*

The Eastern District of New York promulgated a novel formulation of the rule of *Barrett*, namely that

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court in understanding issues already presented to the Board.”). It is not clear from the opinion, however, that the objecting party did anything other than attempt to place the burden of justifying the evidence on the party offering it.

evidence available to but not presented by the party who lost before the Patent Office would be given “no weight” because the losing party gave “no sufficient reason” why the evidence was not presented to the Patent Office. *Perkins v. Lawrence Sperry Aircraft Co.*, 57 F.2d 719, 720-21 (E.D.N.Y. 1932). Conversely, the court also ruled that the party successful before the patent office was “not bound by” this rule. *Id.* However, Judge Learned Hand, writing for the Second Circuit, hinted his disapproval of such a stringent exclusion standard the following year:

In *Barrett Co. v. Koppers*, the Third Circuit refused to consider evidence which the inventor had deliberately suppressed in the interference, and used broader language than the exact situation required, which we quoted with approval in *Greene v. Beidler*, 58 F.2d 207, 209-10 (2d Cir. 1932). However, it does not follow that it would have extended the doctrine to evidence not suppressed, but merely neglected through the plaintiff’s slackness in preparation. *Perkins v. Lawrence Sperry Aircraft Co.* did so extend it, but we need not approve. The question is doubtful and we prefer to leave it open, for it is not necessary to answer it here.

*Dowling v. Jones*, 67 F.2d 537, 538 (2d Cir. 1933) (citations altered and omitted; formatting altered; emphasis added).<sup>16</sup>

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<sup>16</sup> The Second Circuit had earlier approved of *Barrett*. See *Greene v. Butler*, 58 F.2d 207, 209-10 (2d Cir. 1932) (quoting *Barrett* for the proposition that parties “cannot come into a District Court and say, now for the first time we shall tell the true story of reduction to practice and demand a patent” and stating “this is substantially the position which the appellees here have taken. It cannot prevail.”).

The Seventh Circuit likewise accepted that evidence could be excluded from a case brought under Revised Statutes § 4915 because of the actions of a patent applicant:

*In the Barrett case, the additional evidence was at all times “wholly within (the) possession and control” of plaintiff, but he had “withheld” the evidence from the Patent Office. Under such circumstances, it is reasonable that the withholding person be estopped to present that evidence later. Such a principle of estoppel works properly in many instances, e.g., when evidence has been deliberately withheld or secreted, and when a story is completely changed on coming to court. We do not dispute the soundness of the proposition that all pertinent evidence, actually available, should be submitted in the first instance. To permit partial presentation before the Patent Office is to sanction the destruction of administrative justice.*

But we are satisfied that the estoppel principle has its limitations. It should not be used to penalize an innocent party. *Nor should it exclude the presentation of evidence, which previously had not been procurable or which had become known after the interference proceedings.* Coming now to the instant case, we find that Stoekle did *not intentionally withhold* the evidence which he later produced in court. . . . It seems undisputable that evidence may be available and existent at a given time, and yet not be within the knowledge or “possession and control” of the person desiring to make use of it. We are not prepared to say that Stoekle did not exercise *due diligence* in procuring the evidence sooner than he did.

*Globe-Union v. Chicago Tel. Supply Co.*, 103 F.2d 722, 728 (7th Cir. 1939) (formatting altered; emphasis added).

By the time of *Velsicol Chemical Corp. v. Monsanto Co.*, at least in the Seventh Circuit, the rule based on *Barrett* had developed into the following:

[A]bsent special circumstances,<sup>17</sup> the proper question for the district court was whether the failure of the proponent of the additional evidence to uncover its existence earlier or to procure it for the interference proceeding occurred *in spite of the proponent's diligence in preparing his case before the Board*. We agree with the court in *Kirschke* that it makes no difference whether the failure to produce the evidence was “attended by reprehensible motives or not (or) whether it be for tactical or other reasons.” 426 F.2d at 874. Moreover, we find that in terms of the policy of encouraging full disclosure it is not necessary that there have been an affirmative action or *decision to suppress the evidence; it is enough that a reasonably diligent preparation of the proponent's case before the Board would have led to the discovery of the existence of the evidence and its production*. Nor is it necessary that the evidence have been in the exclusive control and possession of the proponent, as long as it was procurable by him. Conversely, *a litigant who has been reasonably diligent in identifying and procuring evidence for the interfer-*

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<sup>17</sup> Examples of special circumstances might include an intervening change in the law, the presence of a new issue, or the admission of other new evidence deserving of a response or further elaboration. *See e.g., Douglas Aircraft Co. v. Mueller*, 107 U.S. App. D.C. 321, 277 F.2d 351 (1960).

*ence proceeding will not be precluded* from strengthening his presentation in the district court if new evidence should become available to him in the interim.

*Velsicol*, 579 F.2d 1038, 1046 & n. 10 (7th Cir. 1978) (footnote renumbered; emphasis added).

The D.C. Circuit has stated that “the plaintiff may not submit for the first time evidence which he was negligent in failing to submit to the Patent Office.” *Cal. Research Corp. v. Ladd*, 356 F.2d 813, 820 n. 18 (D.C. Cir. 1966). The D.C. Circuit has also prohibited an applicant from raising new issues in a § 145 action, and justified that rule as a necessary extension of the requirement that one exhaust administrative remedies before resorting to court, *DeSeversky v. Brenner*, 424 F.2d 857, 859-60 (D.C. Cir. 1970) (per curiam), or, as the D.C. Circuit has also explained it, a § 145 action “may not be conducted in disregard of the general policy of encouraging full disclosure to administrative tribunals,” *Cal. Research*, 356 F.2d at 820 n. 18; see also *Knutson v. Gallsworthy*, 164 F.2d 497, 508-09 (D.C. Cir. 1947). The D.C. Circuit has noted that “surprise should not materially affect the result in” § 145 cases. *Cal. Research*, 356 F.2d at 821.<sup>18</sup>

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<sup>18</sup> Although the D.C. Circuit did not expressly adopt *Barrett*, it cited the case to support a statement in dicta that evidence which was important and “readily available” yet not presented to the PTO should not be admitted in a suit under R.S. § 4915. *Boucher Inventions v. Sola Elec. Co.*, 131 F.2d 225, 227 & n. 5 (D.C. Cir. 1942). See also Emerson Stringham, Patent Interference Equity Suits 83-84 (1930) (“*Barrett v. Koppers* takes the rather extreme position that a party who withholds, during the office interference, evidence then in his possession and control, is thereafter estopped to present that evidence in an equity suit. . . . Probably such a ruling would be made only if the court considered that



Under § 145, the District of Columbia district court is the exclusive forum for actions under that statute. Since 2002, there appear to have been approximately thirty § 145 actions filed in the District of Columbia district court.<sup>19</sup> Many are terminated before the district court must rule on the admissibility of evidence not before the PTO. *See, e.g., Novo Nordisk A/S v. Dudas*, No. 06-cv-01896, slip op. at 2-3 (July 3, 2007) (dismissing case by consent of parties).

There is no uniform practice in the District of Columbia district court regarding the standard governing exclusion from § 145 actions of evidence that was not submitted during PTO proceedings. *See Hyatt II*, 2005 WL 5569663, at \*4-7 (after Director's objection, excluding evidence because failure to submit it to PTO was "negli-

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the withholding during the office proceeding *constituted bad faith, amounting to, or approximating, 'unclean hands.'*") (emphasis added).

<sup>19</sup> *SD3, LLC v. Doll*, 08-cv-01242-RWR; *Aldor Solutions Corp. v. Dudas*, 08-cv-00897-ESH; *Dome Patent L.P. v. Doll*, 07-cv-01695-PLF; *Hitachi Koki Co. v. Doll*, 07-cv-01504-ESH; *Novo Nordisk A/S v. Dudas*, 06-cv-01896-CKK; *Takeda Pharm. Co. v. Dudas*, 06-cv-01640-TFH; *Fullerene Int'l Corp. v. Dudas*, 06-cv-01451-RMU; *Innovatit Seafood Sys. v. Comm'r of Pats.*, 06-cv-00825-JR; *Innovatit Seafood Sys. v. Comm'r of Pats.*, 06-cv-00822-JR; *Hickman v. Dudas*, 05-cv-02426-RBW; *Hyatt v. Dudas*, 05-cv-02310-HHK; *Dieterich Stnd. Inc. v. Dudas*, 05-cv-02296-RBW; *Putman v. Dudas*, 05-cv-01796-LFO; *Hyatt v. Dudas*, 05-cv-00834-EGS; *Hyatt v. Dudas*, 05-cv-00310-HHK; *Hyatt v. Dudas*, 05-cv-00309-EGS; *Galbreath v. Dudas*, 04-cv-02222-JR; *Hyatt v. Dudas*, 04-cv-01802-HHK; *Hyatt v. Dudas*, 04-cv-01496-EGS; *Hyatt v. Dudas*, 04-cv-01222-EGS; *Hyatt v. Dudas*, 04-cv-01139-HHK; *Hyatt v. Dudas*, 04-cv-01138-HHK; *Hyatt v. Rogan*, 03-cv-01375-EGS; *Hyatt v. Rogan*, 03-cv-01283-EGS; *Hyatt v. Rogan*, 03-cv-01280-EGS; *Regents of Univ. of Cal. v. Rogan*, 03-cv-01133-RWR; *Hyatt v. Dudas*, 03-cv-00901-HHK; *Hyatt v. Dudas*, 03-cv-00108-EGS; *Protechna, SA v. Godici*, 02-cv-02524-RBW; *Galbreath v. Dudas*, 02-cv-02354-JR.

gent”); *Hitachi Koki Co. v. Dudas*, 556 F. Supp. 2d 41, 47 (D.D.C. 2008) (flatly rejecting negligence standard of *Hyatt II* and admitting evidence over Director’s objection because failure to present it was not due to “*fraud, bad faith, or gross negligence*” (emphasis added)); *Takeda Pharm. Co. v. Dudas*, 511 F. Supp. 2d 81, 87 (D.D.C. 2007) (admitting new evidence over Director’s objection because failure to submit it to PTO was “not *negligent*” (emphasis added)); *Killian v. Watson*, 121 U.S.P.Q. 507, 509 (D.D.C. 1958) (after Commissioner’s objection, excluding new evidence on alternate grounds that failure to submit it to Patent Office was “*grossly negligent*” and that applicant gave no explanation for the failure (emphasis added)); *see also Shell Dev. Co. v. Pure Oil Co.*, 111 F. Supp. 197, 199 (D.D.C. 1953) (in § 146 case, admitting evidence over objection because failure to submit it during interference was not *due to “any bad faith, suppression, or gross negligence*” (emphasis added)). However, as the preceding cases show, the District of Columbia district court will always exclude evidence that was not presented to the PTO due to bad faith or gross negligence and sometimes if the failure to present it was negligent.

In sum, it has been the general practice of federal courts for over eighty years in certain circumstances to exclude evidence which a party could and should have introduced before the Patent Office but did not despite an obligation to do so. Our own cases likewise have not adopted a de novo standard for trial. We have said that “[c]learly, the applicant does not start over to prosecute his application before the district court unfettered by what happened in the PTO.” *Fregeau*, 776 F.2d at 1038. On the other hand, it is beyond question that in appropriate circumstances new evidence may be submitted to

the district court in a § 145 action (subject, at least, to the Federal Rules of Evidence). *See Gould v. Quigg*, 822 F.2d 1074, 1079 (Fed. Cir. 1987) (“[A]dditional evidence is permitted in a civil action under section 145, allowing the district court to make *de novo* fact findings.”); *Newman v. Quigg*, 877 F.2d 1575, 1579 (Fed. Cir. 1989) (“A district court action under 35 U.S.C. § 145 is a *de novo* determination of patentability. It is not limited to the record before the PTO.”); Emerson Stringham, Patent Interference Equity Suits 5 (1930) (“The equity suit offers distinctive advantages in way of a fresh hearing and the presentation of testimony direct to the tribunal.”).

## B.

As the Supreme Court has noted, “[o]ne purpose” of Congress in enacting the APA “was to introduce greater uniformity of procedure and standardization of administrative practice among the diverse agencies whose customs had departed widely from each other.” *Wong Yang Sung v. McGrath*, 339 U.S. 33, 41, 70 S. Ct. 445, 94 L. Ed. 616 (1950), *superseded by statute*, Supplemental Appropriation Act of 1951, 64 Stat. 1048, as *recognized in Marcello v. Bonds* 349 U.S. 302, 311, 75 S. Ct. 757, 99 L. Ed. 1107 (1955). The Court explained that lightly finding exceptions to the APA would defeat its purpose. *Id.*

Court review (whether by a district court or a court of appeals) of an administrative agency decision is presumptively deferential under the APA. *See* 5 U.S.C. §§ 701-06. The usual rule is that judicial review of agency action should be on the agency record, regardless of whether the action is in the court of appeals or in district

court. See *Marsh v. Or. Natural Res. Council*, 490 U.S. 360, 375-78, 109 S.Ct. 1851, 104 L. Ed. 2d 377 (1989); *Chandler v. Roudebush*, 425 U.S. 840, 862, 96 S. Ct. 1949, 48 L. Ed. 2d 416 (1976) (“[I]n the absence of specific statutory authorization, a de novo review is generally not to be presumed.”); *Camp v. Pitts*, 411 U.S. 138, 141-42, 93 S. Ct. 1241, 36 L. Ed. 2d 106 (1973) (per curiam) (“[T]he focal point for judicial review [by the district court] should be the administrative record already in existence, not some new record made initially in the reviewing court.”); see generally Jacob Stein, et al., *Administrative Law* § 51.04 (2006).

While the APA specifically states that “the reviewing court shall decide all relevant questions of law,” 5 U.S.C. § 706, court review of agency fact-finding is generally deferential. Under 5 U.S.C. § 706(2)(F), a reviewing court may “set aside agency action, findings, and conclusions” if “unwarranted by the facts[,] to the extent that the facts are subject to trial de novo by the reviewing court.” As the Supreme Court stated in *Citizens to Preserve Overton Park, Inc. v. Volpe*, such de novo review is authorized in two situations: first, “when the action is adjudicatory in nature and the agency factfinding procedures are inadequate,” or, second, “when issues that were not before the agency are raised in a proceeding to enforce nonadjudicatory agency action.” 401 U.S. 402, 415, 91 S. Ct. 814, 28 L. Ed. 2d 136 (1971) (citing H.R. Rep. No. 1980 (May 3, 1946)). These exceptions do not apply to § 145 cases; the patent application process is not adjudicatory and new issues cannot be raised in a § 145 action. See *Newman*, 877 F.2d at 1579 (citing *De-Seversky*, 424 F.2d at 858). A third (and final) exception to the limited review under the APA exists: where another statute explicitly provides for de novo review. See

*United States v. Carlo Bianchi & Co.*, 373 U.S. 709, 714-15, 83 S. Ct. 1409, 10 L. Ed. 2d 652 (1963).

Even before the 1946 enactment of the APA, see Act of June 11, 1946, 60 Stat. 243, the Supreme Court had held that provisions for district court review—even in a suit in equity—would not be read to imply the power to go outside the agency record. For example, in *Tagg Bros & Moorhead v. United States*, the Court discussed that although the Packers and Stockyards Act of 1921, 7 U.S.C. §§ 181-231, provided for suits to be brought in federal district court to enjoin the enforcement of agency orders, this did not imply trial de novo. 280 U.S. 420, 444-45 & n.4, 50 S. Ct. 220, 74 L. Ed. 524 (1930). Judicial review of orders of the Secretary was “restricted” by the following statutory language: “If, after hearing, that court determines that the order was regularly and duly served, and that the carrier is in disobedience of the same, the court shall enforce obedience.” *Tagg Bros.*, 280 U.S. at 444 n.4, 50 S. Ct. 220 (quoting 49 U.S.C. § 16(12)). The Court explained:

A proceeding under section 316 of the Packers and Stockyards Act is a judicial review, not a trial de novo. The validity of an order of the Secretary, like that of an order of the Interstate Commerce Commission, must be determined upon the record of the proceedings before him [except with regard to certain constitutional claims]. . . . On all other issues his findings must be accepted by the court as conclusive, if the evidence before him was legally sufficient to sustain them and there was no irregularity in the proceeding. *To allow his findings to be attacked or supported in court by new evidence would substitute the court for the administrative tribunal as the*

*rate-making body.* Where it is believed that the Secretary erred in his findings because important evidence was not brought to his attention, the appropriate remedy is to apply for a rehearing before him or to institute new proceedings.

280 U.S. 420, 443-45, 50 S. Ct. 220, 74 L. Ed. 524 (1930) (emphasis added; footnote omitted).

The Court disposed of similar arguments in the context of district court actions authorized by the judicial review provision of the Communications Act of 1934, 47 U.S.C. § 402(a).<sup>20</sup> *Nat'l Broadcasting Co. v. United States*, 319 U.S. 190, 227, 63 S.Ct. 997, 87 L. Ed. 1344 (1943). The Court held that such suits were not de novo, and the review was limited to the agency record: “The court below correctly held that its inquiry was limited to review of the evidence before the Commission. *Trial de novo of the matters heard by the Commission and dealt with in its Report would have been improper.*” *Id.* at 227, 63 S. Ct. 997.

Similarly, in *Bianchi* the Court held that suits brought in the Court of Claims under the Wunderlich Act were not trials de novo, but were limited to the agency record. 373 U.S. at 713-15, 83 S.Ct. 1409. The Court noted that “the standards of review adopted in the Wunderlich Act—‘arbitrary,’ ‘capricious,’ and ‘not supported by substantial evidence’—have frequently been used by Congress and have consistently been associated with a review limited to the administrative record.” *Id.*

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<sup>20</sup> The Court had previously characterized an action based on this statute as “a plenary suit in equity.” *Columbia Broadcasting Sys. v. United States*, 316 U.S. 407, 415, 62 S. Ct. 1194, 86 L. Ed. 1563 (1942).

at 715, 83 S. Ct. 1409. The Court gave the following general rule:

[T]he reviewing function is ordinarily limited to consideration of the decision of the agency or court below *and of the evidence on which it was based*. *Indeed, in cases where Congress has simply provided for review, without setting forth the standards to be used or the procedures to be followed, this Court has held that consideration is to be confined to the administrative record* and that no de novo proceeding may be held.

*Id.* at 714, 83 S.Ct. 1409.

Previously, this court rejected the notion that the APA applied to fact-finding by the PTO when reviewed on direct appeal here. *In re Zurko*, 142 F.3d 1447 (Fed. Cir. 1998) (en banc). The Supreme Court reversed, holding that the Federal Circuit must review fact-finding by the PTO using the framework set forth in the APA. *Dickinson v. Zurko*, 527 U.S. 150, 165, 119 S. Ct. 1816, 144 L. Ed. 2d 143 (1999). The Court noted that for a statute to create exceptions to the APA, it must do so clearly. *Id.* at 155, 119 S. Ct. 1816. And the circumstances under which the APA provides for de novo review of factual issues are “narrow.” *Overton Park*, 401 U.S. at 414, 91 S. Ct. 814.

Where the statute, as here, provides for district court review, a de novo trial is generally not appropriate unless the statute specifically provides for it. Section 145 does not. Section 145 merely states that “[a]n applicant dissatisfied with the decision of the Board” may “have remedy by civil action against the Director in the United States District Court for the District of Columbia.” This

is in contrast to other statutes that do provide explicitly for de novo review in the district courts. Such statutes are very clear; when Congress intends review by de novo trial, Congress explicitly authorizes de novo trial.<sup>21</sup>

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<sup>21</sup> See, e.g., *Food Stamp Act*, 7 U.S.C. § 2023(a)(15) (“The suit in the United States district court or State court shall be a trial de novo by the court in which the court shall determine the validity of the questioned administrative action in issue . . . .”); *Ibrahim v. United States*, 834 F.2d 52, 53-54 (2d Cir. 1987) (“The Food Stamp Act’s de novo review provision embodies a different and broader scope of review than that available under the APA . . . [Camp v. Pitts] is not on point. That case involved review of a decision by the Comptroller of the Currency denying a national bank charter, and no statute or regulation provided for de novo review. The APA therefore governed. Here, in contrast, the Food Stamp Act specifically provides that review of FNS determinations ‘shall be a trial de novo.’ 7 U.S.C. § 2023(a.)”); 7 U.S.C. § 499g(c) (providing that, for review of reparations orders by Department of Agriculture, “Either party adversely affected by the entry of a reparation order by the Secretary may . . . appeal therefrom to the district court. . . . Such suit in the district court shall be a trial de novo and shall proceed in all respects like other civil suits for damages, except that the findings of fact and order or orders of the Secretary shall be prima-facie evidence of the facts therein stated”); see also 19 U.S.C. § 1592(e) (providing that, for review of customs penalties for negligence or fraud, “Notwithstanding any other provision of law, in any proceeding commenced by the United States in the Court of International Trade for the recovery of any monetary penalty claimed under this section . . . all issues, including the amount of the penalty, shall be tried de novo”); *United States v. Ford Motor Co.*, 463 F.3d 1286, 1297 (Fed. Cir. 2006) (finding that even the explicit language of § 1592(e) should be interpreted narrowly as providing for de novo review only of certain aspects of the customs determination, not to “permit an importer to end-run the protest provisions”).

Only in very rare cases has the Supreme Court held that a new record may be made in the District Court in the absence of specific statutory authorization. *McDonnell Douglas Corp. v. Green*, 411 U.S. 792, 798-99, 93 S. Ct. 1817, 36 L. Ed. 2d 668 (finding that private-sector employees are entitled to trial de novo under Title VII); accord *Chandler*,



In light of *Zurko*, we determined that actions under § 145 are subject to the strictures of the APA. *See Mazzari v. Rogan*, 323 F.3d 1000, 1004 (Fed. Cir. 2003) (“[A] reviewing court, whether this court or the district court, applies the ‘substantial evidence’ standard of review to findings of fact made by the [B]oard.”). Of course, in § 145 actions, review is not strictly confined to the agency record. *Zurko*, 527 U.S. at 164, 119 S. Ct. 1816. But neither are proceedings wholly de novo; the admission of new evidence is limited by the APA.<sup>22</sup> *Mazzari*, 323 F.3d at 1005. The Supreme Court in *Zurko* left open the question of how to apply the APA to our review of PTO decisions in various circumstances, including § 145 actions. *See* 527 U.S. at 164, 119 S. Ct. 1816.

In light of the hybrid nature of § 145 actions, we have held that in the absence of new evidence, a district court must review the decision of the Board for substantial evidence, but for factual questions where new evidence

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425 U.S. at 845, 96 S. Ct. 1949 (for public employees under Title VII). However, the statutory scheme makes clear that “Title VII does not provide the [EEOC] with direct powers of enforcement. The [EEOC] cannot adjudicate claims or impose administrative sanctions. Rather, final responsibility for enforcement of Title VII is vested with federal courts.” *Alexander v. Gardner-Denver Co.*, 415 U.S. 36, 44-45, 94 S. Ct. 1011, 39 L. Ed. 2d 147 (1974).

<sup>22</sup> A central flaw of the dissent is that it believes evidence in § 145 actions is limited only by the Federal Rules of Evidence. *See* Dissent at 1280. Contrary to the dissent’s argument, however, it is not enough that § 145 is silent about evidence or that an appeal is available under § 141. *See* dissent at 1280-81. The Supreme Court has recently stated that patent law should not lightly depart from accepted legal principles of general applicability. *See eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 390-94, 126 S. Ct. 1837, 164 L. Ed. 2d 641 (2006). The ambiguous silence of § 145 on the admissibility of evidence does not meet the high bar the Supreme Court has set for implying trial de novo.

is before the district court, the district court makes de novo findings. *Fregeau*, 776 F.2d 1034.<sup>23</sup> However, admitting new evidence without restriction would defeat the purpose of the APA, as applicants could then always submit new evidence whenever they desired de novo review; allowing new evidence unnecessarily will convert deferential review “into effectively de novo review.” *Axiom Resource Mgmt. v. United States*, 564 F.3d 1374, 1380 (Fed. Cir. 2009).

Nothing in the language of § 145 requires a de novo trial. The dissent makes much of the phrase “a civil action” in the statute, arguing that it requires a de novo action despite the general rule that review is on the agency record. It should be noted, however, that the language of the predecessor statute referred to a “bill in equity.” Even before the APA, the Supreme Court repeatedly held that general language authorizing judicial review does not create a trial de novo, and that much more specific language is required. *See, e.g., Nat’l Broadcasting*, 319 U.S. at 227, 63 S. Ct. 997; *Tagg Bros.*, 280 U.S. at 444-45 & n. 4, 50 S. Ct. 220.

Nor do the cases addressing § 145 support the dissent’s de novo standard. As discussed above, the Supreme Court has never directly considered the scope of § 145 with regard to new evidence, and the one reference to § 145 in a Supreme Court decision sheds little light on the issue. *Zurko* involved the question of what was the proper standard of review on direct appeal to the Federal Circuit under § 141, and although the Su-

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<sup>23</sup> In *Zurko*, the Supreme Court noted that we may need to adjust standards of review to prevent anomalous results under the APA, citing *Fregeau* with apparent approval. *See Zurko*, 527 U.S. at 164, 119 S. Ct. 1816.

preme Court noted that a § 145 claimant can “present to the court evidence that the applicant did not present to the PTO,” the Court said nothing about when or under what circumstances such evidence could be introduced. *See Zurko*, 527 U.S. at 164, 119 S. Ct. 1816.

As the Supreme Court stated in *Overton Park*, where “agency factfinding procedures are inadequate,” the APA allows a district court to take additional evidence. For example, the PTO does not take oral testimony in an examination of a patent application. In some cases credibility determinations will be very important to the resolution of the case, for example, where there is a question about the date of reduction to practice which will determine what is, or is not, prior art. In such circumstances, it makes sense to permit the district court to hear live testimony under *Overton Park* to resolve credibility issues because the PTO procedures are inadequate.

Some restrictions on the ability of an applicant to introduce new evidence in a § 145 action are therefore required under the APA, although there is certainly not a blanket exclusion of new evidence, either.<sup>24</sup>

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<sup>24</sup> The dissent complains that we “blur[ ] the line between an appeal pursuant to § 141 and the civil action of § 145.” Dissent at 1289. However, the availability of live direct testimony and cross-examination would make a section 145 action quite different from a section 141 appeal, regardless of whether some evidence available to the applicant but not submitted to the PTO would be excludable. Just because proceedings under the two sections are *different* does not mean they should be as *different as possible*; the dissent lacks convincing support to require the specific difference it wishes to create. In any event, de novo proceedings under § 145 are disallowed by the APA.

## C.

Hyatt and the dissent argue that proceedings under § 145 are (or should be) entirely de novo if the plaintiff so wishes. However, the arguments in favor of de novo proceedings are unpersuasive. Hyatt focuses on isolated statements by this and other courts that a § 145 action is a “de novo” proceeding, but ignores the context of—and qualifications on—such statements. Although the Seventh Circuit acknowledged that evidence could be excluded because it was not presented to the Patent Office, the court still referred to a case brought under Revised Statutes § 4915 as “a de novo trial.” *Globe-Union*, 103 F.2d at 728. As the district court from which Hyatt’s appeal is taken has aptly noted, § 145 actions

are sometimes denominated “trials de novo”, but such use of this term is somewhat loose. . . . Additional evidence is admissible in support of contentions advanced by the parties in the Patent Office. It is this feature that has led to the inaccurate use of the appellation “trials de novo” in these actions. There is a limitation on the admissibility of supplementary evidence. Such evidence as was available to the parties, but was withheld from the Patent Office as a result of fraud, bad faith, or gross negligence, may be excluded at the trial.

*Monsanto Co. v. Kamp*, 269 F. Supp. 818, 822 (D.D.C. 1967); see also *Killian v. Watson*, 121 U.S.P.Q. 507, 507 (D.D.C. 1958) (“It is equally well settled that the proceedings of the District Courts under § 145, though de novo, are not wholly ignorant of what has gone before.”); *MacKay v. Quigg*, 641 F. Supp. 567, 570 (D.D.C. 1986) (“For that reason, despite the ‘de novo’ label accorded judicial review under § 145, courts have limited the ad-

missibility of certain kinds of evidence.”); cf. *Conser-volite, Inc. v. Widmayer*, 21 F.3d 1098, 1102 (Fed. Cir. 1994) (“While the expression ‘de novo’ is often used to describe a § 146 action, the statute does not use this language or state that new issues can freely be raised. Section 146 authorizes the district court on review to accept new testimony, but normally only as to issues raised by the parties during the proceedings below or by the Board’s decision.”).

The dissent argues that testimony given before Congress in 1926 compels the conclusion that a de novo trial is available under § 145 in all circumstances. Dissent at 3-7. During 1926 hearings on proposed patent statute reforms similar to those enacted in 1927, Commissioner Thomas E. Robertson, in an attempt to persuade Congress to eliminate altogether bills in equity to obtain patents, stated that plaintiffs in such suits could

file testimony bringing in evidence that they could have brought in before but did not bring in before, and after dragging a man through all this procedure which you have said is so complicated and burdensome, start de novo in court, and bring in testimony not taken the first time.

*To Amend Section 52 of Judicial Code and Other Statutes Affecting Procedure in Patent Office: Hearings on H.R. 6252 and H.R. 7087 Before the House Committee on Patents, 69th Cong., 1st Sess. 81 (“H.R. 6252 Hearing”)* (emphasis added). However, characterizations by Patent Office officials are not necessarily indicative of the intent of Congress, particularly where the witnesses

opposed the legislation.<sup>25</sup> As the Supreme Court has noted in *Bryan v. United States*, the “the fears and doubts of the opposition are no authoritative guide to the construction of legislation. In their zeal to defeat a bill, they understandably tend to overstate its reach.” 524 U.S. 184, 196, 118 S. Ct. 1939, 141 L. Ed. 2d 197 (1998) (citations, brackets, and quotation marks omitted). Stray comments by other witnesses supporting the legislation are also distinctly unpersuasive. The dissent quotes Representative Albert H. Vestal as saying a bill under Revised Statutes § 4915 “is not an appeal. It is the bringing of a new suit.” Dissent at 1281 (quoting *H.R. 6252 Hearing* at 36). Even statements by members in floor debate are entitled to little weight. *Garcia v. United States*, 469 U.S. 70, 76, 105 S. Ct. 479, 83 L. Ed. 2d 472 (1984) (“In surveying legislative history we have repeatedly stated that the authoritative source for finding the Legislature’s intent lies in the Committee Reports on the bill. . . . We have eschewed reliance on the passing comments of one Member and casual statements from the floor debates.” (citations omitted)).

While not irrelevant to the extent that Congress enacted § 145 based on existing practice under Revised Statutes § 4915, this legislative history can hardly be said to be dispositive, or even particularly probative, of the issue in the present case, as the majority clearly concluded in *Fregeau*, 776 F.2d at 1037-38. And even to the extent this legislative history is considered, much of it only supports the undisputed general rule that applicants may submit certain evidence not previously before the PTO in a § 145 action. *See, e.g., H.R. 6252 Hearing*

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<sup>25</sup> Commissioner Thomas’s comments appear to be focused on interference cases rather than ex parte ones. *H.R. 6252 Hearing* at 78-82.

at 81 (Paul) (“If we go into a court of equity the parties may use the record that they have in the Patent Office and may supplement it by additional evidence.”). But none of the cited Congressional testimony specifically addresses situations where an applicant sought to overcome *the consequences of his own refusal to adhere to the rules of prosecuting a patent application*. Indeed, absent from the legislative history is any discussion of the admissibility of evidence being proffered or objections to evidence.

Furthermore, the “evaluation of congressional action . . . must take into account its contemporary legal context.” *Cannon v. Univ. of Chicago*, 441 U.S. 677, 698-99, 99 S. Ct. 1946, 60 L. Ed. 2d 560 (1979). “Congress is presumed to be aware of an administrative or judicial interpretation of a statute and to adopt that interpretation when it re-enacts a statute without change.” *Lorillard v. Pons*, 434 U.S. 575, 580, 98 S. Ct. 866, 55 L. Ed. 2d 40 (1978).<sup>26</sup> Although issued several months after Congress’ 1927 revisions to patent laws, *Barrett* predated the 1952 Patent Act by a quarter of a century, which, combined with Congress’ statement that § 145 and § 146 made “no fundamental change in the various *appeals* and *other review* of Patent Office action,”<sup>27</sup> S. Rep. No. 82-1979 (1952) (emphasis added), suggests

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<sup>26</sup> *But see Catron County Bd. of Comm’rs v. U.S. Fish & Wildlife Serv.*, 75 F.3d 1429, 1438 (10th Cir. 1996) (“Although a proponent of congressional acquiescence need not show that the acquiescence is ‘specifically embodied in a statutory mandate,’ he bears the burden of showing ‘abundant evidence that Congress both contemplated and authorized’ the previous noncongressional interpretation in which it now acquiesces.”).

<sup>27</sup> This is not equivalent to making “no substantive changes to § 4915,” as the dissent asserts. *See Dissent* at 1281.

that Congress approved of the cases holding that patent applicants could not present to a district court evidence they should have but did not present to the Patent Office. And this legislative history predated the 1946 enactment of the APA by two decades.<sup>28</sup>

Hyatt's argument for a *de novo* action is also inconsistent with our precedent that the district court must apply a deferential standard to PTO fact-finding. *See Mazzari*, 323 F.3d at 1004-05. "Clearly, the applicant does not start over to prosecute his application before the district court unfettered by what happened in the PTO." *Fregeau*, 776 F.2d at 1038. Indeed, the Supreme Court assumed there would be cases brought under § 145 in which "the district judge does no more than review PTO factfinding." *Zurko*, 527 U.S. at 164, 119 S. Ct. 1816. Therefore, in the absence of new evidence, the district court is obliged to accept the facts as found by the PTO unless not supported by substantial evidence. *Mazzari*, 323 F.3d at 1005; *see also Zurko*, 527 U.S. at 162-65, 119 S. Ct. 1816. When new evidence is admitted, the district court makes *de novo* factual findings, but only as to the new evidence. *See Mazzari*, 323 F.3d at 1004. In other words, the district court must defer to the PTO's fact-finding except where appropriately admitted new evidence conflicts with a fact found by the PTO or presents a new factual issue that the PTO did not consider. *See id.*

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<sup>28</sup> The dissent's heavy reliance on the legislative history of the 1927 revisions to the Patent Act, *see* Dissent at 1280-82, is therefore anachronistic.



**III.****A.**

If the district court's ruling had been a conventional evidentiary ruling, we would apply the standard of review of the appropriate regional circuit. *See Advanced Cardiovascular Sys. v. Medtronic, Inc.*, 265 F.3d 1294, 1308 (Fed. Cir. 2001). However, the challenged evidentiary ruling here is partly tied to issues of interpretation of the patent law. To this extent, we apply Federal Circuit law and review these issues of legal interpretation de novo. *Sulzer Textil A.G. v. Picanol N.V.*, 358 F.3d 1356, 1363 (Fed. Cir. 2004). To the extent that district court evidentiary rulings apply the correct legal standard, we review them for abuse of discretion. *Gen. Elec. Co. v. Joiner*, 522 U.S. 136, 141, 118 S. Ct. 512, 139 L. Ed. 2d 508 (1997) (“[A]buse of discretion is the proper standard of review of a district court’s evidentiary rulings.”); *see also Conservolite*, 21 F.3d at 1102 (noting district court’s discretion to admit testimony on new issues in certain circumstances in action under § 146).

Congress created this court to promote a uniform interpretation of the patent laws. *C.R. Bard, Inc. v. Schwartz*, 716 F.2d 874, 878 (Fed. Cir. 1983). The cases show that the regional circuits repeatedly excluded, in some circumstances, evidence that an applicant had not presented to the Patent Office. In making discretionary decisions, courts should not lightly disregard historical practice. *See eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 395, 126 S. Ct. 1837, 164 L. Ed. 2d 641 (2006) (Roberts, C.J., concurring). And the Supreme Court has warned us that “courts must be cautious before adopting changes that disrupt the settled expectations of the inventing community,” even if this means rejecting a

“bright-line rule.” *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 739, 122 S. Ct. 1831, 152 L. Ed. 2d 944 (2002).

There is long history of excluding evidence not submitted to the PTO, and of a consensus that evidence may be excluded if it was not submitted to the PTO *at least* due to fraud, gross negligence, bad faith, or intentional suppression. *See, e.g., Cal. Research*, 356 F.2d at 820 n.18 (excluding evidence not submitted to Patent Office merely due to “negligence”); *Velsicol*, 579 F.2d at 1046 (excluding evidence not submitted to Patent Office merely due to lack of “diligence”); *Killian v. Watson*, 121 U.S.P.Q. at 509 (excluding new evidence because failure to submit it to Patent Office was “grossly negligent”). The Director argues in favor of a negligence standard, although he also argues that Hyatt’s conduct amounts to gross negligence. *See* Appellee’s Br. at 28-53. Hyatt himself argues that the “prevailing law in the District of Columbia” is that evidence not submitted to the PTO can be excluded only if the failure was due to “gross negligence.” Appellant’s Br. at 27. Hyatt also states that if we exclude some evidence in § 145 actions, gross negligence should be the applicable standard. *Id.* at 28.

We note, however, that the terminology of negligence (and gross negligence) is somewhat inapposite to the issue of admissibility. Negligence (which is roughly the absence of diligence) implies a duty. While patent applicants do have certain duties to the PTO, including duties of disclosure,<sup>29</sup> beyond a certain point, how much more

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<sup>29</sup> Each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information

evidence to submit is in large part a determination for which a patentee and his agents must use good judgment.<sup>30</sup> While there are certainly many factors which could go into such a decision, a duty to the PTO may not necessarily be one of them. We believe a semantic shift away from negligence will help focus attention on the factors that are pertinent to whether an applicant should be allowed to introduce evidence before the district court over an objection by the Director.

Hyatt was obligated to respond to the examiner's written description rejection by *In re Alton*, 76 F.3d 1168, 1175 (Fed. Cir. 1996), by explaining where in the specification support for each of these limitations could be found. We held in *Alton* that after studying the specification, an examiner can make out a prima facie case of lack of adequate written description, thus shifting the burden of production to the applicant, simply by identifying specific claim limitations and stating that despite reviewing the specification, he could not find support for those limitations. 76 F.3d at 1175; *see also In re Wertheim*, 541 F.2d 257, 263-64 (CCPA 1976) (“[T]he PTO has the initial burden of presenting evidence or reasons why persons skilled in the art would not recognize in the disclosure a description of the invention defined by the claims;” if the PTO does so, the applicant bears the burden of rebutting this showing.); Manual of Patent Examining Procedure (“MPEP”) § 2163.04(I)(B) (reiterating holding of *Alton*).

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known to that individual to be material to patentability as defined in this section.” 37 C.F.R. § 1.56(a).

<sup>30</sup> Information “cumulative to information already of record” is not “material to patentability.” 37 C.F.R. § 1.56(b).

Any time from the January 7, 1997 office action rejecting Hyatt's new claims for Hyatt's failure to "specifically point out the support for" the claims pursuant to the examiner's reading of MPEP § 714.02 up through when Hyatt filed his initial appeal brief before the Board on September 2, 1998, Hyatt could have declared where in his specification the written description support for each of the disputed limitations resided. After the examiner stated that he had read through the specification and could find no support for certain claim limitations, all Hyatt needed to do was show the examiner where in the specification support existed—something that should have been simple for him, the person most familiar with the specification. The Board noted, "It is far easier for appellant to describe where the limitation he wrote is disclosed than for the Office to prove that the limitation is not disclosed." J.A. 11600-01. Rejection as per *Alton* was in essence the examiner telling Hyatt to point to written description support in the specification for his claims. Hyatt, however, refused to cooperate, even though he necessarily possessed the information the examiner sought by the time he filed his application.

*On these facts*, the district court's exclusion of Hyatt's new evidence must be affirmed. The district court found that Hyatt was "negligent" in failing to submit the evidence disclosed in the Hyatt declaration to the PTO because he was obligated to do so, he had a fair opportunity to do so, and he failed to give an adequate explanation for his failure to submit it. *Hyatt II*, 2005 WL 5569663 at \*3, 5-7. However, it is clear from the record that Hyatt willfully refused to provide evidence in his possession in response to a valid action by the examiner. Such a refusal to provide evidence which one possessed was grounds in *Barrett* to exclude the with-

held evidence. Similarly, we hold that in light of Hyatt's willful non-cooperation here, the district court did not abuse its discretion by excluding the Hyatt declaration.<sup>31</sup>

Instead of rebutting the examiner's prima facie case that the claims were not supported by adequate written description, Hyatt argued that the burden of digging through the 238-page specification remained on the examiner, even though many limitations clearly do not appear verbatim in the specification. Before the Board, Hyatt submitted a table showing where some, but not all, of the substituent words of these limitations could be found, but this table was for many limitations of no help whatsoever in locating support for the claim limitations at issue.<sup>32</sup> If the Board was wrong, it was because Hyatt purposefully kept it in the dark by not presenting evidence within his possession to overcome the examiner's rejections for lack of written description. This blatant non-cooperation was willful. Allowing Hyatt to escape the consequences of his refusal to timely submit his own information to the PTO that he was required by law and

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<sup>31</sup> We leave to future cases consideration of whether evidence may be excluded on grounds other than the type of refusal at issue here and in *Barrett*.

<sup>32</sup> For example, the examiner could find no support in Hyatt's specification for "block boundary smoothing" claim language. J.A. 20-21. According to Table-1, "block" appears on pages 25 through 83 and 128 through 164; "boundary" on pages 14 and 41; and "smoothing" once, on page 232. J.A. 10832. The words "boundary" and "smoothing" are separated by almost two hundred pages. Similarly, the examiner stated he could find no support in the specification for the claimed "quantization weighting processor." According to Table-1, "quantization" appears on pages 231 through 236, "weight" appears on pages 162 through 164, and "processor" on pages 85 through 98. To suggest Table-1 is helpful in determining where in the specification support for these limitations may be found borders on insolent.

requested by the examiner to submit would hardly be consonant with the APA or the legislative purpose of § 145.<sup>33</sup>

B.

Hyatt makes four arguments as to why his refusal to present responsive evidence to the PTO should not bar him from presenting his declaration in district court: (1) the Board's decision presented new grounds of rejection beyond those of the examiner and thus he was not on notice that such evidence was required; (2) he was unaware prior to this court's decision in *Hyatt I* that he bore the burden of producing evidence or explanation to rebut the examiner's written description rejections; (3) since the Board reversed the examiner's rejections for 38 of the 117 rejected claims, his efforts at providing evidence to the Board must also have been reasonable as to the remaining 79 claims; and (4) he relied on the expertise of the PTO and thus reasonably believed that the PTO did not require this evidence. We address each argument in turn.

First, we agree with the district court that the Board decision did not include any new ground of rejection. *See Hyatt II*, 2005 WL 5569663, at \*6. The district court

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<sup>33</sup> The instant case is distinguishable from *Burlington Industries v. Quigg*, where we upheld a district court's reversal in a § 145 action of claim rejections by the PTO. 822 F.2d 1581, 1582, 1584 (1987). We noted that the district court's decision was based largely on live testimony (which was unavailable during proceedings before the PTO) and if, under such circumstances the district court reached a conclusion different from that of the PTO, "that is not contrary to the legislative purpose of section 145 de novo review. Indeed, it is in fulfillment of that purpose." *Id.* at 1584.

correctly noted that an applicant must have an opportunity to respond to new grounds of rejection relied on by the Board. *See In re Kronig*, 539 F.2d 1300, 1302-03 (CCPA 1976). But whether a ground of rejection is “new” depends on whether the applicant had a “fair opportunity to react to the thrust of the rejection.” *Id.* Here, after reviewing the Board decision and the rejections of the examiner, we agree with the district court that the Board did not rely on any new ground of rejection. For fifty-nine of the seventy-nine claims still at issue, both the Board and the examiner relied on the same rationale, namely that one or more claim limitations—which they expressly identified—are not disclosed or adequately supported in the written description. While the Board’s explanations were often, though not always, more detailed, the “thrust” of these rejections was identical to that of the examiner’s corresponding rejections. The Board cannot be said to have presented a new ground of rejection simply by elaborating on the examiner’s rejection or by using different words. *See In re Oetiker*, 977 F.2d 1443, 1445-46 (Fed. Cir. 1992).

For the remaining twenty claims, claims 153 through 172, the district court noted that the Board may have gone beyond the scope of the examiner’s rejections with regard to the claim limitation “making a product in response to image information.” *See Hyatt II*, 2005 WL 5569663, at \*6. However, as the district court correctly ruled, the Board’s rationale as to these claims was not a new ground for rejection because it was simply a response to arguments raised by Hyatt in his briefing to the Board. *See id.* at \*5-6. Thus, he had the opportunity to, and did, make arguments as to this ground. Hyatt argued for the first time to the Board that written de-

scription support existed in the specification because a “signal” could be a “product,” and the Board rejected that view. Therefore, we reject Hyatt’s argument that the Hyatt declaration must be admitted to afford him the opportunity to respond to the Board’s new grounds for rejection because we hold that the Board did not present any new grounds.

Second, we reject Hyatt’s argument that the timing of our decision in *Hyatt I* in 2007 excuses his failure to provide the Hyatt declaration to the PTO. In *Hyatt I*, we held that an examiner can shift the burden of proof of showing adequate written description by identifying specific claim limitations and clearly stating that despite reviewing the specification, he could not find support for those limitations. 492 F.3d at 1370-71. We relied directly on our 1996 decision in *Alton*, which stated the very same rule a decade earlier. *See* 76 F.3d at 1175. We then compared the *Alton* rule to MPEP § 2163.04(I)(B), which we held was a lawful articulation of the *Alton* rule. *Hyatt I*, 492 F.3d at 1370-71. Both *Alton* and MPEP § 2163.04(I)(B) were in effect at all times the ’702 application was pending before the PTO. Thus, Hyatt was clearly on notice of his obligation to provide evidence or explanation to the examiner to rebut the written description rejections. His failure to do so from 1997 to 2002 thus cannot be attributed to the fact that *Hyatt I* had not yet been decided.

Third, we agree with the district court that the Board’s reversal of thirty-eight of the examiner’s written description rejections does not establish Hyatt acted reasonably with regard to the seventy-nine rejections not reversed. *See Hyatt II*, 2005 WL 5569663 at \*6. As the district court correctly observed, the Board’s rever-



sals were based solely on its own independent analysis of the claims and written description. *Id.* The Board expressly stated that it did not, and could not, rely on anything provided by Hyatt, specifically noting that Table-1 did not provide any helpful information. J.A. 11594, 11600-01. We agree with the assessments of the Board and the district court; neither Table-1 nor its accompanying notes indicate where written description support can be found for any of the claim limitations at issue. The fact that the substituent words of a claim limitation are individually used in the specification does not explain how the specification discloses the claim limitation itself, and Table-1 does not even purport to address all of the claim limitations the examiner identified as lacking written description support. Thus, neither the Board's laudable efforts to thoroughly analyze the specification even in the absence of assistance from Hyatt, nor the limited information that Hyatt did provide to the Board, indicates that Hyatt provided the PTO with the information it needed to properly assess the patentability of his claims. In fact, if anything, the Board's consideration of Table-1 demonstrates that Hyatt had the opportunity to properly provide helpful information to the Board but, for reasons we need not identify, did not.

Lastly, Hyatt's alleged reliance on the expertise of the PTO also fails to support his case. The examiner clearly indicated that, *despite his expertise*, he could not identify written description support for numerous claim limitations. It was then incumbent on Hyatt to either cite to where support could be found in the written description or amend it to add the required support. *Hyatt I*, 492 F.3d at 1371.

In sum, Hyatt presents no acceptable excuse for his failure to properly present his declaration to the PTO.

That Hyatt willfully refused to respond to the examiner's written description rejections by pointing out where in the specification support for his claims could be found is the primary reason we affirm the district court's exclusion of the Hyatt declaration. This failure of Hyatt, who at the time had been a patent agent for over twenty years, to perform a simple task that it was his burden to perform is inexcusable in the circumstances of this case. However, consideration of all the facts of this case—including the absence of an adequate explanation for Hyatt's failure to present the evidence earlier, the form of the evidence (documentary instead of testimonial), the Director's objection to the Hyatt declaration and his rehearing brief before the district court, and Hyatt's perverse unhelpfulness—only reinforces this conclusion. We hold that the district court did not commit any legal error or abuse its discretion in excluding Hyatt's declaration because of Hyatt's failure to present this evidence earlier.

### C.

The dissent incorrectly describes our decision as promulgating a “sweeping exclusionary rule.” *See* Dissent at 1279. We have not adopted a “sweeping” or “*per se* rule.” *See id.* at 1279-80, 1287. We express no opinion as to admissibility of evidence in the multitude of variegated factual scenarios that may arise in the future which the dissent claims are decided today. The dissent also characterizes the majority opinion as standing for something that it does not: that evidence must be excluded simply because it could have been presented to

the PTO. *See* Dissent at 1284. Instead, we have merely reached the unremarkable conclusion that it is unreasonable to believe Congress intended to allow a patent applicant in a § 145 action to introduce new evidence with no regard whatsoever as to his conduct before the PTO, and that, specifically, Congress did not intend that evidence owed,<sup>34</sup> requested and willfully withheld from the PTO must nevertheless be admitted in a § 145 action.

The dissent also appears to misapprehend the import of *Alton*. There is, under *Alton*, only one acceptable response to a written description rejection: showing the examiner where by column and line number in the specification he may find written description support for each disputed claim limitation.<sup>35</sup> Here, not only was Hyatt's response to the written description rejections completely and wholly inadequate, it was willfully so. He simply refused to respond as required by *Alton* to the requests of the examiner for citations to the specification, and he clearly did so deliberately, thus impeding the examination the PTO is legally required to conduct. Here, not only was Hyatt's response to the written description rejections completely and wholly inadequate, it was willfully so. He simply refused to respond as required by *Alton* to the requests of the examiner for citations to the

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<sup>34</sup> The dissent's claim that we hold that Hyatt "'owed' the PTO *all evidence he possesses* that is responsive to a rejection," Dissent at 1279-80 (emphasis added, citation omitted), is overbroad and illustrates the dissent's misunderstanding of our holding.

<sup>35</sup> The dissent complains about Hyatt's burden of responding to, as the dissent calculates it, "2546 separate rejections." Dissent at 1288. The dissent does not acknowledge that this is proportional to Hyatt's prosecution of an application containing 117 pending claims spanning 79 pages. *See* J.A. 10411-89.

specification, and he clearly did so deliberately, thus impeding the examination the PTO is legally required to conduct.

#### IV.

Since Hyatt did not offer any other evidence in his § 145 action, the district court correctly reviewed the Board's decision solely on the record before the Board. We review a district court's grant of summary judgment de novo, applying the same standards as the district court. *Ethicon Endo-Surgery v. U.S. Surgical Corp.*, 149 F.3d 1309, 1315 (Fed. Cir. 1998). In the § 145 context, in the absence of new evidence, the district court must enter judgment for the Director if the Board's findings regarding the lack of adequate written description are supported by substantial evidence. *See In re Curtis*, 354 F.3d 1347, 1352 (Fed. Cir. 2004) (whether written description adequately supports claims is issue of fact); *Mazzari*, 323 F.3d at 1004-05 (absent new evidence, PTO fact-finding reviewed under substantial evidence standard in § 145 actions).

Hyatt argues that the Board's decision was not supported by substantial evidence because the record before the Board cited and contained adequate written description for all the claims rejected by the Board. When examined more closely, however, Hyatt's arguments rely almost entirely on Table-1. As noted earlier, Table-1 simply lists certain individual words used within various multi-word limitations, the number of times each such word appears in the specification, and "representative" pages in the specification where each word appears (or, in many cases, simply states that the word appears "throughout" the specification). For example, certain

claims were rejected for lacking written description support for a “processor responsive to an accessed block of video pixel image information.” J.A. 10643 ¶ 15. Table-1 indicates that “block” was used over 80 times on at least pages 25-83 and 128-164 of the specification; “information” was used over 100 times “throughout” the specification; “video” was used exactly eight times on at least pages 77, 166, and 168-71; etc. J.A. 10832. Table-1 does not, however, explain how any of these individual occurrences of these substituent words discloses a “processor responsive to an accessed block of video pixel image information.” The same defect exists in each of Hyatt’s arguments relying on Table-1 and so we are not persuaded by them.

In addition, Hyatt repeatedly points to raw source code printed in the specification as disclosing various features of his claims. Aside from self-serving attorney arguments, Hyatt points to no evidence that would enable the district court or this court to determine whether the source code actually does disclose these features. Moreover, he made the same unsupported arguments to the PTO, and despite its expertise the PTO found them to be unhelpful in determining whether the written description adequately supported the claims at issue. We therefore agree with the district court that the Board’s decision was supported by substantial evidence. There was no error in the district court’s grant of summary judgment.

#### CONCLUSION

For the reasons stated above, the district court’s grant of summary judgment is

*AFFIRMED.*

MOORE, Circuit Judge, dissenting.

The majority takes away this patent applicant's fundamental right to a "civil action to obtain [a] patent" as granted by Congress in 35 U.S.C. § 145. Today the majority decides that a patent applicant may not introduce the inventor's declaration in a § 145 proceeding before the district court because the inventor had an "affirmative duty" or "obligation" to disclose this evidence to the PTO. His failure to fulfill his affirmative duty, by not disclosing evidence he could have disclosed to the PTO, results in such evidence being excluded from the district court § 145 proceeding. The district court made no fact findings indicating willful withholding or intentional suppression; in fact, the district court did not even conclude that Mr. Hyatt's conduct amounted to gross negligence, but rather excluded the evidence under a negligence "could have" standard. Nor did the PTO even argue, at any stage of these proceedings, that Mr. Hyatt's conduct in this case was willful or intentional. Nonetheless, the majority concludes that the applicant "owed," Maj. Op. at 1278, the PTO all evidence he possesses that is responsive to a rejection and that failure to fulfill this newly created "affirmative duty" amounts to willful withholding as a matter of law. There are only two possible ways to interpret the majority's willful withholding determination. Either the majority is engaging in appellate fact finding or it is determining that breach of its newly created affirmative duty is willful withholding as a matter of law. The latter leaves no room for fact finding in individual cases and takes the discretion completely away from the trial court. Ultimately, the majority's sweeping exclusionary rule is far broader than anything argued by the parties.

While the Supreme Court has characterized the § 145 action as a proceeding that is “in fact, and necessarily, a part of the application for the patent,” the hallmark of the § 145 proceeding in the district court is that “all competent evidence” shall be heard subject only to “the ordinary course of equity practice and procedure.” *Gandy v. Marble*, 122 U.S. 432, 439, 7 S. Ct. 1290, 30 L. Ed. 1223 (1887); *see also Butterworth v. United States ex rel. Hoe*, 112 U.S. 50, 61, 5 S. Ct. 25, 28 L. Ed. 656 (1884). To be clear, Mr. Hyatt does not argue that § 145 actions are de novo trials that are entirely separate from PTO proceedings. Mr. Hyatt argues only that new evidence may be admitted in a § 145 action. He acknowledges that deferential review (substantial evidence) is given to Board fact findings absent new evidence in § 145 proceedings and also that evidence pertaining to new issues cannot be introduced. *See* Appellant’s Br. 1, 5, 8, 10-11, 14-15; *see also Conservolite, Inc. v. Widmayer*, 21 F.3d 1098 (Fed. Cir. 1994) (holding that in a § 146 action, evidence pertaining to new issues that were not raised before the PTO may be excluded).

The majority’s decision to affirm the district court’s exclusion of the inventor’s own declaration in a § 145 civil action severely restricts the rights that Congress afforded patent applicants, making this proceeding more of an appeal than the new civil action contemplated and enacted by Congress. Moreover, by concluding that an inventor has an “affirmative duty” to submit his own declaration in response to a rejection by the PTO, lest he be prevented from admitting the material in any subsequent district court proceeding, the majority makes it impossible for inventors to ever testify in a § 145 action unless their testimony had first been proffered to the PTO. I cannot agree that this was what Congress con-

templated when it enacted § 145, and therefore I dissent.

#### I. Mr. Hyatt's Declaration Should Not Be Excluded

Congress enacted a statute that permitted a “civil action” and gave patent applicants the right to present new evidence in a trial in the district court despite that this right would allow the applicant to introduce “evidence that they could have brought in before” the PTO, potentially resulting in “dragging an opponent through a second time.” *To Amend Section 52 of Judicial Code and Other Statutes Affecting Procedure in Patent Office: Hearings on H.R. 6252 and H.R. 7087 Before the H. Comm. on Patents, 69th Cong., 1st Sess. 80-81 (1926)* (statement of Hon. Thomas E. Robertson, Commissioner of Patents) [hereinafter *To Amend Section 52*]. Congress granted patent applicants the right to a civil action in the district court distinct from their right of appeal. It is our obligation to protect the distinction Congress codified in § 145, not to reweigh the virtues of that decision. The § 145 proceeding is a civil action and ought to be governed by the same Federal Rules of Evidence that govern other civil actions. Patent cases do not need, nor should they have, special rules of evidence.

Section 145, titled “Civil action to obtain a patent,” provides:

An applicant dissatisfied with the decision of the Board of Patent Appeals and Interferences in an appeal under section 134(a) of this title may, unless appeal has been taken to the United States Court of Appeals for the Federal Circuit, *have remedy by civil action* against the Director in the United States District Court for the District of Columbia if com-



menced within such time after such decision, not less than sixty days, as the Director appoints. *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 shall authorize the Director to issue such patent on compliance with the requirements of law. All the expenses of the proceedings shall be paid by the applicant.

35 U.S.C. § 145 (emphasis added).

The statute itself distinguishes the appeal that may be brought pursuant to 35 U.S.C. § 141 because a § 145 action is not an appeal; it is a “civil action.” The statute obligates the district court to adjudicate the facts in this civil action. Because the statute affords no limitations on the type of evidence that ought to be admissible in a civil action brought under § 145, the standard Federal Rules of Evidence that govern all civil actions ought to govern. The legislative histories of § 145 and its predecessor statute, section 4915 of the Revised Statutes, repeatedly *and without contradiction* indicate that the intent of Congress was to permit a patent applicant to bring a new suit built upon a new record. In testimony leading to the Patent Act of 1927, the Commissioner of Patents referred to a section 4915 suit as one where an applicant would proceed “*de novo*” in district court, with the right “to build up a new record” and bring in “further evidence that I might have put in before and drag you through another trail [sic] court.” *To Amend Section 52*, at 79-80. The Commissioner of Patents was testifying in opposition to this statute, to this civil action in the district court. He testified that this statute that per-

mits this “new record” results in “dragging an opponent through a second time.” *Id.* at 80. In fact, he articulated these concerns a second time, noting that the statute allowed a patent applicant to “file testimony bringing in evidence that they could have brought in before [the PTO] but did not bring in before, and after dragging a man through all this procedure which you have just said is so complicated and burdensome, start *de novo* in court, and bring in testimony not taken the first time.” *Id.* at 81; *see also id.* at 76 (statement of Karl Fenning, Former Assistant Commissioner of Patents) (arguing that “the best thing to do would be to cut out 4915 entirely for ex parte applications” to encourage the applicant to “put in all the testimony pertinent to his case” before the PTO).

Despite being presented with the policy reasons for not permitting a civil action, which allows the applicant to bring in evidence *he could have brought before the PTO*, Congress decided to adopt this approach. Mr. A.C. Paul, Chairman of the Patent Section of the Legislation Committee of the American Bar Association, made clear that he too understood section 4915 to permit the introduction of new evidence:

While our committee would have the case start *de novo* after the decision of the board . . . and the difference would be then if we went to the court of appeals by an appeal the decision must be based upon the same record. If we go into a court of equity the parties may use the record that they have in the Patent Office and may supplement it by additional evidence.

*Id.* at 81. Similarly, Congressman Albert H. Vestal stated that “if a party feels aggrieved, he can bring his suit

in the equity court, but it is not an appeal. It is the bringing of a new suit.” *Id.* at 36.<sup>1</sup> Charles E. Howson, Chairman of the Committee on Patent Law Revision for the American Bar Association, who was the “chairman of the committee that drew these bills” explained:

The advantage of section 4915 is that it enables the party in interest, desiring to obtain a patent, to take evidence in a court or tribunal whose business it is to try issues of facts *and make up a record in addition to that he has been enabled to furnish the examiners in the Patent Office*, and therefore get before a court of competent jurisdiction everything connected with his rights and every fact connected with his patent; in other words, *have before him everything that courts in the country have before them in infringement cases.*

*Id.* at 21 (emphasis added); *see also To Amend the Statutes of the United States as to Procedure in the Patent Office and the Courts: Hearing Before the S. Comm. on Patents*, 69th Cong., 2d Sess. 13-14 (1926) (statement of Otto R. Barnett) (Pursuant to section 4915, you may file an action in the district court if “you want a new record to bring out new things developed in your patent, in lieu of that you may file a new suit. . . . Now, when it came to ex parte cases, it was comparatively simple to say that

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<sup>1</sup> *See also* Albert H. Walker, *The Law of Patents for Inventions* § 134 (5th ed. 1917) (“In order to decide the issues of such a bill in equity as is treated in this section, the court, where the bill is pending, will take testimony, and any other admissible evidence, according to the course of courts of equity; and will also consider whatever was before the Patent Office in the proceedings which resulted in the refusal to grant a patent . . . . The proceeding, however, is not revisory of the Patent Office proceeding, but is an original suit in equity . . . .”).

the individual inventor may appeal, or he may start his new suit. . . . ‘Well, somebody may want to start a new suit and bring out other and new things.’ So we said, ‘All right, take your choice; go on with a new suit, or appeal.’”).

These numerous statements confirm that when Congress enacted this statute, which does not limit the evidence that may be introduced in this “new suit” or “civil action,” Congress did so with this purpose and intent. The majority attempts to sweep away all of the legislative history (as “anachronistic”) claiming that the mere existence of *Barrett* “suggests that Congress approved of the cases holding that patent applicants could not present to a district court evidence they should have but did not present to the Patent Office.” Maj. Op. at 1271-73. There are several problems with this theory. First, the parties agree and Congress clearly stated that the 1952 patent act made no substantive changes to § 4915. *See* Appellant’s Br. 16; Appellee’s Br. 45; S. Rep. No. 82-1979 (1952), *as reprinted in* 1952 U.S.C.C.A.N. 2394, 2400. Second, even the few courts that excluded evidence prior to the 1952 patent act did so under a hodgepodge of different standards (diligence, intentional suppression or bad faith). Congress could not have implicitly adopted all of these differing standards. Indeed, Congress did not limit the type of evidence that the patent applicant may introduce precisely because it intended for a civil action under § 4915, now § 145, to be based upon a new record and new evidence, even if that new evidence could have been brought before the PTO. Congress intended that the district court in a § 145 action have everything that a court would have in an infringement suit. Under this standard, Congress cer-

tainly intended for an inventor, such as Mr. Hyatt, to be permitted to introduce his own declaration in a § 145 action.<sup>2</sup>

Moreover, to deter applicants from exactly the type of procedural gaming that concerns the majority, § 145 imposes on the applicant the heavy economic burden of paying “[a]ll the expenses of the proceedings.” 35 U.S.C. § 145. This burden encourages applicants to present their best case to the PTO to avoid responsibility for all expenses in a § 145 proceeding. To allow this type of evidence in these civil actions was a policy decision committed solely to the discretion of Congress, which it duly made.

Not only does the majority decision conflict with the proper interpretation of § 145, but it is also in conflict with Supreme Court jurisprudence on this point. The Supreme Court has repeatedly and without limitation spoken to an applicant’s right to “present to the court evidence that the applicant did not present to the PTO. The presence of such new or different evidence makes a factfinder of the district judge.” *Dickinson v. Zurko*, 527 U.S. 150, 164, 119 S. Ct. 1816, 144 L. Ed. 2d 143 (1999). Supreme Court jurisprudence reflects a strong distinction between a § 141 appeal, in which new evidence is not permitted, and a § 145 action and its precursors, in which new evidence is freely admitted. A civil

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<sup>2</sup> The Federal Rules of Evidence do not support the majority’s exclusion of inventor statements. Inventor testimony is regularly admitted in infringement cases for various reasons: *Wang Labs., Inc. v. Toshiba Corp.*, 993 F.2d 858, 866 (Fed. Cir. 1993) (written description); *Phillips v. AWH Corp.*, 415 F.3d 1303, 1317 (Fed. Cir. 2005) (en banc) (claim construction); *Cooper v. Goldfarb*, 154 F.3d 1321, 1330 (Fed. Cir. 1998) (reduction to practice); *Symantec Corp. v. Computer Assocs. Int’l, Inc.*, 522 F.3d 1279, 1295 (Fed. Cir. 2008) (conception).

action under § 145—like the bill in equity before it and unlike an appeal—is “the exercise of original, the other of appellate, jurisdiction.” *In re Hien*, 166 U.S. 432, 438, 17 S. Ct. 624, 41 L. Ed. 1066 (1897). A defining difference between an appeal and the bill in equity is the introduction of new evidence:

It is evident that alternative rights of review are accorded an applicant,—one by appeal to the United States Court of Customs and Patent Appeals, the other by bill in equity filed in one of the federal district courts. In the first the hearing is summary and solely on the record made in the Patent Office; in the other a formal trial is afforded on proof *which may include evidence not presented in the Patent Office*.

*Hoover Co. v. Coe*, 325 U.S. 79, 83, 65 S. Ct. 955, 89 L. Ed. 1488 (1945) (citation omitted); *id.* at 87, 65 S. Ct. 955 (explaining that the legislative history makes clear that Congress intended to save to “litigants the option of producing new evidence in court, by retaining the equity procedure”); *see also Hill v. Wooster*, 132 U.S. 693, 697, 10 S. Ct. 228, 33 L. Ed. 502 (1890) (“The opinion of the circuit court discusses . . . and states that considerable evidence was produced before the court which was not before the patent-office.”). And the Supreme Court has distinguished an appeal from the bill in equity under section 4915 (the precursor to § 145):

It is thereby provided [in section 4915] that the applicant may have remedy by bill in equity. This means a proceeding in a court of the United States having original equity jurisdiction under the patent laws, *according to the ordinary course of equity practice and procedure*. It is not a technical appeal from the patent-office, like that authorized in section

4911, confined to the case as made in the record of that office, but is prepared and heard upon *all competent evidence* adduced, and upon the whole merits. Such has been the uniform and correct practice in the circuit courts. *Whipple v. Miner*, 15 F. 117 (C.C.D. Mass. 1883); *Ex parte Squire*, 3 Ban. & A. 133; *Butler v. Shaw*, 21 F. 321.

*Butterworth*, 112 U.S. at 61, 5 S.Ct. 25 (emphasis added).

In *Butterworth*, the Supreme Court held that a section 4915 action should be heard on “all competent evidence,” which is governed “according to the ordinary course of equity practice and procedure.” *Id.* The majority explains that competent evidence is synonymous with admissible evidence, *see* Maj. Op. at 1260 n.12, but suggests that the Supreme Court was silent on what evidence was competent (admissible). In fact, the preceding sentence in *Butterworth* explained that the admissibility or competence is determined “according to the ordinary course of equity practice and procedure” (i.e. the Federal Rules of Evidence and Civil Procedure). *Butterworth*, 112 U.S. at 61, 5 S. Ct. 25. Evidence is admissible in a § 145 civil action limited only by the ordinary rules of evidence and procedure that apply to all civil actions. The majority claims that reading *Butterworth* as holding that evidence is admissible in a § 145 civil action limited only by the ordinary rules of evidence and procedure that apply to all civil actions is contrary to the Supreme Court’s decision in *Gandy*. However, the very quote in *Gandy* that the majority cites for this proposition, Maj. Op. at 1260, reaffirms this holding of *Butterworth*. The fact that the “proceeding, is, in fact and necessarily, a part of the application for the patent,”

is not to the contrary. The cases endorsed by the Supreme Court in *Butterworth*, like the Supreme Court itself, hold that the section 4915 action is one in which any *evidence* may be admitted:

It would seem, therefore, that the course of proceeding in either case is clear-viz., “according to the course of equity.” Even in the absence of these explicit terms it would be apparent that a suit in equity would have to be governed in its proceedings by equity rules. . . . The provisions of the acts of congress, already referred to, allowing the party failing in his application, to file a bill, do not restrict the hearing, in this court, to the testimony used before the commissioner. *Either party, therefore, is at liberty to introduce additional evidence, or rather, to speak more accurately, the hearing is altogether independent of that before the commissioner, and takes place on such testimony as the parties may see fit to produce agreeably to the rules and practice of a court of equity.*

*Ex parte Squire*, 22 F. Cas. 1015, 1017 (C.C.E.D. Mo. 1877) (No. 13,269) (emphasis added).<sup>3</sup> This case, which on this very point the Supreme Court held was “cor-

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<sup>3</sup> See also *Butler v. Shaw*, 21 F. 321, 326 (C.C.D. Mass. 1884) (distinguishing between the patent applicant’s right to appeal where “that court acts strictly as a court of appeal in the matter . . . the hearing is summary, and is confined to the specific reasons of appeal, and to the evidence produced before the commissioner” and the patent applicant’s right to file a “bill in equity” under section 4915, which is “a suit within the ordinary jurisdiction in equity of the courts . . . the statute contains no provision requiring the case to be heard upon the evidence produced before the commissioner . . . as has been held in this and other circuits, the court may receive new evidence, and has the same powers as in other cases in equity”).



rect,” holds that the only limitations on evidence that may be introduced in these proceedings are those limitations that arise under the normal rules—in this case the Federal Rules of Evidence. *See id.*

The majority discusses the importance of preserving settled expectations. Our own precedent is replete with examples of § 145 actions in which district courts considered new evidence that could have been presented to the PTO but was only first presented to the district court. *See, e.g., Fregeau v. Mossinghoff*, 776 F.2d 1034, 1036 (Fed. Cir. 1985) (applicant submitted a new expert declaration setting forth additional data and a new theory to the district court); *Titanium Metals Corp. of Am. v. Banner*, 778 F.2d 775 (Fed. Cir. 1985) (new expert testified in district court); *Gould v. Quigg*, 822 F.2d 1074 (Fed. Cir. 1987) (both the PTO and the patent applicant offered new expert testimony); *Mazzari v. Rogan*, 323 F.3d 1000, 1004-05 (Fed. Cir. 2003) (allowing a large volume of new evidence offered by the applicants and the PTO including new experts and prior art references); *see also Winner Int’l Royalty Corp. v. Wang*, 202 F.3d 1340, 1346-48 (Fed. Cir. 2000) (allowing new evidence of commercial success to be introduced in the district court proceedings); *Genentech, Inc. v. Chiron Corp.*, 220 F.3d 1345, 1351 (Fed. Cir. 2000) (permitting four new experts to testify despite the fact that none of them had offered any testimony by declaration, affidavit, or otherwise during proceedings at the PTO). We have repeatedly held that a § 145 applicant is “entitled” to and may “choose” to introduce additional evidence. *See Mazzari*, 323 F.3d at 1004-05 (“A section 145 review . . . affords the applicant an opportunity to present additional evidence or argue the previous evidence afresh,” and “[i]f

the parties choose to present additional evidence to the district court . . . the district court would make *de novo* factual findings.”). In *Newman v. Quigg*, 877 F.2d 1575 (Fed. Cir. 1989), we held that the PTO could introduce several new reports, declarations, and affidavits not submitted during the PTO proceedings explaining:

A district court action under 35 U.S.C. § 145 is a *de novo* determination of patentability. It is not limited to the record before the PTO. Unless a party is prejudiced thereby or due process is denied, expeditious justice is better served by avoiding artificial restrictions on the district court’s authority to resolve all issues reasonably raised in the proceeding.

*Id.* at 1579 (citation omitted). These cases illustrate the great magnitude of the majority’s departure from decades of practice in which both parties believed such evidence admissible. The majority’s decision to start excluding evidence in § 145 actions is contrary to the statute, legislative history, Supreme Court precedent, and the long-standing practice of considering such evidence in our cases.<sup>4</sup>

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<sup>4</sup> Although not considered below or raised or argued by the parties on appeal, the majority contends that the APA requires “[s]ome restrictions on the ability of an applicant to introduce new evidence in a § 145 action.” Maj. Op. at 1270. There is little doubt that, as a general matter, the APA applies to PTO actions. *Zurko*, 527 U.S. at 165, 119 S. Ct. 1816. But *Zurko* acknowledged that § 145 allows applicants to “present to the court evidence that the applicant did not present to the PTO. The presence of such new or different evidence makes a factfinder of the district judge.” *Id.* at 164, 119 S. Ct. 1816. And in a case considering the applicability of *Zurko* to § 145, we stated that “[a] section 145 review is distinct from a section 141 appeal in that it affords the applicant an opportunity to present additional evidence or argue the previous evidence afresh.” *Mazzari*, 323 F.3d at 1004. While *Zurko* and

## II. The New *Alton* Rule for Excluding Evidence

After a lengthy discussion of the hodgepodge of standards that were applied in the few regional circuits that had excluded evidence from district court proceedings, the majority affirms the district court's exclusion of evidence.<sup>5</sup> The authority, according to the majority, is

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*Mazzari* concerned the standard of review, both cases considered the APA and both cases proceeded on the uncontroversial premise that the applicant can "choose" to present "new or different evidence" in a § 145 action. Further, as explained in detail *supra*, the language and legislative history of § 145 resoundingly support the admissibility of new evidence in § 145 actions. *Cf. Chandler v. Roudebush*, 425 U.S. 840, 862, 96 S. Ct. 1949, 48 L. Ed. 2d 416 (1976) ("Here, by contrast, there is a 'specific statutory authorization' of a district court 'civil action,' which both the plain language of the statute and the legislative history reveal to be a trial de novo."). The APA does not limit new evidence in a § 145 proceeding to live testimony to resolve credibility issues as the majority asserts. Maj. Op. at 1270-71.

<sup>5</sup> To the extent that regional circuits or lower courts excluded evidence in § 145 actions, there is considerable disagreement as to the standard that ought to govern the exclusion of such evidence (gross negligence, intentional suppression, bad faith, or negligence/diligence). *See, e.g., Case v. CPC Int'l, Inc.*, 730 F.2d 745, 752 (Fed. Cir. 1984) ("We are aware that this provision *has received varying interpretations in the circuits*. In our view, since an action under 35 U.S.C. § 146 has the hybrid nature of an appeal and a trial de novo, the statute authorizes the district court to accept all proffered testimony on issues raised by the parties during the proceedings below or by the board's decision." (emphasis added)). In fact, the negligence/diligence standard applied in this case was recently rejected by the very court from which this appeal comes:

As a threshold matter, the Court must determine whether plaintiff may, under Section 145, offer the four new declarations not previously submitted to the Board . . . . Defendant contends that the Court should not consider these new declarations because they were not previously submitted to the Board . . . . There is no indication

*In re Alton*, 76 F.3d 1168, 1175 (Fed. Cir. 1996). The majority holds that by failing to offer his testimony to the PTO, Hyatt has failed to satisfy “an affirmative and specific duty.” Maj. Op. at 1248. In this way, this new affirmative duty for prosecution seems to resemble inequitable conduct, though here the applicant is penalized regardless of their intent. The majority explains: “Hyatt was obligated to respond to the examiner’s written description rejection by *In re Alton*, 76 F.3d 1168, 1175 (Fed. Cir. 1996), by explaining where in the specification support for each of these limitations could be found.” Maj. Op. at 1274.<sup>6</sup> The majority continues:

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here that plaintiff’s failure to introduce the four declarations rises to the level of fraud, bad faith, or gross negligence.

Defendant, however, points to a handful of cases in this Court, which have adopted an even more stringent standard for the consideration of new evidence. Defendant relies primarily on *Hyatt v. Dudas*, in which Judge Kennedy declined to consider new evidence “negligently submitted after the end of administrative proceedings.” This articulation of the “new evidence” standard represents a significant departure from the PTO’s guidelines and, as plaintiff argues, would “render an appeal under § 145 . . . nearly indistinguishable from a direct appeal to the Federal Circuit, and would render the purpose of the statute duplicative and meaningless.” The Court therefore declines to adopt the *Hyatt* standard for considering new evidence in this case.

*Hitachi Koki Co. v. Dudas*, 556 F. Supp. 2d 41, 47 (D.D.C. 2008) (citations omitted).

<sup>6</sup> The majority suggests that there is only one way to respond to a written description rejection. Maj. Op. at 1278 (“There is, under *Alton* only one acceptable response to a written description rejection: showing the examiner where by column and line number in the specification he may find written description support for each disputed claim limitation.”). With all due respect, this not correct. Written description rejections can be addressed by arguing, for example, that the examiner failed to set forth a prima facie case, by amendment, by adjusting a

“Hyatt was clearly on notice of his obligation to provide evidence or explanation to the examiner to rebut the written description rejections,” Maj. Op. at 1276, and “he was required by law” to provide it. Maj. Op. at 1275. With all due respect to the majority, I do not believe a new “affirmative duty” to disclose is warranted, nor do I believe Hyatt was “required by law” or “obligated” to provide his declaration to the PTO. While Mr. Hyatt may have failed to overcome the rejections or to convince the Board based upon his submissions to the PTO, he did not fail to fulfill an “obligation” or “affirmative duty” as the majority alleges.

The majority uses *Alton* to create an “affirmative duty” with which patent applicants must comply. *Alton* does not justify this new duty. *Alton* stands for the proposition that when the examiner makes a prima facie case for his written description rejection, the burden of coming forward with evidence or argument (burden of production) shifts to the applicant. *Alton*, 76 F.3d at 1175. And, this is true whether the examiner is rejecting a claim on the basis of anticipation, obviousness, enablement, written description or any other reason. *See In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992) (“[T]he examiner bears the initial burden, on review of the prior art or *on any other ground*, of presenting a prima facie case of unpatentability. If that burden is met, the burden of coming forward with evidence or argument shifts to the applicant.”); *see also Manual of Patent Examination Procedure* § 804 ¶ I.A (8th ed., rev.

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priority claim, or by pointing out common alternative definitions for a claim term known to one of ordinary skill in the art. There is not simply one way an applicant can or must respond, and we should not micro-manage prosecution.

2008); *id.* § 2106 (patentable subject matter), § 2107.02 (utility), § 2112 (inherent anticipation), § 2142 (obviousness), § 2163.04 (written description), § 2164.04 (enablement), § 2184 (equivalents). Once the examiner makes a *prima facie* case, the applicant then has the burden of coming forward with evidence to rebut that *prima facie* showing.

Because the same burden shifting occurs with regard to every type of rejection an examiner makes, this new affirmative duty is not limited to the written description issue reviewed in *Alton*. Hence if the burden shifting creates “an affirmative duty” then this affirmative duty comes into existence every time an examiner makes a *prima facie* case and rejects claims. I cannot agree with the *per se* rule that an applicant is deemed to have willfully withheld anything he possessed during prosecution that was responsive to a rejection regardless of the applicant’s actual intent. Willfulness always requires intent and is simply not compatible with the majority’s strict liability approach.

### III. Mr. Hyatt’s Evidence

In this case, the district court found that Mr. Hyatt’s failure to proffer his declaration to the PTO was merely negligent. *Hyatt v. Dudas*, No. 03-0901, 2005 WL 5569663 (D.D.C. Sept. 30, 2005) (“*Hyatt II*”) (“Hyatt’s failure to explain why he didn’t submit his declaration earlier is negligent, and the district court need not consider evidence negligently submitted after the end of administrative proceedings.”). There has been no finding of bad faith, fraud, willful withholding, intentional suppression or even gross negligence in this case. The PTO did *not* argue to either the district court or this

court that the facts in this case would establish intentional suppression or willful withholding by Mr. Hyatt. Rather, the PTO argued that the facts established that Mr. Hyatt acted negligently or in the alternative grossly negligently. Appellee's Br. 51-53. In fact, the PTO argues that Mr. Hyatt's focus on "intentional or deliberate conduct misses the point." Appellee's Br. 51. Analogizing the present case to *Schering Corp. v. Marzall*, 101 F. Supp. 571 (D.D.C. 1951), the PTO distinguishes between suppression on the one hand and evidence withheld without sufficient excuse on the other. *Id.* at 34-35. If the majority would like the willful withholding standard to be applied and for fact findings to be made accordingly, it must vacate and remand for the district court to do so in the first instance. Because willful withholding was not argued by the parties or considered by the district court, we as an appellate court simply cannot know the volume of evidence that may exist on the issue nor are we in a position to judge Mr. Hyatt's credibility.

I find troubling the majority's characterizations of Mr. Hyatt. *See, e.g.*, Maj. Op. at 1275 (Mr. "Hyatt purposefully kept [the Board] in the dark"); *id.* (his "blatant noncooperation"); *id.* at 1275 (Mr. "Hyatt willfully refused to provide evidence in his possession"); *id.* (Hyatt "refused to cooperate"); *id.* ("Hyatt's willful noncooperation"); *id.* at 1277 ("Hyatt willfully refused"); *id.* at 1274 (providing his declaration "should have been simple for him"); *id.* at 1277 (that Hyatt's failure "to perform a simple task that it was his burden to perform is inexcusable"); *id.* at 1277 ("Hyatt's perverse unhelpfulness"). None of this appears in the district court proceedings, the PTO proceedings, or the record—these fact findings ought to be left to the district court which

is in the best position to weigh the contradictory evidence.

Contrary to the appellate finding of willful withholding, the record contains ample evidence of a lack of willful withholding. Here, the examiner rejected all of Mr. Hyatt's 117 claims for lack of written description, failure to enable, obviousness-type double patenting (over 8 separate references), and *Schneller*-type double patenting (over the same 8 references). The examiner also rejected 9 claims as anticipated (*Hill* reference) and 7 as obvious (over a combination of three references). Technically, Mr. Hyatt was appealing 45 separate issues totaling 2546 separate rejections of his 117 claims to the Board. He wrote a 129-page appeal brief addressing *all* of these different rejections.<sup>7</sup> And, to be clear, the Board reversed all the examiner's rejections for obviousness, anticipation, obviousness-type double patenting, *Schneller*-type double patenting, and many of the written description and enablement rejections. With regard to the written description rejections in particular, the Board reversed the rejections of 38 claims and sustained the rejections of 79 claims. Mr. Hyatt prevailed on 92% of all the examiner's rejections at the Board level. Despite Mr. Hyatt's success, the majority declares Mr. Hyatt's response to be "completely and wholly inadequate" and Mr. Hyatt to have been perversely unhelpful. Maj. Op. at 1277, 1278.

With respect to the written description issue, Mr. Hyatt responded to the rejections—as the majority explains—with thirty six pages of argument and Table-1.

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<sup>7</sup> Mr. Hyatt prosecuted his patent application pro se. This is not to suggest that Mr. Hyatt is unsophisticated, as he is an inventor with several patents to his credit and a patent agent.



While the Board criticizes Table-1, the Board reversed thirty-eight of the examiner's rejections for lack of written description and in some cases relied upon exactly the information referenced in Table-1. For example, the Board found support for "a data decompressed video image input circuit generating data decompressed image information" (in thirty-three claims) on page 23 of the 236-page specification, the exact and only location where table-1 says the terms "data compressed" and "decompressed" appeared. *See, e.g., Ex Parte Hyatt*, No. 2000-2049 (B.P.A.I. July 30, 2002) at 19-20. Although Mr. Hyatt may have failed to overcome all of the written description rejections based upon his submissions to the PTO, he did not fail to fulfill an "obligation" or "affirmative duty," and he certainly was not "perversely unhelpful" as the majority alleges. With all of these facts, and no one arguing willful withholding, should we be finding it in the first instance? I believe the court is wrong to hold that breach of the newly created affirmative duty, i.e., not producing evidence to the PTO, is willful withholding as a matter of law.

It is helpful to compare these facts to one of the only examples of willful withholding, where a court excluded evidence of reduction to practice where the assignee corporation expressly refused to disclose and to allow their witnesses to answer questions before the PTO in order to maintain a commercial advantage. *Barrett*, 22 F.2d at 396 ("[T]he Barrett Company forbade them to answer."). *Barrett* represents an extreme and unwarranted position, and the majority chooses to go far beyond even that standard. Mr. Hyatt's conduct here hardly rises to the level of the Barrett Company. There is no evidence that Mr. Hyatt intentionally withheld information to retain some commercial advantage, as in

*Barrett*. Rather, the majority concludes that where an applicant fails to convince the PTO of his position, he is foreclosed from bringing in new evidence to further that position in a § 145 action, regardless of whether he believed he had submitted adequate evidence to the PTO—i.e., regardless of the applicant’s intent.

In hindsight, perhaps Mr. Hyatt should have submitted his declaration or that of any other expert earlier in the prosecution process. But hindsight is misleadingly acute. Declarations and expert reports are time consuming and expensive to prepare. It is hardly reasonable or even desirable to require patent applicants to put massive declarations into the record at an early stage of prosecution, weighing the cost to both the applicant and the PTO. *See generally* Mark A. Lemley, *Rational Ignorance at the Patent Office*, 95 *Nw. U. L. Rev.* 1495 (2003) (arguing that it would be inefficient for the PTO to overinvest in examination because so few patents are enforced). In this case, for example, the examiner rejected the claims on many different bases (double patenting on 8 different references, obviousness, anticipation, enablement, written description, etc.), totaling 2546 separate rejections. The Board overturned nearly all of them. It is easy with the benefit of hindsight to say Mr. Hyatt should have introduced more evidence on written description to the Board. But Mr. Hyatt was not facing merely a written description rejection, he was facing 2546 separate rejections on many, many different bases. The majority implausibly asserts that 2546 separate rejections is “proportional to Hyatt’s prosecution of an application containing 117 pending claims spanning 79 pages.” *Maj. Op.* at 1278 n. 35. An average of 21 rejections per claim is hardly proportional. Mr. Hyatt was forced to appeal 45 independent issues to the Board

when the average is two. Dennis D. Crouch, *Understanding the Role of the Board of Patent Appeals in Ex Parte Appeals*, 4, available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=142392295](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=142392295). Despite this challenge, Mr. Hyatt was largely successful on appeal. Further, the length of Mr. Hyatt's application suggests that his efforts to pinpoint pages containing certain terms was helpful and in good faith. Mr. Hyatt's response may have been especially valuable in the time before searchable electronic applications.

To say that Mr. Hyatt had an affirmative duty to introduce all evidence to the Board or that he "owed" (Maj. Op. at 1278) all the evidence he possessed is to put an enormous and undesirable burden on the patentee, one that will foreclose patent protection for many small inventors. Congress foresaw exactly this problem and ameliorated it with § 145 by providing applicants a way to initiate a civil action and introduce new evidence after Board proceedings when the issues are much more succinct and consolidated. This is illustrated perfectly here, where the applicant was contending with 2546 rejections on many different bases before the Board. After the Board overturned nearly all of them, only a small number of rejections—based on written description/enablement—were maintained. Hence at the district court the applicant could proffer much more extensive evidence because the universe of issues was greatly narrowed. This is the sensible approach Congress enacted. The statute even places the cost of the proceeding on the party better positioned to know the value of the application—the applicant. The majority's new exclusionary rule based upon its new affirmative duty upsets this balance.

## CONCLUSION

In this case, the majority blurs the line between an appeal pursuant to § 141 and the civil action of § 145. The admissibility of new evidence is exactly what distinguishes § 145 from § 141. “We must be vigilant to preserve to patent applicants the alternative procedures that the law provides, and to preserve the historical distinction between them.” *Fregeau*, 776 F.2d at 1041 (Newman, J., concurring-in-part). The legislative history and Supreme Court precedent make clear that the hallmark distinction is the admissibility of “all competent evidence,” “to build up a new record,” “to start *de novo* in court,” “and file testimony bringing in evidence that they could have brought in before [the PTO] but did not bring in before.” This evidence, admissible in this civil action, should be governed as the Supreme Court indicated by “equity practice and procedure,” i.e., the Federal Rules of Evidence and Civil Procedure.

Since only the presence of new evidence invokes the *de novo* standard of review (otherwise the district court will give the Board fact findings substantial evidence deference, see *Fregeau*, 776 F.2d at 1038), the majority’s decision in this case makes the § 145 action virtually indistinguishable from an appeal under § 141. This version of a “civil action” under § 145 is contrary to Congressional intent and to the Supreme Court’s rulings. While it is sound policy to encourage full disclosure to administrative tribunals such as the PTO, we are not the body that makes the decision of how best to do this. Congress held numerous hearings over this legislation, considered the concerns over permitting a civil action, and decided to enact the legislation despite these concerns.

Mr. Hyatt did not fail to fulfill an affirmative duty or obligation and he should not be penalized. I believe Congress gave Mr. Hyatt the right to have his own declaration considered as part of the evidence in the § 145 civil action at the district court, and therefore I must dissent from the majority's constriction of this patent applicant's rights.

APPENDIX C

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

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Civil Action 03-0901 (HHK)  
GILBERT P. HYATT, PLAINTIFF

*v.*

JON W. DUDAS, UNDER SECRETARY OF COMMERCE  
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF  
THE UNITED STATES PATENT AND TRADEMARK  
OFFICE, DEFENDANT

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[Filed: Sept. 30, 2005]

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MEMORANDUM OPINION

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Plaintiff, Gilbert P. Hyatt (“Hyatt”), brings this action against defendant, Jon W. Dudas,<sup>1</sup> in his official capacity as Director of the United States Patent and Trademark Office (“PTO”), seeking review of the decision of the Board of Patent Appeals and Interferences (“Board”) to affirm the rejection of 79 of the 117 claims in Hyatt’s patent application. Before the court are the

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<sup>1</sup> Jon Dudas became the Director of the United States Patent and Trademark Office in 2004. When Hyatt initially filed his complaint on April 16, 2003, James Rogan held this position. Pursuant to FED. R. CIV. P. 25(d)(1), the court has substituted Dudas for Rogan as the defendant in this lawsuit.

parties' cross-motions for summary judgment [## 23, 24]. Upon consideration of the motions, the respective oppositions thereto, and the record of this case, the court concludes that the PTO's motion for summary judgment must be granted, and Hyatt's partial motion for summary judgment must be denied as moot.

## I. BACKGROUND

### A. Legal Background

#### 1. Patent Applications

An inventor seeking to obtain a patent must file a specification of the purported invention with the PTO. 37 C.F.R. § 1.51 (b)(1). A specification must include, *inter alia*, both a written description of the invention and an enablement for a claimed invention which explains the “manner and process of making and using [the invention], in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains . . . to make and use the same. . . .” 35 U.S.C. § 112 para. 1; *see also* 37 C.F.R. § 1.71(a).

To fulfill the written description requirement, a patent applicant must “convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of *the invention*.” *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991). That is, a description need not describe exactly what that applicant claims as her invention, but it must convey to one with “ordinary skill in the art” that the applicant invented what is claimed. *See Union Oil Co. of Cal. v. ARCO*, 208 F.3d 989, 997 (Fed. Cir. 2000). A disclosure may meet this burden by providing either “express” or “inherent” support for a claimed limitation.

See *Tronzo v. Biomet, Inc.*, 156 F.3d 1154, 1159 (Fed. Cir. 1998). In order for a disclosure to be inherent, the “missing descriptive matter must necessarily be present in the . . . application’s specification such that one skilled in the art would recognize such a disclosure.” *Id.*

To fulfill the enablement requirement, “a patent application must adequately disclose the claimed invention so as to enable a person skilled in the art to practice the invention at the time the application was filed without undue experimentation.” *In re Swartz*, 232 F.3d 862, 863 (Fed. Cir. 2000) (internal citation omitted). “[A] ‘reasonable’ amount of routine experimentation,” is allowed but “such experimentation must not be ‘undue.’” *Enzo Biochem, Inc. v. Calgene, Inc.*, 188 F.3d 1362, 1371 (Fed. Cir. 1999). In addition, “[whether claims are sufficiently enabled by a disclosure in a specification is determined as of the date that the patent application was first filed.” *Id.*

At the end of the written description and enablement, a proper specification should conclude with a list of “claims,” which identify the specific innovations, components or sub-parts of invention, the applicant regards as hers. 35 U.S.C. § 112 para 2. A claim is a single sentence description, usually divided into several paragraphs, of what an applicant believes to be her invention, setting the boundaries of the invention the applicant wishes the PTO to examine. Specifically, a single claim can be composed of multiple elements and/or limitations. Elements are the previously known physical components that make up the claimed invention. Limitations, on the other hand, usually describe the claim’s restrictions, the interaction between or features of the claim’s elements. An application may contain several



claims, and each claim usually contains several limitations. In addition, several claims in a single application may share some of the same limitations. As a result, the PTO may reject several claims at once by rejecting a single, shared limitation.

## 2. Patent Process and Review

After an inventor files her application, which typically includes a specification, drawings, and sets of claims, to the PTO, the PTO submits the application to an Examiner with the necessary technical competence. *In re Berg*, 320 F.3d 1310, 1315 (Fed. Cir. 2003). After examining the application, the Examiner sends the applicant an “Office action” which may grant or reject the claims. 37 C.F.R. § 1.104(a)(2). The applicant may respond by submitting, in writing, a reply that “distinctly and specifically points out the supposed errors in the examiner’s action and must reply to every ground of objection and rejection in the prior Office action.” *Id.* § 1.111(b). “A general allegation that the claims define a patentable invention without specifically pointing out how the language of the claims patentably distinguishes them from the references does not comply with the requirements of this section.” *Id.* If and when the Examiner and applicant finally cannot agree on the disposition of certain claims, the Examiner issues a Final Office Action. *Id.* § 1.113. The applicant then may appeal to the Board, made up of a panel of three administrative patent judges (“APJs”), which will either sustain or reverse the Examiner’s rejections. 35 U.S.C. § 134(a). If the Board sustains the Examiner’s rejections, the applicant may appeal to the Federal Circuit under 35 U.S.C. § 141, or she may bring a civil action to overturn the Board’s decision in this court under 35 U.S.C. § 145.

## B. Factual Background

Hyatt is an electrical engineer who holds various computer hardware and software patents. The application at issue is U.S. Patent Application Serial No. 08/471,702 (“’702 Application” or “’702”), entitled “Improved Memory Architecture Having A Multiple Buffer Output Arrangement,” which relates to a computerized display system for processing images. R3, 1584.

On June 6, 1995, Hyatt filed the ’702 Application, which included a 238-page specification, 40 pages of drawings, and 15 claimed inventions. R1-347. After several amendments, Hyatt presented 117 claims for examination. Hyatt’s specification indicates that the ’702 application is part of a continuation of ancestor patents dating back to 1984. R4. The specification lists certain computer components, including a graphics processor, a register interface, a buffer memory, and a post-processor. The specification describes certain techniques, such as spatial filtering for anti-aliasing, and some software programs. *See* R1599-1600.

The Examiner rejected all 117 claims on various grounds. *See* R638-63. The Board affirmed the Examiner’s rejections of 79 of Hyatt’s claims<sup>2</sup> and overturned other rejections, which are not part of the present action. *See* R1583-1640. The Board affirmed the rejection of each of the 79 claims for lack of written description and/or lack of enablement. R1639. On April 16, 2003, Hyatt filed a complaint in this court pursuant to 35 U.S.C. § 145.

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<sup>2</sup> The Board upheld the rejection of claims 1-14, 17, 18, 20, 34, 36, 42-45, 81, 85, 98, 106-114, 116, 119-134, 136, 141, 143, 145-48, and 153-72 for lack of written description and lack of enablement. R1639.

## II. ANALYSIS

### A. Procedural issues

The PTO brings a motion for summary judgment, and Hyatt brings a motion for partial summary judgment, under FED. R. CIV. P. 56.<sup>3</sup> The parties, however, dispute several threshold issues of law which this court must resolve before turning to the merits of the motions in this case. Specifically, the court must determine: (1) the deference, if any, owed to the decision of the Board in a district court review under Section 145; (2) the value of inventor testimony or declarations as evidence; and (3) the application of the administrative exhaustion requirement to certain arguments in this case. The court examines each in turn.

#### 1. Standard of Review—Section 145

The parties disagree over the court's standard of review of the Board's decision to reject Hyatt's patent application. The PTO argues that in a case under 35 U.S.C. § 145, all of the Board's fact-findings are entitled to "substantial evidence" deference, whether or not the patent applicant introduces new evidence as Section 145 allows her to do. Hyatt, on the other hand, contends that the Board's fact-findings are reviewed *de novo* if additional evidence is submitted that rebuts those findings. Hyatt is correct.

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<sup>3</sup> Under FED. R. CIV. P. 56, summary judgment shall be granted if the pleadings, depositions, answers to interrogatories, admissions on file and affidavits show that there is no genuine issue of material fact in dispute and that the moving party is entitled to judgment as a matter of law. Material facts are those "that might affect the outcome of the suit under the governing law." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986).

Section 145 provides that the district court “may adjudicate that such applicant is entitled to receive a patent for an invention, as specified in any of his claims involved in the decision of the [Board].” 35 U.S.C. § 145. The Federal Circuit recognized that Section 145 is, in essence, a type of review of administrative action, and therefore the district court must employ a “standard of review for error in [an] agency decision.” *Fregeau v. Mossinghoff*, 776 F.2d 1034, 1038 (Fed. Cir. 1985). As a result, a district court normally applies the deferential “substantial evidence” standard to the Board’s fact-findings. *Mazzari v. Rogan*, 323 F.3d 1000, 1004-05 (Fed. Cir. 2003) (citing *Dickinson v. Zurko*, 527 U.S. 150 (1999)) (holding that the Administrative Procedure Act, 5 U.S.C. § 706, applies to a court’s review of PTO decisions). However, section 145 is not merely a form of administrative review. The statute allows the parties to submit new evidence to be considered by the court in addition to the administrative record before the Examiner and the Board. See *Fregeau*, 776 F.2d at 1037 (“The proceeding [under Section 145], however, is not simply an appeal since the parties are entitled to submit additional evidence.”); *Mazzari*, 323 F.3d at 1004 (holding that section 145 “affords the applicant an opportunity to present additional evidence or argue the previous evidence afresh, either by simply relying upon the record below or by reintroducing the same evidence through alternative means such as live testimony”). If new evidence is submitted, “the district court takes on the role of fact-finder and may need to make factual findings.” *Id.* Proceedings under Section 145 have therefore been described as “a hybrid of an appeal and a trial de novo.” *Winner Int’l Royalty Corp. v. Wang*, 202 F.3d 1340, 1345 (Fed. Cir. 2000) (citing *Estee Lauder Inc. v.*

*L'Oreal, S.A.*, 129 F.3d 588, 592 (Fed. Cir. 1997)). This is because the district court “applies the ‘substantial evidence’ standard of review to findings of fact made by the board,” but it makes “de novo factual findings” if the parties present additional conflicting evidence. *Mazzari*, 323 F.3d at 1005. Therefore, the court reviews the Board’s fact-findings *de novo* to the extent that Hyatt presents new evidence that challenges particular findings; otherwise, when no such evidence is presented, the court employs a deferential “substantial evidence” standard.

## **2. Admissibility of Hyatt’s Declaration**

Hyatt presents a declaration which refutes the Board’s various written description rejections. *See generally* R832. Such a declaration would entitle Hyatt to *de novo* review of every fact-finding of the Board he challenged. *Mazzari*, 323 F.3d at 1005. However, the PTO argues that despite Hyatt’s apparent entitlement to submit new evidence under Section 145, the court should not consider Hyatt’s declaration—causing the Board’s fact-findings to be reviewed under a deferential standard—for two reasons. First, the PTO argues that the declaration of a patent applicant in his own case is not entitled to any weight. Second, the PTO contends that Hyatt’s declaration should not be considered because he does not explain his failure to submit the declaration in previous proceedings before the Board. The court considers both arguments in turn and ultimately concludes that it cannot consider Hyatt’s declaration.

*a. Validity of Inventor Testimony*

The PTO argues that the court should not consider Hyatt's declaration because "the bald declaration of an inventor is insufficient to overcome the Board's findings." Def.'s Reply to Pl.'s Opp'n to Def.'s Mot. for Summ. J. ("Def.'s Reply") at 11 (citing *Bell & Howell Document Mgmt. Prods. Co. v. Altek Sys.*, 132 F.3d 701, 706 (Fed. Cir. 1997); *Rotan Barrier, Inc. v. Stanley Works*, 79 F.3d 1112, 1126 (Fed. Cir. 1996)). The PTO is incorrect because it mis-reads the law.

A court may not consider an inventor's declaration in disputes involving claim construction, which by definition only takes place *after* a patent has been granted. See *Bell & Howell*, 132 F.3d at 706 (noting that, in claim construction, after-the-fact inventor declarations must be disregarded because "the claims, specification, and file history, rather than extrinsic evidence, constitute the public record of the patentee's claim, a record on which the public is entitled to rely") (quoting *Vitronics Corp. v. Conceptor, Inc.*, 90 F.3d 1576, 1583 (Fed. Cir. 1996)); *Rotan Barrier*, 79 F.3d at 1125-26 (disregarding inventor declaration in resolving dispute over claim construction in infringement case). By contrast, it is well-established that *before* a patent has been granted, an inventor's testimony may be used to determine whether claims meet the written description requirement. See *Solomon v. Kimberly-Clark Corp.*, 216 F.3d 1372, 1378 (Fed. Cir. 2000) ("[I]n the more fluid environment of patent examination, an inventor's statements are relevant to determining compliance with the statute."); see also *id.* ("It is not inappropriate for the PTO or a reviewing tribunal to consider such evidence extrinsic to the patent application in light of the goals of

the examination process and the fact that pending claims can be freely amended to comport with those goals.”) (emphasis added) (citing *In re Zletz*, 893 F.2d 319, 321-22 (Fed. Cir. 1989)). The court, therefore, will not refuse to consider Hyatt’s declaration simply because it is his own self-serving testimony.

*b. Failure to Submit Declaration in Previous Proceedings*

The PTO argues that the court should not consider Hyatt’s declaration because he failed to present it in the proceedings before the Examiner and the Board. The merits of this argument in turn rests on the validity rests of two other assertions: first, that there are limitations to a party’s entitlement to submit new evidence under Section 145 and, second, that under these limitations, Hyatt is not entitled to submit his declaration. The court agrees with the PTO on both counts.

First, while Hyatt argues that there are no restrictions to submitting new evidence under Section 145, courts in the District of Columbia have established a doctrine limiting this entitlement. The courts in such actions refuse to admit evidence submitted to support “new” arguments—that is, those not raised before the Examiner or the Board. *DeSeversky v. Brenner*, 424 F.2d 857, 858 (D.C. Cir. 1970) (stating that though an applicant may present new evidence, she is “precluded from presenting new issues, at least in the absence of some reason of justice put forward for failure to present the issue to the Patent Office”); *see also In re Watts*, 354 F.3d 1362, 1367 (Fed. Cir. 2004) (“[I]t is important that the applicant challenging a decision not be permitted to raise arguments on appeal that were not presented to

the Board.”). In addition, courts have excluded new evidence in Section 145 actions if it was “available to the parties, but was withheld from the Patent Office as a result of fraud, bad faith, or gross negligence.” *Mon-santo Co. v. Kamp*, 269 F. Supp. 818, 822 (D.D.C. 1967); accord *Cal. Research Corp. v. Ladd*, 356 F.2d 813, 820-21 n.18 (D.C. Cir. 1966) (“Although each side ‘may strengthen its case with additional material’ the plaintiff may not submit for the first time evidence which he was negligent in failing to submit to the Patent Office. . . .”); *Holloway v. Quigg*, 9 U.S.P.Q. 2d 1751, 1752 (D.D.C. 1988) (“[E]vidence has been excluded if it was available to the plaintiff during the PTO proceeding but was either intentionally or negligently withheld.”). Both doctrines support the “general policy of encouraging full disclosure to administrative tribunals.” *Ladd*, 356 F.2d at 820-21 n.18 (“In short, the District Court proceeding may not be conducted in disregard of the general policy of encouraging full disclosure to administrative tribunals . . . .”). Consequently, these doctrines limit Hyatt’s entitlement to submit new evidence under Section 145.<sup>4</sup>

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<sup>4</sup> The Federal Circuit, which provides the controlling law in this case, has neither accepted nor repudiated cases, such as *DeSeversky* or *Kamp*, limiting the entitlement to submit new evidence in Section 145 actions. Nevertheless, the PTO has adopted these guidelines, citing explicitly to D.C. Circuit and D.C. district court cases:

In an action under 35 U.S.C. [§] 145, the plaintiff may introduce evidence not previously presented to the U.S. Patent and Trademark Office. However, plaintiff will be precluded from presenting new issues, at least in the absence of some reason of justice put forward for failure to present the issue to the U.S. Patent and Trademark Office. [Citations to *DeSeversky*, 424 F.2d at 858; *MacKay*, 641 F. Supp. at 570]. Furthermore, new evidence is not admissible in district court where it was available to the parties but was withheld from the U.S. Patent and Trademark Office as a result of fraud, bad faith, or gross



Second, the PTO argues that under these doctrines, Hyatt should be barred from submitting his declaration. Specifically, the PTO contends that Hyatt is at least negligent in failing to provide the declaration in earlier proceedings. Def.'s Mot. for Summ. J. ("Def.'s Mot.") at 37. Hyatt, on the other hand, justifies submitting his declaration because he had no opportunity to respond to the Board's new grounds for upholding the Examiner's written description rejections. Pl.'s Opp'n to Def.'s Mot. for Summ. J. ("Pl.'s Opp'n") at 41-44. The PTO's position has merit and Hyatt's does not.

A patent applicant must have the opportunity to respond to new grounds for claim rejections put forth by the Board. *See In re Waymouth*, 486 F.2d 1058, 1061 (CCPA 1973) ("To attempt to deny appellants an opportunity to provide a different and appropriate response to the board's rejection . . . does not satisfy the administrative due process established by Rule 196(b) of the Patent Office."). If the Board provides a "wholly different basis" for sustaining a rejection, the rejection is new. *Id.* at 1060-61 (finding that the Board had sustained a rejection on a "wholly different basis" and had conceded as much by admitting that its comments "were merely 'an additional reason' for affirming the examiner's rejection"). However, a rejection is not based on new grounds if "appellants have had fair opportunity to react to the thrust of the rejection." *In re Kronig*, 539 F.2d 1300, 1302 (CCPA 1976); *accord id.* at 1303 (finding that an applicant had fair opportunity to challenge a

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negligence. [Citations to *DeSeversky*, 424 F.2d at 858 n.5; *Ladd*, 356 F.2d at 821 n.18; *MacKay*, 641 F. Supp. at 570; *Kamp*, 269 F. Supp. at 822; *Killian v. Watson*, 121 U.S.P.Q. 507, 507 (D.D.C. 1958)].

rejection because “[t]he basic thrust of the rejection at the examiner and board level was the same”).

Hyatt faults the Board for not directly quoting the Examiner’s written description rejections. *See, e.g.*, Pl.’s Opp’n at 18 (“The PTO’s failure to quote the precise language used by the Examiner is telling.”). By this logic, the Board could only avoid raising a new grounds of rejection by using the exact words the Examiner used to sustain a written description rejection. Though a patent applicant is entitled to respond to the “thrust of the rejection,” *Kronig*, 539 F.2d at 1302, not every new turn of phrase by the Board entitles a patent applicant to an additional response. A rejection is not new simply because the Board fails to use the exact words of the Examiner in sustaining a rejection or if the Board simply elaborates on the Examiner’s rationale. *In re Oetiker*, 977 F.2d 1443, 1445-46 (Fed. Cir. 1992).

After closely comparing the Examiner’s rejections with the Board’s rejections,<sup>5</sup> the court concludes that the “thrust” of the Board’s written description rejections

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<sup>5</sup> Compare R642-43 (Examiner’s rejection of written description of vector processor) with R1605-07 (Board’s sustaining same written description rejection); compare R643-44 with R1608-09 (processor responsive to an accessed block of video pixel image information); compare R647 with R1613-14 (rejections of block processor generating two dimensional processed image information); compare R651 with R1615-16 (rejections of block boundary smoothing); compare R652 with R1617 (written description rejections video image date compression system); compare R653 with R1617-19 (written description rejections of weighting processor is a quantization weighting processor); compare R654 with R1620-21 (written description rejections of generating data compressed video information).

are the same as those of the Examiner.<sup>6</sup> With regard to each limitation rejected for lack of written description, the Examiner identified the specific limitation using a short phrase,<sup>7</sup> and explained simply that that particular feature was not described in Hyatt's specification or a parent application (No. 06/662,211) cited by Hyatt.<sup>8</sup>

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<sup>6</sup> There is one exception. For claims 153-172, "making a product in response to image information," the Examiner issued a rejection on the grounds that it was not described in Hyatt's specification. R655. Upon review, the Board went beyond simply elaborating on the Examiner's rejection or explaining its own attempts to find the "making a product" feature in the specification. It found that the limitation produced "signals" and that, as a matter of law, "signals" were not "products." R1621-1624. However, the Board made this determination in response to Hyatt's argument in his appeal brief that a "product" could be a "signal." R836-37. It is therefore not a "new" grounds for rejection because Hyatt had and took the opportunity to argue his position. In addition, in his opposition to the PTO's motion for summary judgment, Hyatt does not contend that the Board provided new grounds for rejection for these claims. Pl.'s Opp'n at 39-40.

<sup>7</sup> R642-43 ("vector processor responsive to an accessed block of video pixel image information and to vector information"); R643-44 ("processor responsive to an accessed block of video pixel image information"); R647 ("block processor responsive to an accessed block of pixel image information and to vector information"); R651 ("block boundary smoothing"); R652 ("video image data compression system"); R653 ("weighting processor is a quantization weighting processor"); R654 ("generating data compressed video information").

<sup>8</sup> Because the Examiner's rejections were terse—for these limitations, no more than a paragraph each—Hyatt claims that the Examiner did not meet his *prima facie* burden. The controlling law, however, indicates otherwise. If an Examiner simply cannot find a claimed limitation described in a specification, he is not required to say more than that to reject a claim for lack of written description. *In re Alton*, 76 F.3d 1168, 1175 (Fed. Cir. 1996) ("If the applicant claims embodiments of the invention that are completely outside the scope of the specification, then the examiner or Board need only establish this fact to make

The Board reversed 38 of the Examiner's rejections based on lack of written description. R1639 (reversing Examiner's written description rejection of limitations common to claims 19, 22-25, 35, 37, 49-52, 82-84, 95-97, 99-105, 115, 117, 118, 135, 137-140, 142, 144, and 149-152 because the particular features were described in the specification). However, the Board sustained the remaining rejections using the same rationale—the claimed features were simply not described in Hyatt's specification.<sup>9</sup>

Mostly, the Board's rejections were longer than the Examiner's. The majority of the Examiner's written description rejections were one paragraph long, *see, e.g.*, R642-43, while the Board at times took several pages to uphold the same rejections. *See, e.g.*, R1605-07. With some rejected written descriptions, the Board did not expand much on the Examiner's one paragraph rejection, using only slightly different words to say that it could not find the claimed limitations in Hyatt's specification. *See, e.g.*, R1608, R1609, R1617. With other rejections, the Board described its attempts to find certain

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out a prima facie case.") (citing *In re Wertheim*, 541 F.2d 257, 263-64 (CCPA 1976)).

<sup>9</sup> *See* R1607 ("[W]e find no written description for a processor coupled to and performing the 'generating' function 'in response to' the vector information as well as 'in response to' image information from the image memory"); R1613 (citing R1607 and sustaining similar written description rejection); R1608 ("[W]e find no disclosure of the processor 'generating data compressed video image information,' as claimed"); R1609, R1617, R1620 (citing R1608 and sustaining similar written description rejections); R1616 ("We find nothing in the specification that describes 'smoothing' or 'block boundary smoothing.'"); R1619 ("[W]e fail to see how the program GRAPH.ASC, or the other programs LD.ASC or FTR.ASC, provide written description support for the limitation at issue.").

limitations in Hyatt’s specification—for instance, by searching the specification for individual words or features in the limitation—and then noting that it still could not find written description support for the claimed limitation as a whole.<sup>10</sup> In short, the Board showed that it made an independent and thorough assessment of Hyatt’s specification before upholding the Examiner’s written description rejections for certain limitations. Furthermore, Hyatt already had a chance to respond to the “thrust” of the Examiner’s written description rejections before his appeal to the board. As a result, the court concludes that Hyatt’s declaration, which addresses many of the written description rejections, could have been presented earlier, perhaps during Hyatt’s proceedings before the Examiner, but certainly by the time his patent application was considered by the Board.<sup>11</sup>

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<sup>10</sup> See, e.g., R1605-07 (observing that, with regard to the “vector processor generating two dimensional vector processed image information” limitation, Hyatt’s specification disclosed a processor, coupled to the accessing circuit and to the vector generator, but not one functioning “in response to” vector information and image information from the image memory); R1615 (noting that, for the “block boundary smoothing” limitation, the Board knew what a “block boundary” was, and that a software program in Hyatt’s specification included the word “smoothing,” but that neither “smoothing” nor the combined phrase “block boundary smoothing” was otherwise described in the specification).

<sup>11</sup> Hyatt also argues that the Board improperly refused to consider his request for rehearing; however, if a patent applicant fails to present an argument in her appeal to the Board that could have been presented earlier, she may not present it in her request for rehearing. *Cooper v. Goldfarb*, 154 F.3d 1321, 1331 (Fed. Cir. 1998) (“A party cannot wait until after the Board has rendered an adverse decision and then present new arguments in a request for reconsideration.”). In Hyatt’s request for rehearing, he presented 50 pages of new argument, which at last included detailed explanations addressing the Board’s reasons for rejecting his claims. R1648-98. In addition, he submitted almost 100

The court, therefore, excludes from its consideration Hyatt's declaration because: (1) the "thrust" of the Board's written description rejections were the same as the Examiner's; (2) Hyatt had the opportunity to present to the Board, if not the Examiner, his declaration indicating that one skilled in the art would recognize his claimed limitations as described in the specification for the '702 application; (3) Hyatt has no other explanation (aside from the "new grounds" argument) to address why he failed to offer his declaration during the proceedings before the Board; and (4) Hyatt's failure to explain why he didn't submit his declaration earlier is negligent, and the district court need not consider evidence negligently submitted after the end of administrative proceedings. *Killian*, 121 U.S.P.Q. at 509 ("Where a plaintiff in an action under Section 145 . . . offers no explanation for his failure to submit to the Patent Office, during the prosecution of his application for patent, evidence purporting to show that he invented the claimed subject matter prior to the effective filing date of the application on which a patent said to anticipate was granted, such evidence is not properly admissible."). As a result, the court finds that Hyatt's declaration is not admissible.

Because Hyatt offers no other additional evidence aside from his declaration, the court reviews all of the Board's fact-findings using the more deferential "sub-

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pages of new photographs, drawings, and reference material that he also failed to present earlier to the Board. R1699-1793. The Board denied Hyatt's request for rehearing because his "extensive new arguments" could have been presented earlier. R1807. Upon review of Hyatt's request for rehearing, the court agrees. Hyatt has not offered any justifiable excuse for not submitting these arguments to the Board earlier. As such, Hyatt's request for rehearing was properly denied.

stantial evidence” standard. *Mazzari*, 323 F.3d at 1004-05. Under this standard, the court “asks whether a reasonable fact-finder could have arrived at the agency’s decision.” *In re Gartside*, 203 F.3d 1305, 1312 (Fed. Cir. 2000). The Board’s findings are not rendered unsupported by substantial evidence simply because it is possible to draw “two inconsistent conclusions.” *Velander v. Garner*, 348 F.3d. 1359, 1374 (Fed. Cir. 2003) (quoting *Consolo v. Fed. Mar. Comm’n*, 383 U.S. 607, 620 (1966)). Therefore, “if the evidence of record will support several reasonable but contradictory conclusions, we will not find the Board’s decision unsupported by substantial evidence because the Board chose one finding over another plausible alternative.” *Id.* (citing *In re Jolley*, 308 F.3d 1317, 1320 (Fed. Cir. 2002)).

## **B. The Board’s Affirmation of the Examiner’s Written Description Rejections**

Before the court for review are ten written descriptions, relating to seventy-nine claims, that were rejected by both the Examiner and the Board. The rejections can be grouped into five categories. The court considers each category in turn.

### **1. Vector Processor and Block Processor**

The Examiner rejected twenty-nine claims based on their common “vector processor” and “block processor” subparagraphs.<sup>12</sup> R642-43, 647. The Board upheld the

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<sup>12</sup> An exemplary “vector processor” subparagraph for claims 1, 2, 5, 9, 10, 12, 20, 81, 85, 98, 110-114, 119, 120, 123, 127, 128, 130, 136, 153, 157, and 161 is set forth in claim 1:

a two dimensional vector processor coupled to the accessing circuit and coupled to the vector generator, the two dimensional vector pro-

rejections of the vector and block processor limitations because Hyatt did not adequately describe the processors specified in his claims.<sup>13</sup> Specifically, the Board found that both limitations “require[] that the processor perform the function of ‘generating two dimensional processed image information in response to . . . video pixel information . . . and in response to the two dimensional vector information generated by the vector generator.’” R1606. It determined that this language “implies that the ‘generating’ function operates on two kinds of input data: a pixel information from memory and vector information.” *Id.* It found that “the specification describes graphics vectors being generated . . . into image memory . . . , not being generated and used by a processor together with accessed pixel data read out from the block image memory, which would require bypassing the block memory.” R1606-07. In other

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processor generating two dimensional vector processed image information in response to the accessed blocks of video pixel image information accessed by the accessing circuit and in response to the two dimensional vector information generated by the vector generator;

R1009-10. An exemplary “block processor” subparagraph for claims 17, 18, 133, and 134 is set forth in claim 17:

a two dimensional block processor coupled to the frame buffer accessing circuit and coupled to the vector generator, the two dimensional block processor generating two dimensional processed image information in response to the blocks of pixel image information accessed by the frame buffer accessing circuit and in response to the two dimensional vector information generated by the vector generator;

R1026-27.

<sup>13</sup> The Board noted the similarity of the vector processor claims and the block processor claims and used the same reasoning in rejecting both limitations. R1607, 1613-14; *see also* R642.



words, “the disclosed processor only controls the vector generator, it does not receive data from it or operate ‘in response to’ it.” R1607. The Board therefore concluded that “[s]ince the vector information is stored into the block memory, we find no written description for a processor coupled to and performing the ‘generating’ function ‘in response to’ the vector information as well as ‘in response to’ image information from the image memory.” *Id.* In essence, the Board found that while Hyatt did describe a processor, he did not describe “one that receives or responds to the two particular kinds of information—video pixel information and vector information—specified in his claim.” Def.’s Reply at 16-17.

In his appeal to the Board, Hyatt presented one piece of evidence, Table 1, which identifies twenty-four words found in his claims and lists the number of times each one appears in his specification and the page number on which each is located. R832. It offers no explanation or response to the Examiner’s rejections. Both the Examiner and the Board found Table 1 unhelpful and unpersuasive, for “merely pointing to isolated words scattered throughout the specification does not describe the invention claimed as a combination of elements, functions, and interconnections any more than a dictionary provides written description support for a book where words are used in combination to provide a certain meaning.” R1595. With respect to the vector and block processor limitations, the Board stated that Hyatt “merely points to Table 1 . . . for occurrences of words in the limitation and does not show where the specification describes the claimed structure or process.” R1607. Notably, Hyatt did “not point to a written description of a processor performing a generating function responsive to the two specific types of information.” *Id.*

It is well established that “the written description must include all of the limitations of the [claim], or the applicant must show that any absent text is necessarily comprehended in the description provided.” *Hyatt v. Boone*, 146 F.3d 1348, 1354 (Fed. Cir. 1998). Because a reasonable fact-finder could have arrived at the Board’s conclusion that Hyatt did not “include all of the limitations” of this claim because he did not describe a processor that responds to both video pixel information and vector information, the court finds that the Board’s decision to uphold the vector and block processor rejections was supported by substantial evidence.<sup>14</sup>

## 2. Processor Generating Data Compressed Video

The Board upheld the Examiner’s rejection of fifty-two claims based on their common “data compression” subparagraphs because Hyatt again did not describe his claimed inventions in his specification.<sup>15</sup> The Board

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<sup>14</sup> In his opposition, Hyatt relies on his declaration to support his contention that “the processor recited in the claims is supported by the disclosure.” Pl.’s Opp’n at 19. However, the court has already determined that it will not consider Hyatt’s declaration in deciding this motion on this or any other claim.

<sup>15</sup> An exemplary “data compression” subparagraph for claims 3, 4, 11, 121, 122, and 129 is set forth in claim 3:

a processor coupled to the accessing circuit and generating data compressed video image information in response to accessed blocks of video pixel image information generated by the accessing circuit;

R1012. An exemplary “data compression” subparagraph for claims 1, 85, 110-112, 119, and 157 is set forth in claim 1:

a two dimensional spatial processor coupled to the buffer memory and generating data compressed video image information in response to the buffered blocks of video pixel information stored in said buffer

found that “[w]hile a processor is coupled to the accessing circuit comprising the block memory of figures 6E to 6N and the raster scan address generator of figures 6O and 6P, we find no disclosure of the processor ‘generating data compressed video image information,’ as claimed.” R1608. It explained that “[t]he only compression mentioned in the specification is concerned with compression and decompression offline or online prior to loading into the image memory or in connection with an emulation program, not after it is stored in the block image memory.” *Id.* In other words, Hyatt successfully describes data compression, but he fails to describe data compression of *video image information* because he only describes data compression that takes place *before*

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memory and in response to the buffered two dimensional vector processed image information stored in said buffer memory;

R1010. An exemplary “data compression” subparagraph for claims 6-9, 13, 14, 124-127, 131, and 132 is set forth in claim 6:

A two dimensional frequency domain transform processor coupled to the accessing circuit and generating data compressed video image information in response to the accessed blocks of video frequency domain information accessed by the accessing circuit;

R1016. Claim 112’s “data compression” subparagraph is as follows:

wherein the memory system is a video image data compression system;

R1073. An exemplary “data compression” subparagraph for claims 2-14, 113, 114, and 120-132 is set forth in claim 2:

a two dimensional vector processor coupled to the accessing circuit and coupled to the vector generator, the two dimensional vector processor generating data compressed video image information in response to the accessed blocks of video pixel image information accessed by the accessing circuit and in response to the two dimensional vector information generated by the vector generator;

R1011.

the video image information is formed; he never describes the data compression as taking place *after* the image data has been stored in the memory. R1608, 1609, 1611, 1617, 1620. Hyatt's appeal to the Board relied upon Table 1, which the Board again found unpersuasive. Because a reasonable fact-finder could conclude, as the Board did, that Hyatt failed to describe data compression of video image information, the Board's rejections of these claims are affirmed.

### 3. Block Boundary Smoothing

The Board upheld the Examiner's rejections of twenty claims based on their common block boundary smoothing" paragraph because it found "nothing in the specification that describes 'smoothing' or 'block boundary smoothing.'"<sup>16</sup> R1616. In his appeal to the Board, Hyatt directed them to Table 1, which lists the number of times and the page numbers on which the words "block," "boundary" and "smoothing" occur. R832. The Board considered this but again found it unhelpful, noting that the table "does not show written description for the limitation of 'block boundary smoothing'. . . ." *Id.* It explained that while the word "smoothing" appears in Hyatt's specification in a particular program, it refers only to "'SMOOTHING PRINTOUTS' without explanation." *Id.* Furthermore, the program which contains the word "smoothing" involves conventional computer memory, "it does not use a memory having blocks or block

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<sup>16</sup> An exemplary "block boundary smoothing" paragraph for claims 34, 36, 42-45, 106-109, 141, 143, 145-148, and 169-172 is set forth in claim 34: "a block boundary smoothing processor generating block boundary smoothing information to smooth the pixel image information at boundaries between blocks of pixel image information; . . . ." R1037.

boundaries and so is not relevant to the issue of block boundary smoothing.” *Id.* It was reasonable for the Board to determine that “block boundary smoothing” was not adequately described because the specification only mentions the word “smoothing” one time, and even in that lone occurrence, it is not used in the context of “block boundary smoothing.” R234. The Board’s rejections are affirmed.

#### 4. Quantization

The Board upheld the Examiner’s rejection of claim 116 for lack of written description support for the limitation that “the weighting processor is a quantization weighting processor. . . .”<sup>17</sup> R1617, 1619. Based on Table 1, which Hyatt presented in response to the Examiner’s determination that a quantization weighting processor was not described in the specification, R653, the Board found that quantization did exist somewhere in the system, but its mere existence “was not persuasive or written description support for the particular claim limitation at issue.” R1619. The Board explained that “[t]he claim limitation is directed to quantization *after* the pixel image information is accessed (read) from block memory.” *Id.* (emphasis added). Two of the programs in Hyatt’s specification that involve quantization

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<sup>17</sup> The quantization subparagraph of claim 116 states:

wherein the weighting processor is a quantization weighting processor generating the weighted frequency domain image information as quantize weighted frequency domain image information by weighting the frequency domain image information generated by the frequency domain processor in response to the accessed weight information generated by the weight memory accessing circuit.

deal with loading a file to the image memory and pre-filtering, both of which occur *before* the image information is accessed from the memory. *Id.* They therefore “do not appear relevant to the quantization written description at issue.” *Id.* A third program, GRAPH.ASC (R216-18), “simply accesses (reads) pixel information out of memory . . . and does not perform any frequency domain processing, does not control the weight memory accessing circuit, and does not perform any quantization weighting of weighted frequency domain information.” *Id.* In short, “Hyatt claims a post-processor data manipulation when his description is limited to data manipulation that is pre-processor.” Def.’s Reply at 31. The court once again finds that a reasonable fact-finder could have reached the same result as the Board did, and the rejection of this claim is sustained.

#### **5. Making a Product in Response to the Output Image Information**

Finally, the Board upheld the Examiner’s rejection of claims 153-172 based on the following exemplary subparagraph, set forth in claim 153: “the act of making a product in response to the output image information.” R1084. Both the Examiner and the Board found that there was no written description support for “making a product.” R1621; *see also* R655.

In his appeal to the Board, Hyatt attempted to argue that the term “products” necessarily includes “machines,” “manufactures” and “signals,” and because he discloses a “signal,” his written description for “making a product” is sufficient. R837. The Board expressly addressed and rejected this argument because in the limitation, which states “making a product in response to

. . . image information,” the “‘image information’ is the signal and the ‘product’ must [therefore] be something else, which is not disclosed.” R1621. It went on to explain that the Patent Act only covers three product classes: machines, manufactures, and compositions of matter. An electrical signal is a form of energy; it therefore does not fall within any of the three product classes and cannot be claimed. R1622; 35 U.S.C. § 101. A reasonable fact-finder could determine that a “signal” is not a “product” and conclude that Hyatt’s “making a product” claim therefore lacks an adequate description. As such, the Board had substantial evidence to reject these claims.

### **C. Enablement**

Hyatt moves for partial summary judgment, arguing that the Board failed to meet its burden of proof in rejecting the claims for lack of enablement. The PTO concedes that its enablement rejections are tied entirely to its written description rejections. *See* Def.’s Mot. at 29. Having already rejected all of Hyatt’s claims for lack of written description, the court need not decide Hyatt’s motion for it is moot. *See Univ. of Rochester v. G.D. Searle & Co.*, 358 F.3d 916, 929-30 (Fed. Cir. 2004) (holding that upon affirming the district court’s decision to reject the written descriptions, “we consider the enablement issue to be moot”).

**CONCLUSION**

For the foregoing reasons, the court grants the PTO's motion for summary judgment and denies Hyatt's motion for partial summary judgment. A separate order accompanies this memorandum opinion.

Henry H. Kennedy, Jr.  
United States District Judge

Dated: September 30, 2005



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**APPENDIX D**

The opinion in support of the decision being entered today was *not* written for publication and is *not* binding precedent of the Board.

**BOARD OF PATENT APPEALS  
AND INTERFERENCES**

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No. 2000-2049  
Application 08/471,702<sup>1</sup>  
EX PARTE GILBERT P. HYATT

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[Decided: July 30, 2002]

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**DECISION ON APPEAL**

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Before: KRASS, BARRETT, and LALL, Administrative Patent Judges.

BARRETT, Administrative Patent Judge.

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<sup>1</sup> Application for patent filed June 6, 1995, entitled (as amended) "A Data Compression System," which claims the benefit of the priority dates under 35 U.S.C. § 120 of numerous applications, the earliest of which is Application 06/661,649, filed October 17, 1984, now abandoned.

This is a decision on appeal under 35 U.S.C. § 134 from the final rejection of claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172, which are all of the pending claims.

We affirm-in-part.

### BACKGROUND

The invention relates to an image memory system and a process of operating an image memory system wherein the image information is stored in a two dimensional array of rows and columns of blocks of pixel image information.

Claim 1 is reproduced below.

1. A memory system comprising:

a data decompressed video image-input circuit generating data decompressed video image information;

a two dimensional pixel block image memory storing a two dimensional array of blocks of video pixel image information, the two dimensional array of blocks of video pixel image information arranged in a two dimensional array of rows and columns of blocks of video pixel image information;

an address generator generating write addresses and generating read addresses;

a memory writing circuit coupled to the data decompressed video image input circuit, coupled to the two dimensional pixel block image memory, and coupled to the address generator, the memory writing circuit writing the two dimensional array of blocks of video pixel image information into the two dimen-

sional pixel block image memory in response to the data decompressed video image information generated by the data decompressed video image input circuit and in response to the write addresses generated by the address generator;

an accessing circuit coupled to the two dimensional pixel block image memory and coupled to the address generator, the accessing circuit generating accessed blocks of video pixel image information by accessing the two dimensional array of blocks of video pixel image information from said two dimensional pixel block image memory in response to the read addresses generated by the address generator;

a vector generator generating two dimensional vector information;

a two dimensional vector processor coupled to the accessing circuit and coupled to the vector generator, the two dimensional vector processor generating two dimensional vector processed image information in response to the accessed blocks of video pixel information accessed by the accessing circuit and in response to the two dimensional vector information generated by the vector generator;

a buffer memory coupled to the accessing circuit and coupled to the two dimensional vector processor, the buffer memory storing buffered blocks of video pixel information in response to the accessed blocks of video pixel image information accessed by said accessing circuit, and storing buffered two dimensional vector processed image information in response to the two dimensional vector processed image informa-

tion generated by the two dimensional vector processor; and

a two dimensional spatial processor coupled to the buffer memory and generating data compressed video image information in response to the buffered blocks of video pixel image information stored in said buffer memory and in response to the buffered two dimensional vector processed image information stored in said buffer memory.

### THE PRIOR ART

The examiner relies on the following references:

Lelke	4,069,511	January 17, 1978
Hill	4,200,867	April 29, 1980
Lord et al. (Lord)	4,322,750	March 30, 1982

### THE REJECTIONS

For reference purposes, pages of the final rejection (Paper No. 21) are referred to as "FR\_\_"; pages of the examiner's answer (Paper No. 34) are referred to as "EA\_\_"; pages of the appeal brief (Paper No. 30) are referred to as "Br \_\_"; and pages of the reply brief (Paper No. 42) are referred to as "RBr\_\_". The rejections are summarized below.

1. Claims 1-14, 110-114<sup>2</sup>, and 119-132 stand rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and, lack of enablement for the

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<sup>2</sup> Although the statement of the rejection does not include claims 110-114, since these claims depend on rejected independent claims 1 or 2, the failure to include these claims in the rejection appears to be an oversight.

limitation of “a data decompressed video image input circuit generating data decompressed image information” (EA4-6 ¶¶ 10.2 & 10.3).<sup>3</sup>

2. Claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 (all claims) stand rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and lack of enablement for simultaneously writing into and accessing (reading) from the block memory (EA6-7 ¶¶ 10.4 & 10.5).

3. Claims 1, 2, 5, 9, 10, 12, 20, 81, 85, 98, 110-114, 119, 120, 123, 127, 128, 130, 136, 153, 157, and 161 stand rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and lack of enablement for a vector processor generating two dimensional vector processed image information in response to video pixel information and in response to vector information (EA8-9 ¶¶ 10.6 & 10.7).

4. Claims 3, 4, 11, 121, 122, and 129 stand rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and lack of enablement for a processor generating data compressed video image information in response to accessed blocks of video pixel image information (EA9-10 ¶¶ 10.8 & 10.9).

5. Claims 1, 85, 95, 110-112, 119, 157, and 158 stand rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and lack of enablement for a spatial processor generating data compressed video image information in response to video pixel infor-

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<sup>3</sup> In all of the rejections based on 35 U.S.C. § 112, first paragraph, rejections numbered 1-13, the claims are held to lack enablement because they are found to lack written description support.

mation and in response to vector processed image information (EA10-11 ¶¶ 10.10 & 10.11).

6. Claims 6-9, 13, 14, 24, 34, 36, 42, 49, 50, 102, 106, 115-118, 124-127, 131, 132, 139, 141, 143, 145, 149, 150, 165, and 169 stand rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and lack of enablement for a frequency domain transform processor generating data compressed video image information or generating frequency domain image information (EA11-12 ¶¶ 10.12 & 10.13).

7. Claims 17, 18, 133, and 134 stand rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and lack of enablement for the limitation of a block processor generating two dimensional processed image information in response to pixel image information and in response to vector information (EA12-13 ¶¶ 10.14 & 10.15).

8. Claims 24, 34-37, 42-45, 49-51, 102-109, 115-118, 139-151, and 165-172 stand rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and lack of enablement for an input weight circuit generating input weight information (EA13-16 ¶¶ 10.16 & 10.17).

9. Claims<sup>4</sup> 34, 36, 42-45, 106-109, 141, 143, 145-148, and 169-172 stand rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and lack of enablement for the claimed block boundary smoothing (EA16-17 ¶¶ 10.18 & 10.19)

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<sup>4</sup> The statement of the rejection recites claims 141-148. However, claims 142 and 144 depend on claims 35 and 37, respectively, which are not rejected. Accordingly, we have restated claims 141-148 to be claims 141, 143, and 145-148.

10. Claim 112 stands rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and lack of enablement for the memory system being a video image data compression system (EA17-18 ¶¶ 10.2 [sic, 10.20] & 10.21).

11. Claim 116 stands rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and lack of enablement for the weighting processor being a quantization weighting processor (EA18-19 ¶¶ 10.22 & 10.23).

12. Claims 2-14, 113, 114, and 120-132 stand rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and lack of enablement for “generating data compressed video information” (EA19-20 ¶¶ 10.24 & 10.25).

13. Claims 153-172 stand rejected under 35 U.S.C. § 112, first paragraph, based on a lack of written description and lack of enablement for the limitation of “making a product in response to the output image information” (EA20-21 ¶¶ 10.26 & 10.27).

14. Claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52 81-85 and 95-172<sup>5</sup> stand provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over:

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<sup>5</sup> The statement of the rejection refers to claims 95-162. However, it appears that “162” is an inadvertent mistake and should be “172” so as to include all the pending claims. There is no apparent reason why the claim grouping should end at claim 162 since claims 163-172 also include the limitation of making a product and it appears to be the examiner’s intent to reject all the claims of the present application over all the claims in each of the copending applications.

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- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 96-173 of copending Application 08/471,704;
- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 of copending Application 08/471,712;
- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 of copending Application 08/471,925;
- claims 17-20, 22-25, 42-45, 49-52, 71-74, 81-85, and 110-162 of copending Application 08/472,062;
- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 of copending Application 08/479,086;
- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 of copending Application 08/479,087;
- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 96-173 of copending Application 08/479,088; and
- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 90-167 of copending Application 08/483,016.

The examiner states that although the claims are not identical, they are not patentably distinct and the minor differences are obvious variations of the same claimed invention (EA23-24 ¶ 10.29).



15. Claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172<sup>6</sup> stand provisionally rejected for double patenting based on *In re Schneller*, 397 F.2d 350, 158 USPQ 210 (CCPA 1968) (so-called *Schneller*-type double patenting) over:

- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 96-173 of copending Application 08/471,704;
- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 of copending Application 08/471,712;
- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 of copending Application 08/471-925;
- claims 17-20, 22-25, 42-45, 49-52, 71-74, 81-85, and 110-162 of copending Application 08/472,062;
- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 of copending Application 08/479,086;
- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 of copending Application 08/479,087;
- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 96-173 of copending Application 08/479,088; and
- claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 90-167 of copending Application 08/483,016.

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<sup>6</sup> See footnote 5.

The examiner states that the subject matter of the present claims is fully disclosed in the copending applications, would be covered by any patent granted in the copending applications, that there is no reason why appellant would be prevented from presenting claims corresponding to the present claims in the other copending applications, and therefore a provisional double patenting rejection is proper under *Schneller* (EA24-25 ¶¶ 10.30).

16. Claims 22, 23, 82-84, 95, 99, 137, and 138 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Hill (EA26 ¶¶ 10.32 & 10.33).

17. Claims 19, 25, 96, 100, 101, 135, and 140 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Lord, Hill, and Lelke (EA ¶¶ 27-28, 10.35 & 10.36).

### OPINION

#### The written description rejection

##### Legal standards

The test for written description is summarized in *Purdue Pharma L.P. v. Faulding Inc.*, 230 F.3d 1320, 1323, 56 USPQ 2d 1481, 1483 (Fed. Cir. 2000):

In order to satisfy the written description requirement, the disclosure as originally filed does not have to provide *in haec verba* support for the claimed subject matter at issue. See *Fujikawa v. Wattanasin*, 93 F.3d 1559, 1570, 39 USPQ 2d 1895, 1904 (Fed. Cir. 1996). Nonetheless, the disclosure “must . . . convey with reasonable clarity to those skilled in the art that . . . [the inventor] was in possession of the invention.” *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64, 19 USPQ 2d 1111, 1117 (Fed. Cir. 1991).

Put another way, one skilled in the art, reading the original disclosure, must “immediately discern the limitation at issue” in the claims. *Waldemar Link GmbH & Co. v. Osteonics Corp.*, 32 F.3d 556, 558, 31 USPQ 2d 1855, 1857 (Fed. Cir. 1994). That inquiry is a factual one and must be assessed on a case-by-case basis. *See Vas-Cath*, 935 F.2d at 1561, 19 USPQ 2d at 1116 (“Precisely how close the original description must come to comply with the description requirement of § 112 must be determined on a case-by-case basis.”).

As further stated in *Lockwood v. American Airlines Inc.*, 107 F.3d 1565, 1572, 41 USPQ 2d 1961, 1968 (Fed. Cir. 1997):

One shows that one is “in possession” of *the invention* by describing *the invention*, with all of its claimed limitations, not that which makes it obvious. [*Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64, 19 USPQ 2d 1111, 1117 (Fed. Cir. 1991)] (“[T]he applicant must also convey to those skilled in the art that, as of the filing date sought, he or she was in possession of *the invention*. The invention is, for purposes of the ‘written description’ inquiry, *whatever is now claimed.*”) (emphasis in original). One does that by such descriptive means as words, structures, figures, diagrams, formulas, etc., that fully set forth the claimed invention. Although the exact terms need not be used *in haec verba*, see *Eiselstein v. Frank*, 52 F.3d 1035, 1038, 34 USPQ 2d 1467, 1470 (Fed. Cir. 1995) (“[T]he prior application need not describe the claimed subject matter in exactly the same terms as used in the claims . . . ”), the specification must contain an equivalent description of the

claimed subject matter. A description which renders obvious the invention for which an earlier filing date is sought is not sufficient.

Response to appellant's general comments

This section responds to appellant's general comments on the written description rejection. Basically, we are not persuaded by general arguments about what the examiner should have done, about perceived inconsistencies in the rejection, and boilerplate statements of the law. What is important is the merits of the particular written description rejections, as discussed in the following sections. Appellant's comments regarding specific limitations are discussed in connection with those limitations.

Appellant argues that the § 112 rejections are non-critical "technical" rejections and are "clearly improper" (Br16 § 8.1).

Section 112 is a statutory requirement of patentability which may not be ignored.

Appellant argues that since the disclosure in the instant application is the same in pertinent part as the disclosure in ancestor Patent 5,584,032 ('032 patent) and the disclosure of an issued patent is already established as legally correct and presumptively valid, the disclosure in the present application must also be presumed to be correct (Br17-19 § 8.1.1). It is argued that the rejections do not provide acceptable evidence or reasoning to overcome the presumption of correctness (Br17). The examiner notes that the claims in this application are different than the claims in the '032 patent (EA28).

The issue is whether there is written description support for certain terminology in the claims. Appellant seems to misunderstand in the pages and pages of argument that the fact that the relevant disclosure may be the same between the present application and the '032 patent says *nothing* about written description support for the limitations in the present claims. To the extent the '032 patent claims contain language which is rejected here for lack of written description (e.g., “making a product” terminology in section 13), such a rejection is not precluded. See *In re Riddle*, 438 F.2d 618, 620, 169 USPQ 45, 47 (CCPA 1971) (“two wrongs cannot make a right”).

Appellant argues (Br19 § 8.1.2) that the examiner expressly admits the final rejection that the disclosure is adequate, citing the following statement (FR26, in the *Schneller*-type double patenting rejection): “The subject matter claimed in the instant application is fully disclosed in the referenced copending application[s] . . . .” The examiner states that this means the copending applications have the same specification and is not an admission that the specification supports the claims at issue (EA29). Appellant argues that the examiner is estopped from assuming contrary positions (RBr9 § 1.4).

It appears that the examiner did not think to carefully qualify the statement in the double patenting rejection, which is part of the test of *Schneller*, in view of the written description rejection. Nevertheless, the written description rejection demonstrates that the examiner does not admit that written description exists in the copending applications (and, hence, this case) for the limitations at issue.

Appellant argues that the subject terminology finds extensive basis in the disclosure and the examiner has failed to reconcile the § 112 rejections with the large number of recitations of the subject terminology in the specification as provided in Table 1; thus the examiner has failed to consider the disclosure as a whole (Br20 § 8.1.3; Br23-24 § 8.1.5). The examiner responds that a lengthy specification is not proof of written description (EA29-30). As to Table 1, the examiner responds (EA30): “This Table [1] is merely a list of simply terms and does not list the complex combinations of elements in the claims. Therefore the specification, while extensive, does not support the claims.”

The merits of the disclosure are addressed in connection with the individual rejections. We agree with the examiner that merely pointing to isolated words scattered throughout the specification does not describe the invention claimed as a combination of elements, functions, and interconnections, anymore than a dictionary provides written description support for a book where words are used in combination to provide a certain meaning.

Appellant argues that various claims are erroneously rejected based on unclaimed subject matter (Br21-22 § 8.1.4; RBr12-17 § 2.1).

We agree that the written description inquiry is directed to the claimed invention. Certain rejections are reversed because we agree that they are based on unclaimed subject matter.

Appellant concludes that the examiner requires *verbatim* recitation of strings of words *in exact sequence*, which is contrary to the law (Br48-51 § 8.3.2). Neverthe-

less, it is argued, “there is significant *verbatim* and literal claim terminology in the specification” (Br48).

The examiner does *not* require *in haec verba* (verbatim) support for the claimed subject matter at issue. The examiner properly requires appellant to show written description support for the claim limitation as a whole and not just for isolated words of the limitation spread out over the specification.

#### General discussion of “processor” disclosure

Many of the rejections deal with lack of written description for: (1) a processor (or vector processor, spatial processor, frequency domain transform processor, etc.) which acts on data accessed (read) from a block memory or from a buffer memory following the block memory; (2) the interconnections of the processor (i.e., what it is coupled to and works “in response to”); and (3) the function of the processor (e.g., generating “two dimensional vector processed image information,” “data compressed video image information,” “two dimensional spatially processed image information,” “weighted frequency domain image information,” etc.). Appellant merely provides a Table 1 (Br25) that lists occurrences of words in the limitations somewhere in the specification. “Picking and choosing” terms to assemble limitations without ever disclosing the combination in one location does not establish possession of the claimed limitations pointed out by the examiner as being without support.

To aid in the following analysis, the relevant various processor descriptions, as best we can glean from the disclosure, are summarized below.

The specification discloses a graphics processor having an address generator for generating graphics vectors for storing into image memory and scanning out the information from image memory to refresh a display (spec. at 10). The input device 115A in figure 1 for loading image memory may be a supervisory processor (spec. at 10, 90). The processor for reading out information from the memory is later referred to as a display processor and, in the experimental system, is synchronized with the supervisory processor (spec. at 87).

A register interface may be provided between the buffer memory and the post-processor (spec. at 141). The nature of the post-processor is not described, but it is disclosed that a weight RAM is provided that stores weight information in response to weight information from the buffer memory (spec. at 141), which implies spatial processing, as discussed *infra*.

The specification discloses spatial filtering for anti-aliasing, etc. (spec. at 16). Spatial filtering, as illustrated in figure 5A, may use a 9-pixel "kernel" organized as a 3x3 array comprising a central pixel of interest and 8 surrounding pixels, the pixels are read out from the image memory 520B, each pixel intensity is multiplied by a weight from weight table 520C in a corresponding multiplier 520E, the weights are summed in a summer 520F, and the sum may be converted to analog form in digital to analog converter (DAC) 520G for display (spec. at 16-17). Spatial processing advantageously uses a buffer, such as the first-in first-out (FIFO) buffer in figure 5D, to hold output from the image memory and reduce the number of accesses to the image memory (spec. at 64-74). The disclosed experimental system discloses a 4-line FIFO buffer which stores and outputs



pixel intensities and weight information (figures 6Y to 6AF). Buffered lines of pixels may be shifted from the buffer over 3 output channels to a 3x3 array of registers (figure 6AG) to form a 9-pixel kernel for spatial processing. In spatial filtering, the 9-pixel kernel is provided to the weight logic of figure 6AH for spatial filtering (spec. at 160-164). The spatial filtering is performed under processor control for providing the addresses and control signals.

The specification discloses that the memory arrangement can be applied to a “display system” (spec. at 31-32), a “correlator processor memory” for a “correlator” (spec. at 32), an “FFT [fast Fourier transform] processor memory” for an “FFT processor” (spec. at 33), a “general purpose computer memory” (spec. at 34-35), and “computer main memories, buffer memories, signal processing memories, and other memory applications in addition to display memories” (spec. at 35; *see also* spec. at 59). This discloses, albeit very broadly, use of the memory by special types of processors, but provides no details of the processors.

The specification discloses that image processing can be done offline in the database or online with a preprocessor (spec. at 23, lines 5-7). Online preprocessing can be performed during system operation, such as by accessing database images and preprocessing the accessed database images; prior to loading into image memory (spec. at 23, lines 9-12). The online preprocessing may include compression and decompression prior to loading into image memory (spec. at 23, lines 9-12, 17-19). However, preprocessors dealing with loading image information into the image memory are not relevant to the pro-

cessor limitations at issue, which involve accessing (reading) from the memory.

The specification describes a program FTR.ASC for accessing pixels from a database, “unpacking” the pixels (i.e., decompressing the pixel information), spatially filtering the pixels, “packing” (compressing) the pixels, and storing the pixels in another file (spec. at 18-24; flowchart in figure 7; FTR.ASC listing at 231-236). The program FTR.ASC emulates a hardware filter processor (spec. at 18, lines 2-3) and demonstrates offline filtering and preprocessing (before the image data is loaded into memory) (spec. at 23, lines 20-22). Thus, the emulator program and the processor it runs on does not deal with program control of the claimed hardware memory architecture and is not relevant to the written description issue. *See Lockwood*, 107 F.3d at 1572, 41 USPQ2d at 1968 (“One shows that one is “in possession” of *the invention* by describing *the invention*, with all of its claimed limitations, not that which makes it obvious.”).

The specification discloses a software program LD.ASC for loading vectors into memory and a software program GRAPH.ASC for refreshing a CRT monitor from memory (spec. at 91, last para.; LD.ASC described at 10-14 and listing at 217-230; GRAPH.ASC mentioned at 10 and listing at 214-216). A processor is clearly required to perform these functions. The relevant program to the claimed processors is the program GRAPH.ASC which reads data from memory. The operation of the program is not described except in the cryptic comments to the program. However, insofar as we can tell, the program only reads data from memory and does not perform any kind of processing on the data.

1. Claims 1-14, 110-114, and 119-132: “a data decompressed video image input circuit generating data decompressed image information”

The limitation, “a data decompressed video image input circuit generating data decompressed video image information” (independent claims 1-5 and 10-12) requires a “video input circuit” that generates “data decompressed image information,” which we interpret to mean image information that has been decompressed from compressed data image information<sup>7</sup> for storage in a block image memory. Independent claims 6-9, 13, and 14 add the limitation “frequency domain” before “image information,” but since this is not mentioned by the examiner, we analyze the limitation from claim 1 as representative.

Appellant argues that there is literal support for the limitation because the individual words of the limitation are found somewhere in the specification, referring to Table 1 (Br25) for a listing of occurrences of the terminology “compress” (4 occurrences on page 23), “data compressed” (1 occurrence on page 23), “decompressed” (1 occurrence on page 23), “information” (>100 occurrences throughout the specification), “input” (>200 occurrences throughout the specification), and “video” (8 occurrences on pages 77, 166, 168-171).

Merely pointing to individual words of the limitation scattered throughout the specification is totally unpersuasive of possession of the invention because words in isolation do not describe the structure, functions, and

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<sup>7</sup> The term “data decompressed” is grammatically unusual if the word “decompressed” is intended to be an adjective modifying “data,” because in English adjectives precede the noun.

interconnections among elements defined by the words when combined together in the limitation. It is far easier for appellant to describe where the limitation he wrote is disclosed than for the Office to prove that the limitation is not disclosed. Appellant has failed to point to written description support for the limitation at issue.

Nevertheless, in this case, we find support in the specification at page 23 where it discusses data decompression. The specification describes that image processing can be done offline in the database or online with a preprocessor (spec. at 23, lines 5-7). Online preprocessing can be performed during system operation, such as by accessing database images and preprocessing the accessed database images, prior to loading into image memory (spec. at 23, lines 9-12). The online preprocessing circuitry is a “video image input circuit” for the image memory. Online preprocessing includes “data decompression” (spec. at 23, lines 17-18). Thus, the online preprocessing circuitry generates “decompressed video image information” for writing into the image memory. The “unpacking” described in connection with the offline filtering of figure 7 and the program FTR.ASC (spec. at 18-24) is an example of a well known kind of data decompression, although the FTR.ASC program is a software emulation (spec. at 18) of offline filtering (spec. at 23) and is *not* part of the written description of the memory hardware. We find there is written description support for “a data decompressed video image input circuit generating data decompressed image information.” This basis for the written description rejection of claims 1-14, 110-114, and 119-132 is reversed.

2. Claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 (all claims): simultaneously writing to and accessing (reading) from memory

The examiner finds that the claims cover simultaneous writing and reading of a block of graphic image data to the block memory, referring to claims 110 and 117, whereas the specification describes a sequential write to and read from the block memory (EA6-7 ¶ 10.4).

Appellant argues that the examiner improperly rejects claims which do not recite “simultaneous” memory accessing and writing (RBr14). It is also argued that the “simultaneous” accessing and writing terminology characterizes the re-addressing and scanout memory architecture (RBr15).

Initially, it is noted that the term “accessing” is used in two different ways. One meaning is sending an address to the memory circuits to select a particular address within all 64 memory circuits arranged in an 8x8 array on a board (“re-addressing”) (*see* claim 110 which requires “simultaneously accessing the 64 pixels arranged as eight rows and eight columns of pixel information”) *or* selecting a particular memory circuit within the 8x8 array on the selected board to read out the pixel data (“scanout”) (*see* spec. at 47: “The access time from the address select is significantly greater than the access time from the chip select or the output enable select. Therefore, accessing with the chip select and output enable signals can proceed at a significantly faster rate than accessing with the address select.”). That is, all of the 64 memory circuits may be accessed simultaneously by re-addressing, as in claim 110, but only 1 of the 64 pixels is accessed to be read out sequentially by

scanout (spec. at 49). However, the general meaning from the specification is “reading” from the memory, which includes sequential “re-addressing” and “scanout” steps. Although it would be better to use different words for different functions to prevent confusion, the terminology is consistent with the specification and the particular meaning is clear in context.

The claims do not recite simultaneously writing and accessing (reading) the memory. Therefore, the examiner erred in rejecting the claims for lack of written description of this unclaimed feature. The fact that the claims do not preclude simultaneous writing and accessing means that the claims are broad. However, claim breadth should not be confused with indefiniteness. *In re Miller*, 441 F.2d 689, 693, 169 USPQ 597, 600 (CCPA 1971). Similarly, claim breadth should not be mistaken for lack of written description. In any case, it is disclosed that the image memory can be implemented as a dual port memory for simultaneously writing into and accessing (reading) from image memory (spec. at 11), as was well known. This basis for the written description rejection of claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 is reversed.

3. Claims 1, 2, 5, 9, 10, 12, 20, 81, 85, 98, 110-114, 119, 120, 123, 127, 128, 130, 136, 153, 157, and 161: vector processor generating two dimensional vector processed image information in response to video pixel information and in response to vector information

An exemplary limitation is (claim 1):

a two dimensional vector processor coupled to the accessing circuit and coupled to the vector

generator, the two dimensional vector processor generating two dimensional vector processed image information in response to the accessed blocks of video pixel information accessed by the accessing circuit and in response to the two dimensional vector information generated by the vector generator; . . . .

An exemplary process limitation is (claim 81):

generating two dimensional processed image information in response to the accessed blocks of pixel image information and in response to the two dimensional vector information; . . . .

Minor differences in language exist among the claims that do not affect the analysis. For example, claim 20 refers to a “block processor” instead of a “vector processor,” and refers to a “pixel block memory accessing circuit” instead of an “accessing circuit, but the written description problem is the same. It is noted that the vector processor in claims 2, 5, 10, and 12 generates “data compressed video image information,” instead of “two dimensional vector processed image information,” which limitation is addressed in a subsequent rejection in section 12.

The specification discloses a processor (which may be a supervisory processor coupled with a display processor, spec. at 87) controlling the various elements of the memory architecture including the address generators of figures 6Q and 6R for generating graphics vectors into memory (which we interpret to be the “vector generator”) and the address generators of figures 6O and 6P for generating raster scan addresses for scanning out image memory (which we consider to be part of the “ac-

cessing circuit”), memory arrays, clock and control logic, buffer memory, and spatial processing circuitry. That is, the processor may be thought of as a processor for writing information into the block memory and a processor for accessing (reading) information from block memory and controlling further operations, such as the spatial processing of figure AG and 6AH, although the drawings, such as figure 1, do not illustrate a processor block connected to the memory, buffer, and output device. Thus, there is support for a processor “coupled to the accessing circuit and coupled to the vector generator.”

However, the limitation at issue requires that the processor perform the function of “generating two dimensional processed image information in response to . . . video pixel information . . . and in response to the two dimensional vector information generated by the vector generator.” This implies that the “generating” function operates on two kinds of input data: pixel information from memory and vector information. However, the specification describes graphics vectors being generated (strobed) into image memory (e.g. spec. at 11-12), *not* being generated and used by a processor together with accessed pixel data read out from the block image memory, which would require bypassing the block memory. That is, the disclosed processor only controls the vector generator, it does not receive data from it or operate “in response to” it. Since the vector information is stored into the block memory, we find no written description for a processor coupled to and performing the “generating” function “in response to” the vector information as well as “in response to” image information from the image memory.



Appellant merely points to Table 1 (Br25) for occurrences of words in the limitation and does not show where the specification describes the claimed structure or process. This does not show written description for the limitation as a whole and is not persuasive of error in the rejection. Appellant does not point to a written description of a processor performing a generating function responsive to the two specific types of information. Manifestly, the time for appellant to have pointed to support for the limitations at issue was in the appeal brief or reply brief and not by the way of new arguments in any request for rehearing; new arguments will not be considered. This basis for the written description rejection of claims 1, 2, 5, 9, 10, 12, 20, 81, 85, 98, 110-114, 119, 120, 123, 127, 128, 130, 136, 153, 157, and 161 is sustained.

4. Claims 3, 4, 11, 121, 122, and 129: a processor generating data compressed video image information in response to accessed blocks of video pixel image information

An exemplary limitation is (claims 3 and 4):

a processor coupled to the accessing circuit and generating data compressed video image information in response to the accessed blocks of video pixel image information generated by the accessing circuit; . . . .

Claim 11 replaces “accessing” with “pixel block memory reading” and removes the term “accessed”; however, “accessing” is the same as “reading.” This limitation requires a processor generating compressed data from (“in response to”) pixel image information accessed

(read) from the block image memory. This rejection is cumulative to the rejection of section 12.

While a processor is coupled to the accessing circuit comprising the block memory of figures 6E to 6N and the raster scan address generator of figures 6O and 6P, we find no disclosure of the processor “generating data compressed video image information,” as claimed. The only compression mentioned in the specification is concerned with compression and decompression offline or online prior to loading into the image memory or in connection with an emulation program, not after it is stored in the block image memory.

Appellant merely points to Table 1 (Br25) for occurrences of words in the limitation and does not show where the specification describes the claimed structure or process. This does not show written description for the limitation as a whole and is not persuasive of error in the rejection. This basis for the written description rejection of claims 3, 4, 11, 121, 122, and 129 is sustained.

5. Claims 1, 85, 95, 110-112, 119, 157, and 158: spatial processor generating data compressed video image information in response to video pixel information and in response to vector processed image information

An exemplary limitation is (claim 1):

a two dimensional spatial processor coupled to the buffer memory and generating data compressed video image information in response to the buffered blocks of video pixel information stored in said buffer memory and in response to

the buffered two dimensional vector processed image information stored in said buffer memory.

A processor controls the spatial processing circuitry of figures 6AG and 6AH, and the processor and controlled spatial processing circuitry together are considered a “two dimensional spatial processor.” However, as discussed in the preceding section 4, we find no disclosure of a processor “generating data compressed video image information” on data anytime after it is stored in the block image memory. Nor do we find any disclosure of compression of data taken from the buffer memory. The specification discloses compression and decompression of data prior to loading into the image memory (spec. at 23), but this does not teach compression elsewhere in the circuitry. *See Lockwood*, 107 F.3d at 1572, 41 USPQ 2d at 1968 (obviousness is not the test of written description). In addition, the limitation of “generating data compressed video image information *in response to . . . video pixel information . . . and in response to . . . two dimensional vector processed image information*” (emphasis added), implies that the processor somehow distinguishes between (operates “in response to”) the two different types of information, and appellant has also failed to show written description support for these “in response to” limitations. Finally, as discussed in section 3, the specification does not provide written description support for the “processor generating two dimensional vector processed image information in response to [video pixel information and in response to vector information],” as claimed, so there is no written description support for the limitation of “buffered two dimensional vector processed image information stored in said buffer memory.”

Appellant merely points to Table 1 (Br25) for occurrences of words in the limitation and does not show where the specification describes the claimed structure or process. This does not show written description for the limitation as a whole and is not persuasive of error in the rejection. This basis for the written description rejection of claims 1, 85, 110-112, 119, and 157 is sustained.

Process claim 95 does not contain any of the noted problem limitations. Accordingly, the rejection of claims 95 and 158 is reversed.

6. Claims 6-9, 13, 14, 24, 34, 36, 42, 49, 50, 102, 106, 115-118, 124-127, 131, 132, 139, 141, 143, 145, 149, 150, 165, and 169: frequency domain transform processor generating data compressed video image information or generating frequency domain image information

There are two types of limitations. A first exemplary limitation is (claim 6):

a two dimensional frequency domain transform processor coupled to the accessing circuit and generating data compressed video image information in response to the accessed blocks of video frequency domain information accessed by the accessing circuit;

A second exemplary limitation is (claim 24):

a frequency domain transform processor coupled to the pixel block memory accessing circuit and generating frequency domain image information in response to the blocks of pixel image

information accessed by the pixel block memory accessing circuit; . . . .

In the first case, the processor generates “data compressed video image information” and, in the second case, the processor generates “frequency domain image information.”

Independent claims 6-9, 13, and 14 all contain the limitation of “generating data compressed video image information.” As discussed in sections 4 and 5, there is no written description support for any data compression by a processor after information is stored in the image memory. This rejection is cumulative to the rejection of section 12 as to claims 6-9, 13, 14, 124-127, 131, and 132.

Appellant merely points to Table 1 (Br25) for occurrences of words in the limitation and does not show where the specification describes “data compression” of information from the memory. This is not persuasive of error in the rejection. This basis for the written description rejection of independent claims 6-9, 13, and 14, and dependent claims 124-127, 131, and 132 is sustained.

Independent claims 24, 34, 36, 42, 49, 50, 102, 106 recite “generating frequency domain image information in response to . . . image information [from the memory].” Appellant refers to the terminology “frequency (FFT)” in Table 1 (Br25), which refers to 7 occurrences on pages 33-34. The corresponding note to this entry states (Br27):

NOTE-C: An FFT (Spec. at 33-34) is a well known frequency domain transform. The term “frequency-domain” is described in Appellant’s prior Patent No. 4,209,843. [Footnotes omitted.]

Appellant does not point out support for the limitation as a whole. Nevertheless, we find that the specification discloses that the memory arrangement can be applied to an “FFT [fast Fourier transform] processor memory” for an “FFT processor” (spec. at 33), and that the buffer memory (and, by implication, the image memory) store FFT data. We agree that one of ordinary skill in the art would recognize an FFT as a two dimensional frequency domain transform, so an FFT processor would generate frequency domain image information. Thus, there seems to be minimal, but sufficient, support for a two dimensional frequency domain transform processor accessing frequency domain information and generating frequency domain image information in response to that information as recited in claims 24, 34, 36, 42, 49, 50, 102, 106. Therefore, the rejection of independent claims 24, 34, 36, 42, 49, 50, 102, and 106, and dependent claims 115-118, 139, 141, 143, 145, 149, 150, 165, and 169 is reversed.

7. Claims 17, 18, 133, and 134: block processor generating two dimensional processed image information in response to pixel image information and in response to vector information

An exemplary limitation is (claim 17):

a two dimensional block processor coupled to the frame buffer accessing circuit and coupled to the vector generator, the two dimensional block processor generating two dimensional processed image information in response to the blocks of pixel image information accessed by the frame buffer accessing circuit and in response to the

two dimensional vector information generated by the vector generator; . . . .

As discussed in section 3, the specification does not describe a processor acting “in response to” vector information because vector information generated by the vector generator (address generators of figures 6Q and 6R; spec. at 11) is stored in the block memory (e.g., spec. at 11, 50) under control of a processor and the vector information it is not combined by a processor with pixel data accessed (read) from the image memory (or, at least, appellant has failed to show that it is). Since a processor is not connected to receive both vector information from the vector generator and pixel image information from the image memory, there is no written description for a processor performing the function of “generating two dimensional processed image information *in response to* . . . [pixel image information] *and in response to* . . . [vector information].”

Appellant merely points to Table 1 (Br25) for occurrences of words in the limitation and does not show where the specification describes the claimed structure or process. This does not show written description for the limitation as a whole and is not persuasive of error in the rejection. This basis for the written description rejection of claims 17, 18, 133, and 134 is sustained.

8. Claims 24, 34-37, 42-45, 49-51, 102-109, 115-118, 139-151, and 165-172: input weight circuit generating input weight information

The examiner finds (EA13-14):

No claims in this application directly claim an input weight circuit generating input weight infor-

mation, however, claims 24, 34-37, 42-45, 49-51, 102-109, 115, and 116 claim other weight related elements. An input weight circuit generating input weight information is not supported by the specification.

The examiner finds that the specification fails “to teach an address generator which will generate weight addresses for selecting weight values from the weight table to perform the desired weighting function at the spatial filter” (EA15). The examiner notes that “this rejection is derived from the copending applications which explicitly claimed *an input weight circuit generating input weight information*” (EA30). The examiner states that the unclaimed limitations are critical and necessary to the claim for support (EA30).

Appellant argues that this rejection is erroneously based on unclaimed subject matter (RBr12-14 § 2.1).

A written description rejection must be based on the claimed subject matter. The examiner expressly admits that the claims do not recite the limitation for which written description support is said to be lacking. If the unclaimed limitations are critical and necessary to the claim for support, it would seem that there should be some limitation in the claim which requires this unclaimed subject matter in other language. We will not guess at what language that would be. Since the rejection is based on unclaimed subject matter, the written description rejection is in error. The rejection of claims 24, 34-37, 42-45, 49-51, 102-109, 115-118, 139-151, and 165-172 is reversed.



9. Claims 34, 36, 42-45, 106-109, 141, 143, 145-148, and 169-172: block boundary smoothing

An exemplary limitation is (claim 34):

a block boundary smoothing processor generating block boundary smoothing information to smooth the pixel image information at boundaries between blocks of pixel image information;  
 . . . .

A “block” is disclosed to be an array of 64 pixels arranged in 8 rows and 8 columns having a single address (or “re-address”) of 11 bits. Pixels are selected within this block by a “scanout” address comprising the 3 least significant bits of the X and Y address. A “block boundary” occurs going from one block (one 11-bit address) to another block (another 11-bit address) during “re-addressing.” We find nothing in the specification that describes “smoothing” or “block boundary smoothing.” While the word “smoothing” occurs in the program FTR2.ACS (spec. at 232, program line 110), this refers to “SMOOTHING PRINTOUTS” without explanation. In any case, the program FTR2.ASC is for prefiltering the database image by taking an image from a file in conventional computer memory, filtering the kernel of 9 pixels using one of three sets of weights (program lines 170-210), and storing the image back into a file: as we understand it, it does *not* use a memory having blocks or block boundaries and so is not relevant to the issue of block boundary smoothing.

Appellant merely points to Table 1 (spec. at 23) (Br25) for occurrences of the terminology “block,” “boundary,” and “smoothing.” This does not show written description for the limitation of “block boundary

smoothing” as a whole and is not persuasive of error in the rejection. This basis for the written description rejection of claims 34, 36, 42-45, 106-109, 141, 143, 145-148, and 169-172 is sustained.

10. Claim 112: video image data compression system

Claim 112 recites “wherein the memory system is a video image data compression system.”

The limitation requires that the output of the memory system is compressed data. As discussed in sections 4-6, we find no written description for the output of the image memory or the buffer memory being compressed.

Appellant merely points to Table 1 (spec. at 23) (Br25) for occurrences of the terminology. This does not show written description support for the limitation at issue. This basis for the rejection of claim 112 is sustained.

11. Claim 116: weighting processor is a quantization weighting processor

Claim 116 depends on claim 24 and recites:

wherein the weighting processor is a quantization weighting processor generating the weighted frequency domain information as quantized weighted frequency domain information by weighting the frequency domain image information generated by the frequency domain processor in response to the accessed weight information generated by the weight memory accessing circuit.

Appellant points to Table 1 (Br25) which indicates that there are over 100 occurrences of the terminology “quantization,” at representative pages 231-236, and states (Br27):

NOTE-E: The Basic computer programs (Spec. at 214-236) use, for example, the “%” integer declaration character, the “FIX” truncated integer arithmetic function, and the “INT” integer arithmetic function. These Basic computer instructions round, truncate, and otherwise quantize the operands. (See Exhibit-4). The “%” declaration character occurs more than 100 times, the “FIX” arithmetic function occurs more than 10 times in the Basic computer programs, and the “INT” arithmetic function occurs more than 100 times in the Basic computer programs (Spec. at 214-36).

Table 1 is misleading in the sense that the word “quantization” does not actually appear in the specification. Instead, appellant relies on the “%” symbol, and the “FIX(exp)” and “INT(exp)” arithmetic functions in the computer programs at pages 214-236 as showing quantization. The “%” symbol after an identifier indicates an integer type (Exhibit 4, p. 2, under “Variable Type Declaration Characters”) and if an integer variable, say “A%”, is set equal to a numeric constant of another type, say a floating point number 23.42, it will convert it into an integer value, 23 (Exhibit 4 § 1.7, example 1).<sup>8</sup> The “FIX(exp)” function returns a truncated integer of the expression and the “INT(exp)” function evaluates the expression for the largest integer contained

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<sup>8</sup> Of course, setting an integer variable equal to an integer is not quantization.

therein (Exhibit 4, p. 13).<sup>9</sup> The examiner finds that “%” is rounding and not truncation and that appellant’s argument does not support truncation (EA32). It is not known why the examiner is talking about truncation, when the issue is “quantization.” We agree that changing floating point numbers to integers in the three ways described in Exhibit 4 to the brief constitutes “quantization.” However, the existence of quantization somewhere in the system is not persuasive or written description support for the particular claim limitation at issue.

The claim limitation is directed to quantization after the pixel image information is accessed (read) from the block memory. Thus, the program LD.ASC (spec. at 217-230), which deals with loading a file to the image memory (spec. at 91), and the program FTR.ASC (spec. at 231-236), which deals with prefiltering the database image (spec. at 18-24), do not appear relevant to the quantization written description issue. The program GRAPH.ASC (spec. at 214-216), which deals with refreshing a CRT monitor from memory (spec. at 91), could be relevant. However, the GRAPH.ASC apparently simply accesses (reads) pixel information out of memory (and it is very cryptic how it does that) and does not perform any frequency domain processing, does not control the weight memory accessing circuit, and does not perform any quantization weighting of weighted frequency domain information. Thus, we fail to see how the program GRAPH.ASC, or the other programs, LD.ASC

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<sup>9</sup> Although appellant states that the “INT” function occurs more than 100 times, we do not find any actual occurrences of the “INT (exp)” function. An expression such as “INT1%=0” (24 places in spec. at 229) gives an integer variable an integer value; it is not an example of the “INT(exp)” function, nor is it an example of quantization of a floating point number.

or FTR.ASC, provide written description support for the limitation at issue. This basis for the rejection of claim 116 is sustained.

12. Claims 2-14, 113, 114, and 120-132: “generating data compressed video information”

An exemplary limitations is (claim 2):

a two dimensional vector processor coupled to the accessing circuit and coupled to the vector generator, the two dimensional vector processor *generating data compressed video image information* in response to the accessed blocks of video pixel image information accessed by the accessing circuit and in response to the two dimensional vector information generated by the vector generator; . . . . [Emphasis added.]

Independent claims 2-8 recite that the “data compressed video image information” is stored in a buffer memory and independent claims 9-14 recite an output circuit for outputting the “data compressed video image information.”

As discussed in sections 4-6, we find nothing in the specification that describes “generating data compressed video image information” from the accessed blocks of video pixel information. The rejection of claims 3, 4, and 11 in section 4, and the rejection of claims 6-9, 13, and 14 in section 6, are redundant in the sense they are based on the absence of written description for the same language of “generating data compressed video image information.” In view of the complicated claim structure, it is difficult to form groups without some overlap.

Appellant merely points to Table 1 (spec. at 23) (Br25) for occurrences of the terminology in the limitation. This does not show written description support for the limitation as a whole and is not persuasive of error in the rejection. This basis for the written description rejection of claims 2-14, 113, 114, and 120-132 is sustained.

13. Claims 153-172: “making a product in response to the output image information”

An exemplary limitation is “the act of making a product in response to the output image information” (claim 153).

Appellant argues that “product” terminology is statutory language under 35 U.S.C. § 271(g) (Br29 § 8.1.6).

The issue is not whether “product” is statutory language, but whether there is written description support for the step of making a product in response to certain information.

Appellant argues that products include “machines” and “manufactures” and that clearly the disclosed apparatuses constitute “machines” and “manufactures” and, hence, products (Br29-30 § 8.1.6). Therefore, the disclosed signals constitute “manufactures” (and hence “products”) because the signals are physical things made by the disclosed circuits (Br30).

The terminology “producing a product” finds no written description support in the specification. Appellant’s position is that the “product” can be a signal. We disagree. *First*, the claims recite “making a product in response to . . . image information,” where the “image

information” is the signal and the “product” must be something else, which is not disclosed.

*Second*, the three product classes (machine, manufacture, and composition of matter) have traditionally required physical structure or matter and a signal, while physical, does not have a tangible physical structure. A “composition of matter” “covers all compositions of two or more substances and includes all composite articles, whether they be results of chemical union, or of mechanical mixture, or whether they be gases, fluids, powders or solids.” *Shell Development Co. v. Watson*, 149 F. Supp. 279, 280, 113 USPQ 265, 266 (D.D.C. 1957), *aff’d*, 252 F.2d 861, 116 USPQ 428 (D.C. Cir. 1958). A signal is not matter, but is a form of energy, and therefore is not a composition of matter.

“The term machine includes every mechanical device or combination of mechanical device or combination of mechanical powers and devices to perform some function and produce a certain effect or result.” *Corning v. Burden*, 56 U.S. (15 How.) 252, 267 (1854); *see also Burr v. Duryee*, 68 U.S. (1 wall.) 531, 570 (1863) (a machine is a *concrete* thing, consisting of parts or of certain devices and combinations of devices). A modern definition of machine no doubt includes electronic devices which perform functions. Indeed, devices such as flip-flops and computers are referred to in computer science as sequential machines. A signal, while physical, has no concrete tangible physical structure, and does not itself perform any useful, concrete and tangible result; thus, a signal does not fit within the definition of a machine (or product).

The Supreme Court has read the term “manufacture” in accordance with its dictionary definition to

mean “the production of articles for use from raw or prepared materials by giving to these materials new forms, qualities, properties, or combinations whether by hand-labor or by machinery.” *Diamond v. Chakrabarty*, 447 U.S. at 308, 206 USPQ at 196-97 (quoting *American Fruit Growers, Inc. v. Brogdex Co.*, 283 U.S. 1, 11, 8 USPQ 131, 133 (1931), which, in turn, quotes the *Century Dictionary*). Other courts have applied similar definitions. See *American Disappearing Bed Co. v. Arnaelsteen*, 182 F. 324, 325 (9th Cir. 1910), *cert. denied*, 220 U.S. 622 (1911). These definitions require physical substance, which a signal does not have. Accordingly, we conclude that a signal is not a product.

Appellant argues that claims reciting “making a product” have already been issued in an ancestor patent, the claims in that patent have a presumption of validity, and since the present disclosure is the same as the disclosure in that patent, it must be accepted that there is written description for the terminology in this application (Br30).

The fact that other patents have been issued with similar language is irrelevant. See *Riddle*, 438 F.2d at 620, 169 USPQ at 47 (“two wrongs cannot make a right”).

Appellant argues that the disclosure recites ample product related terminology, such as “constructed,” “manufactured,” “implemented,” “interconnected,” etc. (Br32-33 § 8.1.7).

These terms deal with the apparatus and have not been shown to be relevant to the claimed process limitation of “producing a product.”



In conclusion, we find no written description support for “producing a product.” The rejection of claims 153-172 is sustained.

The enablement rejection

Appellant argues that the disclosure is enabling because it includes extensive design details of the circuitry and signals down to pin designations and wire connections (Br38-40 § 8.2.1) and makes extensive use of commercially available products and integrated circuit components (Br40-44 § 8.2.2). It is argued that the enablement rejection improperly ignores the level of skill in the art (Br44-46 § 8.2.3).

The issue is whether one of ordinary skill in the art could make the *claimed* invention *having all the limitations which are said to be without written description support*, not whether one of ordinary skill could make the subject matter described in the specification. There appears to be no question that what is described is enabled. Appellant’s enablement arguments are not persuasive because they do not address the claimed invention. It is well settled that the enablement requirement is separate and distinct from the written description requirement of § 112, first paragraph, *see Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563, 19 USPQ 2d 1111, 1117 (Fed. Cir. 1991), and that a specification may enable one skilled in the art to make and use an invention and yet still not describe it, *see id.* at 1562, 19 USPQ 2d at 1115. Nevertheless, here we treat the enablement rejections as standing or falling together with the written description rejections because appellant provides no arguments why the *claimed* invention is enabled even if it based on a lack of written description. That is, it is fair to presume that one of ordinary skill would not

know to make an invention which is not described, absent argument to the contrary.

The rejections of claims 1-14, 17, 18, 20, 34, 36, 42-45, 81, 85, 98, 106-114, 116, 119-134, 136, 141, 143, 145-148, and 153-172 under § 112, first paragraph, based on lack of enablement are sustained based on the affirmance of the lack of written description rejections. The rejections of claims 19, 22-25, 35, 37, 49-52, 82-84, 95-97, 99-105, 115, 117, 118, 135, 137-140, 142, 144, and 149-152 for lack of enablement are reversed.

14. Obviousness-type double patenting

Line of demarcation between applications

Appellant alleges that the double patenting rejections are inappropriate in view of the 12-way restriction requirement in parent Application 08/034,627, now U.S. Patent 5,584,032, and the restriction requirements in copending (but apparently unrelated) Applications 08/471,710 and 08/464, 441 (Br53-56 § 8.4.1). Appellant also argues that the claimed invention is independent and distinct from the claimed inventions in the copending applications (Br57-58 § 8.4.2). The examiner seems to say that the present invention is not to one of the restricted inventions and the claim subject matter is an obvious variant of the inventions claimed in the copending applications (EA36-37).

When subject matter has been restricted, an applicant is required to maintain “consonance” between applications. *See Gerber Garment Technology Inc. v. Lectra Systems Inc.*, 916 F.2d 683, 688, 16 USPQ 2d 1436, 1440 (Fed. Cir. 1990) (“Consonance requires that the line of demarcation between the ‘independent and distinct’ inventions that prompted the restriction re-

quirement be maintained. Though the claims may be amended, they must not be so amended as to bring them back over the line imposed by the restriction requirement.”). The restriction requirement should clearly define the “independent and distinct inventions.” Similarly, where, as here, an applicant voluntarily files divisional (or multiple continuation) applications without a restriction requirement, examiners have the authority to require the applicant to define and maintain a clear line of demarcation between the applications by requiring a description of the independent and distinct invention contained in each application. *See* 37 CFR § 1-78(b) (where two or more copending applications contain overlapping or conflicting claimed subject matter, an applicant may be required to cancel the conflicting claims from all but one application); *Manual of Patent Examining Procedure* § 822. Regardless of whether the identification of the independent and distinct inventions arises from a restriction requirement or from a statement by the applicant, the line of demarcation is the surest way to particularly identify what independent and distinct invention is being claimed in each application and to keep the inventions separate (i.e., to keep the inventions from migrating from case to case over time). Double patenting rejections should only occur when applicant crosses over the line.

Unfortunately, it does not appear that the examiner has required appellant to define the independent and distinct invention in each application at issue, so the line of demarcation is not defined. While appellant argues that independent and distinct inventions are claimed, we have no definition of what those inventions might be. Nor do we have any evidence that the present application is a result of a restriction requirement. Manifestly,

it would be to everyone's benefit to have a master list of what independent and distinct invention is (or is intended to be) claimed in each application. Here, we are forced to look at the double patenting rejection.

### Analysis

The examiner rejects all the claims of the present application as being unpatentable over apparently all of (we cannot tell without ordering all the files) the claims in each of eight copending applications. No claim charts, discussions, or other means of comparison or correlation of the present claims with the claims in the copending applications are provided. In the response to the arguments section of the examiner's answer, the examiner invites (at EA37-38) the Board to compare the following claims with each other:

	<u>claims</u>	<u>application</u>	
<u>compare</u>	22, 23, 84	08/471,702	(present application for a first level of claim detail)
<u>with</u>	25, 105	08/471,704	
	4, 6, 96	08/471,712	
	7, 8, 9, 97	08/471,925	
	43, 112	08/472,062	
	7, 8, 83	08/479,086	
	23	08/479,087	
	7, 8, 97, 98	08/479,088	
	3, 6, 91	08/483,016	

	<u>claims</u>	<u>application</u>	
<u>compare</u>	25, 100	08/471,702	(present application for a second level of claim detail)
<u>with</u>	25, 82	08/471,712	
	25, 100	08/471,925	
	45	08/472,062	
	25, 82	08/479,086	
	25, 52	08/479,087	
	25, 102	08/479,088	
	22, 94, 96	08/483,016	

The examiner concludes that “[c]learly claims in this application claim the same obvious invention that is claimed in the copending applications” (EA38). The examiner states that a limitation-by-limitation comparison is not necessary, because “when the above listed claims are compared it is clear that small variations exist between at least some of the claims in the copending applications” (EA39).

Appellant responds that the examiner has listed only five claims (22, 23, 25, 84, and 100) as conflicting with 36 claims in eight copending applications and only these claims should be relevant to the rejection (RBr5-6). It is argued the rejection should be reversed because the examiner has failed to perform a limitation-by-limitation analysis.

The rejection rejects 117 claims of the present application over 117 claims in each of the applications 08/471,704, 08/471,712, 08/471,925, 08/479,086, 08/479,087, 08/479,088, and 08/483,016, and over 78 claims in application 08/472,062. No correlation of the

individual claims of the present application with individual claims in the copending applications is provided. Thus, the rejection invites comparison of each of the 117 claims in the present application to each of the 117 (or 78) claims in the copending applications, for a possible  $117 \times 117 = 13,689$  or  $117 \times 78 = 9,126$  comparisons per copending application. This is not feasible or reasonable. The rejection of five claims in the present application over 36 claims in the eight copending applications as set forth in the tables in the examiner's remarks (EA37-38), still requires comparing two claims of the present application with 22 claims of the copending applications, or three claims of the present application with 14 claims of the copending applications. However, since there are a fewer number of claims, we will at least look at these claims.

In view of the examiner's assertion that a simple comparison of claims is required to establish that there are only small variations between at least some of the claims, and the absence of any discussion of the obviousness of the differences, we would expect the claimed subject matter to be nearly identical. However, this is not true. While we recognize that appellant is a practiced "wordsmith" who often uses different terminology to describe the same thing, it is the examiner's duty to account for all the differences in terminology, as well as other differences, to establish a *prima facie* case of obviousness-type double patenting. We have spent considerable time (undoubtedly much more than the cursory nature of the rejection deserves) comparing the limitations of claims 22, 23, 25, 84, and 100 of the present application with the 36 claims of the copending applications. We find numerous limitations in the claims of this application which are not found in the claims of the copending

applications and *vice versa*. Although we do not completely agree with appellant's claim charts (Exhibit 2 to brief; Exhibits to reply brief), the claim charts do point out the many differences which the examiner has not addressed. Absent reasoning by the examiner to explain why these differences are immaterial or would have been obvious, the rejection fails to state a *prima facie* case. The obviousness-type double patenting rejection of claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 is reversed.

15. Schneller-type double patenting

The Board affirmed, *inter alia*, a double patenting rejection under the *Schneller* rationale against the present appellant in *Ex parte Hyatt*, Appeal No. 98-0586, Application 05/948,053 (Bd. Pat. App. & Int. March 24, 1999) (*Schneller*-type double patenting where appellant was trying to claim subject matter which was fully disclosed in U.S. Patent 4,016,540 issued in 1977, and covered by claims 16 and 20 of that patent, which claims we noted had been held invalid for obviousness in *Mattel v. Hyatt*, 206 USPQ 499 (C.D. Cal. 1979), *aff'd* 644 F.2d 757, 212 USPQ 808 (9th Cir. 1981)). Therefore, we are not persuaded by appellant's arguments that *Schneller* is overruled (e.g., Br72-75 §§ 8.6.1).

In the past, the U.S. Patent and Trademark Office (USPTO) applied the term "non-'obviousness-type'" (as opposed to "obviousness-type") double patenting to the factual situation in *Schneller*, MPEP § 804 (6th ed. Jan. 1995), pages 800-15, -16, but does not now use this label, *see* MPEP § 804 (7th ed. July 1998), pages 800-21 through 800-23, characterizing it as a second form of nonstatutory double patenting. In our view, *Schneller*

is a special obviousness-type double patenting case with very special facts and, thus, should be rarely used.

*Schneller* applies to those situations where: (1) the subject matter recited in the claims of the application is fully disclosed *and* covered by a claim in the patent (i.e., there has been no improvement or modification invented after filing *and* the application claim reads on subject matter which has been protected by a patent claim); *and* (2) there is no reason why appellant was prevented from presenting the same claims for examination in the issued patent (i.e., there is no justification for extending the protection, such as the existence of a restriction requirement). The examiner states in a conclusory manner that these conditions are satisfied (EA25) without providing any further reasoning.

It is not clear that provisional rejections are consistent with *Schneller*, which dealt with the issue of extending the term of an issued patent by claiming subject matter which was covered by claims of the patent. Since the present application and the copending applications were all filed on the same date, June 6, 1995, the same considerations are not present. Manifestly, if the examiner had required appellant to specify and maintain a line of demarcation between independent and distinct inventions in the copending applications, there now would be no kind of double patenting issue. The present application is a continuation of Application 08/815,644, now U.S. Patent 5,584,032 ('032 patent), but the examination does not reject the claims of the present application for obviousness-type double patenting or *Schneller*-type double patenting over the claims of the '032 patent. However, assuming, *arguendo*, that a provisional rejection is proper under *Schneller*, the examiner has not



even attempted to prove the requirement that the claims of the present application are covered by (within the scope of) the claims in the copending applications. As with the obviousness-type double patenting rejection, the examiner provides no analysis of the claim limitations. Therefore, we conclude that the examiner has failed to establish a *prima facie* case of double patenting under *Schneller* and the rejection of claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 is reversed.

#### 16. Anticipation

Appellant argues that the § 102 rejection does not establish identity of subject matter (Br100-102 § 8.8.1). It is argued that the “ing” functions (e.g., generating, storing, etc.), the “in response to” limitations, and the “coupling” limitations all constitute contested limitations and the claims all have novel distinctions over Hill (Br102-107 § 8.8.2). Appellant states that representative limitations which distinguish over Hill are excerpted (Br104). It is argued that the examiner fails to establish a *prima facie* case because he has not provided a limitation-by-limitation analysis (Br108 § 8.8.3).

The examiner properly notes that “Appellant has not pointed to any specific differences between Hill and the rejected claims” (EA45). The examiner for the first time provides an idea of how the claims are intended to be read on Hill (EA45-46).

Appellant responds by alleging specific differences not taught by Hill (RBr51-58 §§ 4.1 & 4.2). It is sufficient to address one of the differences. Claims 22, 83 recite “the frame of image information *arranged in a two dimensional array of rows and columns of blocks of pixel image information*” (emphasis added) and claims

23, 82, 84, 95, and 99 recite “the two dimensional array of blocks of pixel image information *arranged in a two dimensional array of rows and columns of blocks of pixel image information*” (emphasis added). The examiner finds that Hill “stores a block of video data” (EA26). Appellant argues (RBr51) that this is not the same as “a two dimensional array of rows and columns of blocks of pixel image information.” We agree that an array of blocks is different from a block. The examiner finds that Hill teaches “storing an array of blocks (164) (EA46). Appellant argues that Hill does not teach that the matrix RAM 164 stores blocks (RBr51). We agree that Hill does not teach storing an array of blocks. There are no details of the picture matrix memory 164; the block diagram of figure 5 shows only a linear address space. Therefore, the examiner erred in finding anticipation because Hill does not teach, at least, “a two dimensional array of rows and columns of blocks of pixel image information.” The anticipation rejection of claims 22, 23, 82-84, 95, 99, 137, and 138 is reversed.

#### 17. Obviousness

Appellant argues that the obviousness rejection relies on improper hindsight (Br110-115 § 8.9.1).

These arguments are merely a boilerplate summary of the case law and do not specify what modifications are thought to be based hindsight. This mode of argument is totally unpersuasive.

Appellant argues that the examiner has failed to make the required findings under *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966) and has failed to provide an express limitation-by-limitation analysis (Br115-117 § 8.9.2).

This panel will not reverse for these reasons.

Appellant argues that the claims distinguish over the references based on certain limitations (Br117-120 § 8.9.3). Appellant argues that the examiner has not established a *prima facie* case of obviousness and fails to consider important claim limitations (Br121-123 § 8.9.4).

These arguments do not point to any actual differences and do not address the deficiencies in the actual rejection.

In the reply brief, appellant argues that the claims define over Hill, Lord, and Lelke by novel block-related limitations (RBr59-60) and novel addressing, writing, accessing, and clocking limitations (Br60-62). The underlining of terms appearing in the claims is not persuasive because it fails to address the collective teachings of the references. Nevertheless, upon review, we will not sustain the rejection.

Lord discloses a television display system which increases the number of fields per second and/or lines per second to improve the quality of the lines. The field stores in figure 1 may, in one example, hold two fields (even and odd) which constitutes a television frame; thus, the field stores holding two fields is broadly considered a "frame buffer," as claimed. As shown in figure 6, the field may be read out twice with a slight perturbation in the horizontal or vertical scan waveform causing a slight offset (col. 4, line 33 to col. 5, line 16). It is possible to interpolate between points on lines of a field and between points of a line as shown in figure 10 (col. 5, lines 17-38) or in other ways using the interpolator 21 following the line stores. (The television display does not have fixed pixel locations like a computer monitor.)

We find that the interpolator 21 is broadly a “spatial processor generating two dimensional spatially processed image information in response to [image information accessed from the frame buffer],” since a “processor” can be any circuit that performs a function and does not have to be a computer.

However, although not argued by appellant, we cannot ignore that the field and line stores in Lord are not described to be digital memories, as apparently assumed by the examiner. Note the absence of analog-to-digital (AD) and digital-to-analog (DAC) converters and digital circuitry. It is not described how the write and line stores (memories) are constructed; however, Lord only requires reading out lines from the memories and the memories do not need to be arbitrarily addressable. As of the filing date of Lord in 1980, video storage was likely to be an array of analog sensing cells as described in the section entitled “Storage Area” in Kiver et al., *Television Electronics: Theory and Servicing* (8th ed. Van Nostrand Reinhold Co. 1983), pp. 98-103 (copy attached). It is true that the claims do not specifically require a digital memory. However, we do not know what the memory is in Lord. Thus, we do not find the motivation to substitute the particular memory of Lelke in for the memory of Lord. If Lord had an addressable memory, then we agree that substitution of the addressable memory architecture of figure 13 in Lelke would have been obvious, but the examiner has not made this showing in Lord. We conclude that the examiner has failed to establish a *prima facie* case of obviousness. The rejection of claims 9, 25, 96, 100, 101, 135, and 140 is reversed.

NOTICE REGARDING ANY REQUEST  
FOR REHEARING

Any request for rehearing of this decision under 37 CFR § 1.197(b) is limited to points of fact and/or law which appellant believes were overlooked or misapprehended in rendering this decision. New arguments which were not presented in the appeal brief or reply brief will *not* be considered. *See Ex parte Hindersinn*, 177 USPQ 78, 80 (Bd. App. 1971) (argument advanced in petition for reconsideration not advanced in the brief or the reply brief are not properly before us); *cf. Pentax Corp. v. Robison*, 135 F.3d 760, 762 (Fed. Cir. 1998) (citing cases supporting the proposition that issues not raised before the court are not addressed on rehearing). In any request for rehearing, appellant must state with particularity each point of law or fact he believes was overlooked or misapprehended, must, argue in support of each point, and must refer with particularity to where the argument was made originally in the appeal brief or reply brief.

CONCLUSION

The rejections of claims 1-14, 17, 18, 20, 34, 36, 42-45, 81, 85, 98, 106-114, 116, 119-134, 136, 141, 143, 145, 148, and 153-172 under 35 U.S.C. § 112, first paragraph, based on a lack of written description are sustained. The rejections of claims 19, 22-25, 35, 37, 49-52, 82-84, 95-97, 99-105, 115, 117, 118, 135, 137-140, 142, 144, and 149-152 for lack of written description are reversed.

The rejections of claims 1-14, 17, 18, 20, 34, 36, 42-45, 81, 85, 98, 106-114, 116, 119-134, 136, 141, 143, 145-148, and 153-172 under § 112, first paragraph, based on lack

of enablement are sustained. The rejections of claims 19, 22-25, 35, 37, 49-52, 82-84, 95-97, 99-105, 115, 117, 118, 135, 137-140, 142, 144, and 149-152 for lack of enablement are reversed.

The rejections of claims 1-14, 17-20, 22-25, 34-37, 42-45, 49-52, 81-85, and 95-172 based on obviousness-type double patenting or *Schneller*-type double patenting are reversed.

The rejection of claims 22, 23, 82-84, 95, 99, 137, and 138 under § 102 is reversed.

The rejection of claims 19, 25, 96, 100, 101, 135, and 140 under § 103 is reversed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

AFFIRMED-IN-PART

/s/ ERROL A. KRASS  
ERROL A. KRASS  
Administrative Patent Judge

/s/ LEE E. BARRETT  
LEE E. BARRETT  
Administrative Patent Judge

/s/ PARSHOTAM S. LALL  
PARSHOTAM S. LALL  
Administrative Patent Judge

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BOARD OF PATENT APPEALS  
AND INTERFERENCES

Appeal No. 2000-2049  
Application 08/471,702

Gilbert P. Hyatt  
P.O. Box 81230  
Las Vegas, NV 89180

**APPENDIX E**

**BOARD OF PATENT APPEALS  
AND INTERFERENCES**

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No. 2000-2049  
Application 08/471,702  
EX PARTE GILBERT P. HYATT

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[Decided: Jan. 23, 2003]

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**DECISION ON REQUEST FOR REHEARING**

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Before: KRASS, JERRY SMITH<sup>1</sup>, and BARRETT, *Administrative Patent Judges*.

BARRETT, *Administrative Patent Judge*.

Appellant filed a request for rehearing (Paper No. 52) on September 30, 2002, of our decision entered July 30, 2002 (paper No. 50) (pages referred to as “D \_\_\_”).

The request for rehearing is *dismissed* without consideration of the merits.

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<sup>1</sup> Administrative Patent Judge Parshotam S. Lall, who was on the original panel decision, has retired. There is no problem with substituting a board member. See *In re Bose Corp.*, 772 F.2d 866, 869-870, 227 USPQ 1, 4 (Fed. Cir. 1985) (third signatory replaced original third panel member who resigned shortly after the oral argument).



OPINION

Our original decision expressly notified appellant that any new arguments which were presented for the first time in any request for rehearing will *not* be considered (D56-57):

NOTICE REGARDING ANY  
REQUEST FOR REHEARING

Any request for rehearing of this decision under 37 C.F.R. § 1.197(b) is limited to points of fact and/or law which appellant believes were overlooked or misapprehended in rendering this decision. New arguments which were not presented in the appeal brief or reply brief will *not* be considered. *See Ex parte Hindersinn*, 177 USPQ 78, 80 (Bd. App. 1971) (argument advanced in petition for reconsideration not advanced in petition for reconsideration not advanced in the brief or the reply brief are not properly before us); *cf. Pentax Corp. v. Robison*, 135 F.3d 760, 762 (Fed. Cir. 1998) (citing cases supporting the proposition that issues not raised before the court are not addressed on rehearing). In any request for rehearing, appellant must state with particularity each point of law or fact he believes was overlooked or misapprehended, must argue in support of each point, and must refer with particularity to where the argument was made originally in the appeal brief or reply brief.

The request for rehearing ignores the requirements set forth in the last sentence. In particular, it fails to point out where the arguments in the request for rehearing were made originally in the appeal brief or the

reply brief. Thus, appellant has not shown that arguments in the brief or reply brief were overlooked or misapprehended and that the arguments are not new arguments.

The examiner's final rejection specifically identified imitations in the claims that were without written description support. On appeal, appellant's only arguments were that words in the various limitations appear in the specification, as evidence by Table 1, which was not deemed persuasive of written description support (D25 § 3; D26-27 § 4; D28 § 5; D32 § 7; D34 § 9; D35 § 10; D35-37 § 11; D38-39 § 12). Appellant now attacks our decision with extensive new arguments about how the disclosure can be interpreted to satisfy the claim limitations. Appellant also makes new arguments about the "making a product" limitations. Since the final rejection expressly identified the limitations without written descriptive support, appellant could have presented the arguments earlier and cannot contend that he is merely responding to new rationale in our opinion.

This panel spent three weeks considering the 238 page specification, the 42 drawing figures, the 128 page appeal brief, and the 64 page reply brief as applied to 54 independent claims and 63 dependent claims in writing our original decision. Now, on request for rehearing, after receiving a decision stating why his arguments were not persuasive, appellant wants us to consider 51 pages of a new document.

Our choices are to either consider the new arguments on the merits or refuse to consider the arguments because they were not timely presented. In this case, appellant was clearly notified in the final rejection of the limitations that the examiner found to be without writ-

ten description and, thus, there is no reason why the arguments now presented could not have been presented in the appeal brief or the reply brief. Appellant is an experienced *pro se* applicant and a registered patent agent who has prosecuted many patent applications (including appeals to the Board, the Court of Customs and Patent Appeals, and the U.S. Court of Appeals for the Federal Circuit) for over 30 years and who should be familiar with how to write an appeal brief. Appellant, although appearing *pro se*, was assisted at the oral hearing by a former member of the Board of Patent Appeals and Inferences. Lastly, appellant was expressly warned in our decision that the request for rehearing should not include new arguments. For these reasons, we refuse to consider the request for rehearing on the merits. Considering the new arguments would condone appellant's failure to argue the errors to the examiner and the Board in the first instance.

The request for rehearing is *dismissed* without consideration of the merits.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

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DISMISSED

/s/ ERROL A. KRASS  
ERROL A. KRASS  
Administrative Patent Judge

/s/ JERRY SMITH  
JERRY SMITH  
Administrative Patent Judge

/s/ LEE E. BARRETT  
LEE E. BARRETT  
Administrative Patent Judge

BOARD OF PATENT APPEALS  
AND INTERFERENCES

## APPENDIX F

Table-1

<u>REPRESENTATIVE</u> <u>TERMINOLOGY</u>	<u>NOTES</u> <sup>22</sup>	<u>OCCURRENCES</u>	<u>REPRESENTATIVE CITES</u> <u>PAGE(S)</u>
access	A	>100	25-83, 128-164
address	A	>500	25-83, 128-164
block	A	>80	25-83, 128-164
boundary		=3	14, 41
compress		=4	23
data compressed		=1	23
decompressed		=1	23
frequency (FFT)	C	=7	33-34
graphic	D	>20	9-14, 214-230
image		>50	50-55
information		>100	THROUGHOUT
input		>200	THROUGHOUT
memory	A	>400	25-83, 128-164
pixel		>300	THROUGHOUT
processor		>50	85-98
quantization	E	>100	231-236
read	A	>50	25-83, 128-164
simultaneous		>8	36, 45, 46, 50
smoothing		=1	232
spatial	B	>20	15-24, 231-236
vector	D	>50	9-14, 214-230
video		=8	77, 166, 168-171
weight	F	>100	162-164
write	A	>100	25-83, 128-164

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<sup>22</sup> Each note is discussed below.

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**APPENDIX G**

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

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Civil Action No. 03-00901 (HHK) ECF  
GILBERT P. HYATT, PLAINTIFF

*v.*

HON. JAMES E. ROGAN, UNDER SECRETARY OF  
COMMERCE FOR INTELLECTUAL PROPERTY  
AND DIRECTOR OF THE UNITED STATES PATENT  
AND TRADEMARK OFFICE, DEFENDANT

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Filed: Jan. 28, 2004

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**DECLARATION OF GILBERT P. HYATT IN  
SUPPORT OF HIS OPPOSITION TO DEFENDANT'S  
MOTION FOR SUMMARY JUDGMENT**

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I, Gilbert P. Hyatt, declare as follows:

1. I am the applicant for U.S. Patent Application Serial No. 08/471,702 (“702 application”), the inventor of the inventions claimed therein, and the plaintiff in this action.

2. I am an individual inventor, entrepreneur, and businessman. My patenting activities reflect the importance I place on my research and development, and on obtaining patent protection for my resulting inventions.

The numerous applications I have filed with the U.S. Patent and Trademark Office (“PTO”) reflect my life’s work in developing innovations and improvements in, among others, the field of computer technology. The PTO has recognized my inventive efforts by issuing over sixty patents in my name, including patents for the microcomputer.

### **BACKGROUND**

3. I received a Bachelor of Science Degree in electrical engineering from the University of California in 1959 and a Master of Science Degree in electrical engineering from the University of Southern California in 1965. I worked in the aerospace industry on various types of systems including missile, aircraft, spacecraft, guidance, fire control, computer, and other types of systems.

4. I worked for the Boeing Aircraft Company, North American Aviation, Hughes Aircraft Company, and Teledyne Systems Company as an Electrical Engineer during the period 1959 to 1968, advancing to the position of Head of Computer Design at the Teledyne Advanced Systems Division. In 1968, I founded Micro Computer Inc. and continued as Vice President of Engineering. In 1971, I founded Digital Nutronics Corp., an aerospace consulting firm, where I continued as President and Consulting Engineer through the mid-1980s. I spent most of this 25-year career designing computer hardware and programming digital computers for aerospace and commercial systems. In the early 1980s, I designed, built, programmed, checked out, and demonstrated the “experimental system” disclosed in the instant patent disclosure.

5. I am a self-taught Patent Agent. I became registered as a Patent Agent with the PTO in the mid-1970s and I have prepared and prosecuted the more than sixty patents that have issued to me.

6. In 1968, I formed my first company, Micro Computer Inc., and developed the first Micro Computer on which I hold various patents. At that time I established my first research and development laboratory, in my home, where I designed, built, and demonstrated my Micro Computer. From the early 1970s and into the mid-1980s I worked as a consultant to self-finance my ongoing research and development efforts. I established research and development laboratories in my homes during this period, and I designed, built, and demonstrated various technologies, including hardware and software. I also designed, built, and demonstrated the experimental system disclosed in the '702 application in my home. Except for a period in 1969 to 1971 in which my company—Micro Computer, Inc.—received venture capital financing to help commercialize some of my technologies, all of my research and development activities were performed without any outside financing or government grants or subsidies.

7. My patent disclosures are large because I actually reduced-to-practice embodiments of my inventions and I incorporate much of the theoretical, design, and construction documentation, including hardware and software, into my patent applications. This is to aid an artisan so that he/she would be able to practice my inventions with a minimum of experimentation. My patent disclosures are also large because I disclose various uses and applications of my technologies so that an artisan



would better understand how to use and apply my technologies.

8. Because of my educational and professional background and experience, as well as my skill in the art of the technology of my patent applications, I believe I am qualified to speak to what the disclosure of my '702 application (and the associated materials) would have made clear to those of ordinary skill in the art at the time the application was filed.

#### **THE '702 APPLICATION**

9. I am and have been aware of the GATT legislation that included special incentives to inventors to file patent applications. I filed the '702 application in accordance with that law. I have since learned that many others have benefitted from this law. In particular, I am informed that more than 50,000 patent applications were filed in the nine-day period prior to the June 8, 1995 cut-off. The PTO called this the "bubble" because of the increased filings.

10. I filed more than twenty patent claims in the '702 application and, in accordance with the PTO rules, duly paid the PTO fees required for filing "excess" patent claims.

11. I reduced-to-practice and disclosed in the '702 application an experimental system embodiment. The application provides a top-down disclosure from the top level of block diagrams (*e.g.*, Figs. 1 and 6A) (901-F-252 and -257) down to detailed schematic diagrams (*e.g.*, Figs. 6B to 6AH) (901-F-258 to -290). Such schematic diagrams disclose the wiring of, and enable the practice of, the experimental system embodiment. Further, the text portion of the disclosure describes in detail how the

design works and how the design is interconnected together, to a large degree, component-by-component and wire-by-wire. I designed the working experimental system, was proud of it, and wanted to be sure that it was properly understood and appreciated.

12. I am offended that the PTO accuses me of being a “submarine” applicant. I am a *bona fide* inventor (indeed, the PTO has acknowledged as much by issuing over sixty patents in my name) and have endeavored to file my patent applications in accordance with all applicable patent laws, regulations, and PTO rules. I claimed all of my inventions in good faith. I do not believe that any of my “patent-filing practices” are illegal, improper, or otherwise inappropriate.

13. I have read the Memorandum of Points and Authorities In Support of Defendant’s Motion for Summary Judgment filed by the PTO in this case. In its motion, the PTO implies that I failed to present any arguments regarding the written description rejections in my appeal brief. I disagree. In my appeal brief, I presented arguments that the claimed inventions were supported by the disclosure of the ’702 application. In particular, TABLE-1, its associated notes, and its associated arguments point one skilled in the art to the location of the relevant disclosure regarding the limitations questioned by the Examiner. In my opinion, this was sufficient to identify to one skilled in the art the written description support for the challenged claim limitations. In addition, Exhibit-3 informs one skilled in the art which limitations are found in which claims, and Exhibit-4 identifies certain information known to one skilled in the art at the time the application was filed. From the ’702 disclosure, one skilled in the art would have been informed

that I was in possession of the claimed inventions at the time the application was filed.

14. In the Appeal Brief and the Reply Brief, I presented arguments that neither the written description rejections nor the enablement rejections establish a *prima facie* case (901A-F-0841-0844, 0854, 0858, and 1300-1302); that the product claims were adequately described and enabled (901A-F-0836-0840); and that the application discloses extensive relevant details of the “experimental system” (901-F-0816-0820, 0830-0831, 0845-0851, and 1315-1316).

15. In the Reply Brief, I responded to the arguments presented in the Examiner’s Answer. I specifically referred to the basis for the disputed claim limitations in the disclosure; I addressed the TABLE-1 evidence (particularly the detailed “NOTES” to TABLE-1) that were initially addressed in the Appeal Brief; and I also addressed the “product” claims (901-F-1319-1325). Thus, there was a discussion of TABLE-1 by both the Examiner and me during the appellate briefing (901A-F-1195 to -1196; 901A-F-833 to -834; 901A-F-1321 to -1323).

#### **PTO DELAYS**

16. I currently have [REDACTED] of patent applications pending before the PTO. For some reason, the PTO has been very dilatory in examining my applications in each phase of the process.

17. The PTO has suspended and delayed the examination of many of my applications currently pending at the PTO. For example, the PTO on its own has suspended and delayed examination in over [REDACTED] of my pending patent applications. Specific examples of these suspensions and delays by the PTO are discussed below.

18. In one of these suspended applications (Serial No. [REDACTED]), over 80 months have passed since my last submission to the PTO without a response from the PTO (*e.g.*, an “Office Action”). In two other suspended applications (Serial Nos. [REDACTED] and [REDACTED]), over 70 months have passed since my last submission to the PTO without a response from the PTO. In two other suspended applications (Serial Nos. [REDACTED] and [REDACTED]), over 60 months have passed since my last submission to the PTO without a response from the PTO. With respect to the remainder of these more than [REDACTED] suspended applications, an average of more than 20 months have passed since my last submission without a response from the PTO.

19. With respect to a group of [REDACTED] of my appealed applications (Serial Nos. [REDACTED]), the PTO has delayed the processing of these patent applications on appeal to the Board of Patent Appeals and Interferences (“Board”) for an average of 36 months. None of these applications has been heard by the Board. First, the PTO delayed in generating an Examiner’s Answer (the name given to the Examiner’s opposition brief) in response to my timely filed Appeal Briefs. While under the PTO’s rules an Examiner’s Answer should issue within two months, I waited an average of 18 months (and as long as 35 months in Serial [REDACTED]) before receiving an Examiner’s Answer. The delays following the filing of my Appeal Brief were so long that, for each of the applications, I had to petition the Commissioner to intervene to direct the Examiner to issue an Examiner’s Answer. Then, after further PTO delay lasting on average 12 months following the date of my Petition, I finally received Examiner’s An-

swers in these applications. I then timely filed my Reply Briefs in these [REDACTED] applications and have been waiting an average of over 18 months to the present date for a hearing before the Board.

20. The PTO also has delayed the examination process by causing me to brief appealed applications and then vacating the appeals and reopening examination. This has resulted in delays by the PTO of over five years in some of my applications. For example, I prosecuted [REDACTED] applications to Final Actions, filed Notices of Appeal and Appeal Briefs in each application, and waited for the Examiner's Answers, which were due in two months (Serial Nos. [REDACTED]). After waiting as long as six months (*e.g.*, in Serial No. [REDACTED]), the Examiner in each of these [REDACTED] applications vacated the appeals (thereby wasting my effort and expense in briefing these cases), reopened prosecution, and started the examination process all over again. I again prosecuted these applications to Final Actions, filed Notices of Appeal and Appeal Briefs in each application, and waited for the Examiner's Answers. This "double" appeal process took an average of 31 months from the first Appeal Brief to the second Appeal Brief and an average of another 35 months until hearings at the Board. Two of these applications (Serial Nos. [REDACTED]) have still not been heard by the Board.

21. With respect to another group of [REDACTED] of my appealed applications, the Examiners vacated the appeals and issued new Office Actions after a significant delay (Serial No. [REDACTED]). I initially prosecuted these applications to Final Action, filed Notices of Appeal and Appeal Briefs in each application, and waited

for the Examiner's Answers. I waited more than 55 months with respect to two applications (Serial Nos. [REDACTED]) and waited an average of over 18 months in all [REDACTED] applications before the PTO vacated the appeals in these cases and issued new Office Actions.

22. In another of my appealed applications (Serial No. [REDACTED]), I prosecuted the application to Final Action, filed a Notice of Appeal and an Appeal Brief, and waited for the Examiner's Answer. After 42 months, the Examiner vacated the appeal (thereby wasting my effort and expense in briefing this case), reopened prosecution, and started the process all over again. I later filed a second Notice of Appeal and Appeal Brief in the application and the PTO again withdrew the appeal and reopened prosecution about eight months later.

23. There are other examples of the PTO's delay. For example, one of my applications (Serial No. [REDACTED]) had been fully examined and was in the process of issuing in early 1997 when the PTO withdrew this application from issuance. Almost seven years have passed without an Office Action from the Examiner.

24. Another application (Serial No. [REDACTED]) had been fully examined and was ready for issuance in 1997. Then, after delaying five and one-half years, the Examiner reopened prosecution and started the examination process over again.

25. In October 1999, one of my applications (Serial No. [REDACTED]) had 94 of 97 claims "allowed" (there were no rejections on these 94 claims). I filed a response to the three rejected claims and made no changes to any of the allowed claims. Nevertheless, the PTO delayed any action in the case for another two years. Then,

in June 2001, all of the previously “allowed” claims were rejected, thereby starting the examination process over again.

26. In March 1997, all of the claims pending in one of my applications (Serial No. [REDACTED]) were “allowed,” yet the PTO has taken no action in this case for the past seven years.

**WRITTEN DESCRIPTION SUPPORT FOR THE  
“VECTOR PROCESSOR” LIMITATION**

27. I believe the '702 disclosure provides adequate written description support for the claimed “vector processor” limitation identified by the PTO.

28. Page 10 of the specification states:

A graphics processor architecture can be implemented with a (sic) address generator and control logic generating graphics vectors for storing into image memory. Image memory can then be scanned out, such as in a raster scan form to refresh a display.

(901A-F-12.) From the '702 disclosure, one skilled in the art would be informed that “a graphics processor architecture” that generates “graphics vectors” could also be referred to as a “vector processor” or “two dimensional vector processor,” as that phrase is found in the claims. One skilled in the art would also be informed that the same processor could be described as a “block processor.”

29. The “vector processor” is further illustrated in detail in Figs. 6O, 6P, 6Q, and 6R, and, as identified in TABLE-1 under “vector”, is discussed at pages 9-14 and 118-127 of the specification.

30. The “graphics processor architecture” described on page 10 of the specification corresponds to the address generator 115B of Fig. 1, and “two dimensional vector information” reads on “graphics commands”.

31. The '702 disclosure supports a vector processor acting “in response to the two dimensional vector information.” Page 10 of the specification states:

One arrangement of the graphics system of the present invention is shown in Fig 1. Supervisory processor 115A loads graphics commands into address generators 115B. Address generators 115B generate addresses of graphics vectors for loading into image memory 115C and for raster scanning image memory 115C. The raster scan addresses scan-out the image in image memory 115C through the CRT interface 115D to refresh CRT 115E.

(901A-F-11). One skilled in the art would be informed that “two dimensional vector information” reads on “graphics commands” as described above and that “graphics processor architecture” (which supports the claimed “vector processor”) corresponds to the address generator 115B of Fig. 1. Fig. 1 and page 10 of the specification inform one skilled in the art that the “vector processor” (address generator 115B) acts “in response to” “two dimensional vector information” (graphics commands, loaded into address generator 115B).

32. During re-addressing each of the 64 memory chips reads a byte of video pixel information into an internal data register. These 64 bytes form an accessed block of video pixel information. The address generators subsequently scan out these accessed bytes and



thus generate the output in response to the accessed blocks of video pixel information.

33. A skilled artisan would recognize that the output address generator of Figs. 6O and 6P has essentially the same construction as the input address generator of Figs. 6Q and 6R.

34. A skilled artisan would recognize that the address generator of Fig. 6Q and 6R likewise may be used to “scan out” or generate output vectors.

35. The two program listings GRAPH.ASC (901A-F-216 to -218) and LD.ASC (901A-F-219 to -232) in the '702 disclosure explain how to initialize the address generators of Figs. 6O to 6R for both types of operation.

36. The source code for GRAPH.ASC is set forth in full at pages 214-230 with annotations that explain how to use the address generators for both raster scan and vector scan operations.

37. It is clear to me from the Board's decision in this case that it interpreted the recited “two dimensional vector processor” to read on the “supervisory processor”; the recited “vector generator” to read on “[input] address generators of figures 6Q and 6R”; and the recited “accessing circuit” to read on “[output] address generators of figures 6O and 6P.”

38. One skilled in the art would read “two dimensional vector processor” on the output address generators 6O and 6P; “vector generator” on the supervisory processor; and “accessed blocks of video pixel information” on the pixel data stored in the internal data registers of the 64 memory chips.

39. I believe, as a consequence of the Board's misreading of the '702 disclosure and application claims, that the Board concluded that "we find no written description for a processor coupled to and performing the 'generating' function 'in response to' the vector information as well as in 'response to' image information from the image memory." One skilled in the art would read "two dimensional vector processor" on the output address generators 6O and 6P; "vector generator" on the supervisory processor; and "accessed blocks of video pixel information" on the pixel data stored in the internal data registers of the 64 memory chips.

**WRITTEN DESCRIPTION SUPPORT FOR THE  
"DATA COMPRESSION" LIMITATION**

40. I believe the '702 disclosure provides adequate written description support for the claimed "data compression" limitation identified by the PTO.

41. The recited data compression is provided by the FTR.ASC program, which has a complete source code listing in the disclosure (901A-F-233 to -238) and which can be used for both pre-processing and post-processing. This "source code listing" is the actual computer language program that I programmed, which was compiled and then executed with the computer to perform the programmed functions.

42. The filter processor is shown in Fig. 5A (901A-F-254).

43. The teaching that the FTR.ASC program emulates a hardware filter processor directs one skilled in the art to interchangeably use either the hardware processor of Fig. 5 or the FTR.ASC program to perform the post processing function. One skilled in the art would

recognize that the Fig. 5 post processor and the FTR.ASC program perform substantially the same function and that the teaching that the FTR.ASC program emulates a hardware filter processor is a teaching that the post processor can be implemented with either the FTR.ASC program or the hardware post processor, thus providing data compression for data read from image memory as recited in the claims. The following provision in the disclosure teaches the equivalency of implementing the filter processor of Fig. 5A with either the FTR.ASC software program or hardware.

Fig. 5A shows an arrangement of a display system. Address generator 520A generates pixel addresses to access a plurality of pixels, such as a 9-pixel kernel 520H, from image memory 520B. Pixel information can be latched in registers to provide parallel pixel words or can be accessed sequentially as provided with the BASIC PROGRAM LISTING FTR.ASC herein. Weight table 520C supplies a plurality of kernel weights appropriate to spatial filtering of the pixel kernel, such as a kernel of 9-weights 520I, from weight table 520C. Weight information can be latched in registers or in the weight table to provide parallel pixel words or can be accessed sequentially as provided with the BASIC PROGRAM LISTING FTR.ASC herein.

(901A-F-18).

44. Three different TABLE-1 entries under (1) compress, (2) data compressed and (3) decompressed, all directed the PTO to page 23 of the disclosure. This is the page which the Board said explained that the FTR.ASC program, which the Board recognized as having data compression, emulates a hardware filter proces-

sor. Thus, the key disclosure that the FTR.ASC program can be used interchangeably with the hardware filter processor in the recited post processing location is at the page that is listed in TABLE-1 as a “Representative Cite.”

45. In addition to the Board recognizing that the FTR.ASC program provides data compression, the program is disclosed in detail in the disclosure. A complete source code listing with extensive annotations is provided at pages 231-236 (901A-F-233 to -238). In addition, a complete flow chart is provided in Fig. 7 (901A-F-293) and operation of the filter processor is explained in detail in a section entitled “Description of Fig. 7 and the FTR.ASC Listing” at pages 18 to 22 of the disclosure (901A-F-20 to -24). The first sentence of this section contains an additional suggestion to one skilled in the art to interchangeably use either the hardware or software filter processor, stating:

A filter processor can be emulated in software to illustrate operation of a hardware configuration.

(901A-F-20).

46. In summary, while the Board recognized that the disclosure teaches that the program FTR.ASC provides data compression and emulates the hardware post processor, it failed to consider the result of substituting the program for the hardware post processor. One skilled in the art would recognize in the disclosure the direction to make this substitution and would thus find in the disclosure a teaching of compressing data stored in the image memory as recited in the claims.

**WRITTEN DESCRIPTION SUPPORT  
FOR THE “BLOCK BOUNDARY  
SMOOTHING” LIMITATION**

47. I believe the '702 disclosure provides adequate written description support for the claimed “block boundary smoothing” limitation identified by the PTO.

48. Block boundary smoothing is provided by the FTR.ASC program. The program divides an image into 8 stripes with each stripe containing a block of pixel data. Each stripe is stored in a different file and special operations are provided at the block boundaries to provide smoothing in response to data from more than one file or stripe.

49. TABLE-1 of the Appeal Brief specifically directed the Board to the program FTR.ASC for a teaching of block boundary smoothing (901A-F-832). For example, TABLE-1 lists page 232 as a representative cite under the word “smoothing”. This page of the disclosure, which actually contains the word “smoothing,” is a portion of the source code listing for filter processor program FTR.ASC.

50. One skilled in the art would recognize that the filter program smoothes image data by recalculating the value of each pixel as a function of the original pixel value, the value of the 8 pixels surrounding the original pixel and a weighting function. The disclosure teaches that special processing is provided at stripe (block) boundaries:

The filtering operation accesses a kernel of pixels surrounding the center pixel and consequently overlaps stripes for the first line and the last line in a stripe.

(901A-F-26).

51. Section 9 of the Board decision recognized that the FTR.ASC program even contained the word “smoothing” (901A-F-1,616), but considered only the 64 blocks of pixels stored by the image memory as a possible block of data. However, one skilled in the art would recognize that the 8 stripes into which an image is divided for filtering by the filter program also constitute blocks of data.

**WRITTEN DESCRIPTION SUPPORT FOR THE  
“QUANTIZATION” LIMITATION**

52. I believe the '702 disclosure provides adequate written description support for the claimed “quantization” limitation identified by the PTO.

53. In particular, the disclosure informs one skilled in the art to use the FTR.ASC program to implement the Fig. 5A filter processor. Pages 231-236 of the specification, which I identified to the PTO in TABLE-1 during the appellate briefing as support for “quantization”, provide the source code for the FTR.ASC program, which contains the expression:

$$\text{WRR1\%} = \text{WRR2\%} * \text{WTS2}$$

(901A-F-236 at line 1260.) This expression means multiply the value of WRR2% by WTS2, which is set to a fraction (a floating point number) at lines 390 and 400 of the program, and store the result in variable WRR1% as an integer value. This represents “quantization,” as even the Board agrees. (901A-F-1,619.)

54. In its analysis, the Board erroneously disregarded the FTR.ASC program on the mistaken belief that

the disclosure of the program limits the program to being used only as a preprocessor program:

The program FTR.ASC emulates a hardware filter processor (spec, at 18, lines 2- 3) and demonstrates offline filtering and *preprocessing* (before the image data is loaded into memory) (spec, at 23, lines 20-22).

(901A-F-1,599) (emphasis added).

55. However, the FTR.ASC program can be used to implement the post-processor of Fig. 5A. One skilled in the art would recognize that the Fig. 5A post-processor and the FTR.ASC program both perform the function of a 9-pixel kernel filter processor. One skilled in the art would further recognize that the teaching that the FTR.ASC program emulates the filter processor is a teaching of the implementation of the filter process with the FTR.ASC program, thus providing quantization while processing data read *from* image memory as recited in the claims. Accordingly, one skilled in the art would recognize that the disclosure demonstrates adequate written description support for the quantization feature.

#### **WRITTEN DESCRIPTION SUPPORT FOR THE “MAKING A PRODUCT” LIMITATION**

56. I believe that one skilled in the art would find that the '702 disclosure provides adequate written description support for the claimed inventions having the “making a product” limitation identified by the PTO.

57. I believe that one skilled in the art would find that the analog display image signal as disclosed in the '702 disclosure constitutes a product.

58. I believe that one skilled in the art would find that a display image as disclosed in the '702 disclosure constitutes a product.

59. Claim 81 recites the output image information as being generated in response to the two dimensional processed image information, *i.e.*, the information from the spatial processor shown in Fig. 5. The analog display image signal is not the same signal as the output image information recited in claim 81.

60. An electrical signal is made up of a concentration of electrons that varies with the information content of the signal. The electrons are physical and the structure may change as the information content of the signal changes, but that does not mean that the signal has no structure. Further, each electron is a substance (*i.e.*, matter) and since a signal is comprised of a large number of electrons, a signal is a composition of matter. One skilled in the art would recognize that the disclosure supports making a product in response to output image information as recited in the claim.

\* \* \* \* \*

I declare under penalty of perjury that the foregoing is true and correct. Executed on January 28, 2004.

/s/ GILBERT P. HYATT  
GILBERT P. HYATT



**APPENDIX H**

35 U.S.C. 145 provides:

An applicant dissatisfied with the decision of the Board of Patent Appeals and Interferences in an appeal under section 134(a) of this title may, unless appeal has been taken to the United States Court of Appeals for the Federal Circuit, have remedy by civil action against the Director in the United States District Court for the District of Columbia if commenced within such time after such decision, not less than sixty days, as the Director appoints. 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 shall authorize the Director to issue such patent on compliance with the requirements of law. All the expenses of the proceedings shall be paid by the applicant.