

No. 18-1285

In the Supreme Court of the United States

GILBERT P. HYATT, ET AL., PETITIONERS

v.

ANDREI IANCU, UNDER SECRETARY OF COMMERCE FOR
INTELLECTUAL PROPERTY AND DIRECTOR,
UNITED STATES PATENT AND TRADEMARK OFFICE

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

BRIEF FOR THE RESPONDENT IN OPPOSITION

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QUESTION PRESENTED

Whether the Patent Act precludes the United States Patent and Trademark Office from authorizing patent examiners to reopen patent-application examinations after an applicant has sought further review of the examination within the agency.

ADDITIONAL RELATED PROCEEDINGS

United States District Court (D. Nev.):

Hyatt v. United States Patent & Trademark Office,
No. 16-cv-1490 (Feb. 17, 2017) (summary judgment order)

Hyatt v. United States Patent & Trademark Office,
No. 14-cv-311 (Sept. 30, 2014) (order transferring previous challenge to reopenings to Eastern District of Virginia)

United States District Court (E.D. Va.):

Hyatt v. United States Patent & Trademark Office,
No. 14-cv-1300 (Nov. 13, 2015) (summary judgment order in previous challenge to reopenings)

United States Court of Appeals (Fed. Cir.):

Hyatt v. United States Patent & Trademark Office,
No. 17-1722 (Sept. 24, 2018), reh'g denied, Jan. 10, 2019 (decision below)

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OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1-22) is reported at 904 F.3d 1361. The opinion of the district court (Pet. App. 23-27) is not published in the Federal Supplement but is available at 2017 WL 663058. The decisions of the United States Patent and Trademark Office denying the petition for rulemaking (Pet. App. 31-73) are unreported.

JURISDICTION

The judgment of the court of appeals was entered on September 24, 2018. A petition for rehearing was denied on January 10, 2019 (Pet. App. 28-29). The petition for a writ of certiorari was filed on April 10, 2019. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATEMENT

A. Legal Background

1. Under the Patent Act, the United States Patent and Trademark Office (USPTO) is “responsible for the granting and issuing of patents,” 35 U.S.C. 2(a)(1), and may promulgate regulations to “govern the conduct of proceedings in the Office,” 35 U.S.C. 2(b)(2)(A). When a patent application is filed, the USPTO undertakes an examination process to determine whether a patent should issue. 35 U.S.C. 131; see 37 C.F.R. 1.102-1.146; *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2136-2137 (2016).

Patent examination (or “prosecution” from the applicant’s perspective) generally consists of a back-and-forth between the patent examiner and the applicant. An examiner with expertise in the relevant technological fields first analyzes the application and the invention it describes, as well as the prior art in the field, to determine whether the statutory requirements for patentability are satisfied. 37 C.F.R. 1.104(a)-(b); see, e.g., 35 U.S.C. 101, 102, 103, 112. After the initial examination, if the examiner concludes that the applicant is entitled to a patent, a patent is issued. 35 U.S.C. 131. But if the examiner concludes that any claims are unpatentable, he rejects those claims and sends an “Office action” that “notif[ies] the applicant” of the “reasons for such rejection * * * together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application.” 35 U.S.C. 132(a); see 37 C.F.R. 1.104(a)(2) and (c).

An applicant who is notified of a rejection may respond with amendments to the claims, evidence of patentability, arguments in favor of patentability, or some combination of those. See 35 U.S.C. 132(a); 37 C.F.R.

1.111(a)-(b). If the applicant offers any such response, the patent examiner will further examine the application in light of the new submissions and will notify the applicant of the results “in the same manner as after the first examination.” 37 C.F.R. 1.112; see 35 U.S.C. 132(a). “[U]nless such Office action indicates that it is made final,” the patent applicant generally may “reply to such Office action in the same manner” as after the first examination, 37 C.F.R. 1.112, and the iterative process will continue. Through this back-and-forth process, the examiner and the applicant may either reach an agreement on allowable claims or develop the administrative record for further review within the agency and potentially in federal court.

2. Although an examination process may continue for several rounds, once any of an applicant’s “claims ha[ve] been twice rejected” by an examiner, the applicant is entitled to appeal that rejection to the agency’s Patent Trial and Appeal Board (Board), “having once paid the fee for such appeal.” 35 U.S.C. 134(a); see 37 C.F.R. 41.31(a)(1). Under USPTO regulations, an applicant commences such an intra-agency appeal by filing a “notice of appeal accompanied by the fee * * * within the time period * * * for reply” to the Office action rejecting the claims. 37 C.F.R. 41.31(a)(1). The applicant must file an appeal brief within two months after filing a notice of appeal. 37 C.F.R. 41.37(a). The examiner may file a written answer, 37 C.F.R. 41.39(a), and the applicant may file a reply within two months after the examiner’s answer is filed, 37 C.F.R. 41.41(a).

USPTO regulations state that “[j]urisdiction” over a patent application passes to the Board when the applicant files his reply brief or the time for filing a reply

brief expires. 37 C.F.R. 41.35(a). Until then, the examiner remains the USPTO official responsible for the application. Before responsibility passes to the Board, the examiner may realize that the appealed application requires further attention. Upon reading the applicant's appeal brief, for example, the examiner may be persuaded that an existing rejection lacks merit, and he may amend his decision to allow some or all of the claims. Alternatively, the examiner may determine that there is a different statutory basis for rejecting the applicant's claims, or that the applicant's appeal brief includes new evidence or arguments for patentability that warrant additional response.

Accordingly, USPTO practice has long permitted a patent examiner in some circumstances to reopen an examination after an applicant initiates an administrative appeal. The first incarnation of the *Manual of Patent Examining Procedure* (MPEP), released in 1948, explained that “[s]ometimes, after appeal, a reference is found” that warrants reopening prosecution with supervisor approval. § 14-1-6.2 (1948). Subsequent versions of the Manual expanded the circumstances for reopening to include any “new ground of rejection (new reference or otherwise) * * * [with] the approval of the Supervisor Examiner.” *Id.* § 1208.01 (2d ed. Nov. 1953) (emphasis omitted); see *id.* § 1208.02 (8th ed. Rev. 1, Feb. 2003); *id.* § 1207.04 (8th ed. Rev. 3, Aug. 2005). Consistent with that longstanding practice, Section 1207.04 of the current MPEP states that an “examiner may, with approval from the supervisory patent examiner, reopen prosecution to enter a new ground of rejection in response to appellant’s brief.” Pet. App. 91.

B. Present Controversy

1. Petitioner Gilbert Hyatt is the named inventor on an extended family of approximately 400 patent applications. Pet. App. 2. Hyatt's applications represent a unique situation in the history of the USPTO. In August 2013, after numerous amendments over many years, Hyatt's web of interconnected applications contained approximately 115,000 total claims. *Id.* at 2-3; *Hyatt v. United States Patent & Trademark Office*, 146 F. Supp. 3d 771, 773, 776 (E.D. Va. 2015) (*Hyatt Unreasonable Delay Suit*). Many of Hyatt's individual applications contain some of the largest claim sets the USPTO has ever encountered. *Hyatt Unreasonable Delay Suit*, 146 F. Supp. 3d at 776. Hyatt's 400 pending applications average more than 280 claims each, with some containing more than 400 claims. See *ibid.* For comparison, about five percent of patents issued in 2015 contained more than 30 claims. See Dennis Crouch, *Compact Patents* (June 9, 2015), <http://patentlyo.com/patent/2015/06/compact-patents.html>. Hyatt's aggregate number of claims is unprecedented for any single applicant. *Hyatt Unreasonable Delay Suit*, 146 F. Supp. 3d at 781. In 2012, 12 full-time USPTO patent examiners worked solely on Hyatt's applications. Pet. App. 3.

In August 2013, to facilitate the agency's consideration of Hyatt's claims, the USPTO began to issue a series of Office actions called "Requirements for information" in Hyatt's applications. Pet. App. 3; see 37 C.F.R. 1.75, 1.105; 35 U.S.C. 131. Those Office actions noted the "confluence of multiple factors" that had made examination of Hyatt's applications "unmanageable," including the number of related pending applications, the length of each specification (or written description of the invention) and the number of applications incorporated by

reference, the number of claims, and the multiplication of claims over the course of prosecution. *Hyatt Unreasonable Delay Suit*, 146 F. Supp. 3d at 778 (quoting the Requirements for information). The Office actions instructed Hyatt to (i) select a number of claims from each of his 12 “famil[ies]” (*i.e.*, groups of related applications with nearly identical specifications), not to exceed 600 claims per family absent a showing that more claims are necessary; (ii) identify the earliest possible priority date and supporting disclosure for each selected claim; and (iii) present a copy of the pending claims to the USPTO. Pet. App. 3.

Most of Hyatt’s approximately 400 applications were in examination at the time those requirements were issued. *Hyatt Unreasonable Delay Suit*, 146 F. Supp. 3d at 773. In approximately 80 examinations, however, Hyatt had already filed notices of appeal and his opening appeal briefs. *Id.* at 778. To ensure that the applications were examined collectively and consistently, the examiners reopened prosecution in those 80 applications in accordance with MPEP § 1207.04 upon issuing the new requirements. Pet. App. 4.

2. In February 2014, Hyatt filed suit against the USPTO in the District of Nevada, arguing that the USPTO’s reopening of prosecution in the 80 applications in which appeal briefs had been filed constituted unreasonable delay in violation of the Administrative Procedure Act (APA), 5 U.S.C. 706(1). Pet. App. 4; *Hyatt Unreasonable Delay Suit*, 146 F. Supp. 3d at 773. Hyatt asked the court “to order the PTO not to reopen prosecution on the appeals or otherwise delay final resolution on the merits of the appeals as presented to the [Board] in each of these 80 appealed patent applications.” Compl.

at 18, *Hyatt v. United States Patent & Trademark Office*, No. 14-cv-311 (D. Nev. Feb. 27, 2014).

The Nevada court held that it lacked jurisdiction and transferred the case to the Eastern District of Virginia. Pet. App. 4. The Virginia court granted summary judgment to the USPTO, holding that the agency “ha[d] already done what it is statutorily required to do, namely to cause an examination of the applications.” *Hyatt Unreasonable Delay Suit*, 146 F. Supp. 3d at 783. The court observed that “the [r]equirements [that necessitated the reopening] expressly state[d] that they were issued to achieve this very purpose.” *Ibid.* The court further explained that Hyatt “has no right to an examination free from * * * reopened prosecution.” *Id.* at 785 & n.33 (citing MPEP § 1207.04 (9th ed. Rev. 7, Nov. 2015)). Hyatt did not appeal that decision. Pet. App. 4.

3. a. While his unreasonable-delay suit was pending, Hyatt filed a petition in the USPTO requesting the repeal of MPEP § 1207.04. Pet. App. 4. He argued that the provision had been improperly promulgated, and that it is inconsistent with the Patent Act and USPTO regulations. *Ibid.* The USPTO denied the petition. *Id.* at 31-73.

b. Petitioners Hyatt and the American Association for Equitable Treatment, Inc., then filed this suit, also in the District of Nevada, asserting that the USPTO had erred in denying Hyatt’s petition for rulemaking because MPEP § 1207.04 is invalid. Pet. App. 5. Petitioners contended that, by reopening prosecution in Hyatt’s 80 applications in 2013, the USPTO had “cause[d] years-long delays in the review of” Hyatt’s patent applications. C.A. App. 8. They asked the court to declare that Section 1207.04 is unlawful and to issue an order enjoining

the USPTO “from enforcing MPEP § 1207.04 and compelling the [USPTO] * * * to withdraw [it].” *Id.* at 24.

The district court dismissed the suit. Pet. App. 23-27. The court first concluded that petitioners’ claims were precluded by the final decision in the *Hyatt Unreasonable Delay Suit*, in which the court had found that Hyatt “has no right to an examination free from suspensions, new grounds for rejection, or reopened prosecution.” *Id.* at 25-26 (quoting *Hyatt Unreasonable Delay Suit*, 146 F. Supp. at 785). The court further held that it lacked subject-matter jurisdiction over petitioners’ claims. *Id.* at 26. The court observed that, under the Patent Act, the Eastern District of Virginia and the Federal Circuit are the only courts authorized to review patent-application denials. *Ibid.* The district court concluded that “an order invalidating the reopening of prosecution under § 1207.04 would affect” that jurisdiction, and that a request for such an order therefore must be directed to one of those courts. *Ibid.* (citing *Telecommunications Research & Action Ctr. v. FCC*, 750 F.2d 70 (D.C. Cir. 1984)).

c. The Federal Circuit affirmed in part and reversed in part. Pet. App. 1-22.

The court of appeals disagreed with the district court that it lacked jurisdiction over petitioners’ claims and that their claims were precluded by the final judgment in the *Hyatt Unreasonable Delay Suit*. Pet. App. 8-14. The court of appeals concluded that, although the Patent Act vests the Eastern District of Virginia and the Federal Circuit with exclusive jurisdiction to review the Board’s final patent-application decisions, petitioners’ challenge to the USPTO’s denial of a rulemaking petition “falls outside the exclusive zone of jurisdiction created by” that jurisdictional grant. *Id.* at 8-9; see *id.* at

8-11 (citing 35 U.S.C. 141 and 145). The court further held that the judgment in the *Hyatt Unreasonable Delay Suit* did not preclude this action because, although Hyatt “could have argued in his prior suit that MPEP § 1207.04 is invalid,” this suit “ar[ose] from a different set of facts unrelated in time, origin, or motivation to his prior unreasonable delay claims.” *Id.* at 11, 13.

The Federal Circuit nevertheless affirmed the district court’s judgment on two other grounds. Pet. App. 14-22. The court rejected as untimely petitioners’ challenges to Section 1207.04 based on (1) the alleged failure to promulgate the MPEP guidance through notice-and-comment rulemaking and (2) an alleged conflict with USPTO regulations. *Id.* at 14-19. The court rejected on the merits petitioners’ argument that Section 1207.04 conflicts with the Patent Act. *Id.* at 19-22.

With respect to the latter holding, the court of appeals explained that Section 6(b) of the Patent Act “outlines the [Board’s] duties,” including reviewing individual examiners’ rejections of patent applications, but “does not require the [Board] to reach the merits of every appeal that is filed.” Pet. App. 20. Rather, the court explained, the USPTO is authorized to impose conditions that must be satisfied before the Board addresses an appeal. *Ibid.* Such conditions may include the payment of a fee (as required by 35 U.S.C. 134(a)), time limits, and content restrictions. Pet. App. 20. The court observed that, if such conditions are not satisfied, the agency may properly dismiss an appeal without reviewing the examiner’s decision, even if an applicant has filed “the written notice of appeal contemplated by § 6(b)(1).” *Ibid.* The court concluded that “an exam-

iner's decision not to reopen prosecution is another condition that must be satisfied before an appeal reaches the Board." *Ibid.*

The court of appeals rejected petitioners' assertion that, under the agency's approach, examiners could use the reopening process to prevent the Board from "ever reviewing application rejections." Pet. App. 21. The court explained that, "[o]nce the examiner adds a new ground of rejection, the applicant may immediately appeal it along with the old grounds." *Ibid.* It also noted that the APA "offers a remedy" for potential abuse of the reopening process "by enabling reviewing courts to compel agency actions unlawfully withheld or unreasonably delayed without adequate reason or justification." *Ibid.* The court of appeals found "no evidence in the record that, in the wake of [the *Hyatt Unreasonable Delay Suit*], PTO examiners have repeatedly reopened prosecution of [Hyatt's] applications for the purpose of further delaying [Board] review." *Id.* at 22.

d. The Federal Circuit denied petitioners' request for rehearing en banc without noted dissent. Pet. App. 28-30.

ARGUMENT

Petitioners contend (Pet. 12-17) that the court of appeals should have required the USPTO to institute a rulemaking proceeding to change agency guidance that permits examiners to reopen and reconsider their decisions rejecting patent claims after an applicant has filed an appeal of such a decision to the Board. That argument lacks merit. Nothing in the Patent Act precludes an examiner from reopening prosecution to fulfill his statutory duties. And, contrary to petitioners' assertion, that procedure does not deprive any patent applicant of his right to review by the Board.

In any event, this case would be a poor vehicle for considering the propriety of the USPTO's reopening guidance. Petitioners' only asserted injury in this case concerns the USPTO's *past* reopening of 80 of Hyatt's applications, which occurred in 2013. Petitioners have identified no basis for concluding that they are likely to suffer any *future* injury from the challenged reopening practice. And in light of the current procedures and resources committed to resolving Hyatt's patent applications, any such assertion would be too speculative to establish Article III standing. The petition for a writ of certiorari should be denied.

1. The court of appeals correctly held that MPEP § 1207.04, which is nearly identical to guidance that the USPTO has followed since at least 1948, does not contravene either Section 6(b)(1) or Section 134(a) of the Patent Act. Pet. App. 19-22.

a. Section 6 of the Patent Act appears in Chapter 1 of Title 35 of the United States Code, entitled "Establishment, Officers and Employees, Functions." That Section establishes the Patent Trial and Appeal Board and lists the Board's "Duties," including "review[ing] adverse decisions of examiners," "review[ing] appeals of reexaminations," and "conduct[ing] inter partes reviews and post-grants reviews." 35 U.S.C. 6(a)-(b). It "provides in general terms an organization or vehicle for review of adverse decisions." *In re Hengehold*, 440 F.2d 1395, 1404 (C.C.P.A. 1971) (referring to predecessor Section 7) (emphasis omitted); see Pet. App. 20 ("Section 6(b) outlines the [Board's] duties."). It does not create any individual rights for patent applicants.

Petitioners contend (Pet. 14-15) that, because Section 6 uses the word "shall" to introduce the Board's duties, and does not mention the possibility of reopening,

the Board must immediately review the patent examiner's decision on the merits without further reopening once a patent applicant files a written appeal. That argument lacks merit. No one disputes that the USPTO can impose certain "procedural conditions," such as "time limits and content restrictions," that must be satisfied before the Board "shall" review a patent examiner's rejection of a claim. Pet. App. 20. The agency's authority to establish such conditions is unquestioned, even though none of them is mentioned in Section 6(b).

Petitioners likewise do not take issue with the USPTO's practice of permitting patent *applicants* to reopen prosecution after an appeal has been filed. See 37 C.F.R. 41.39(b) (permitting a patent applicant to choose between "[r]eopen[ing] prosecution" or "[m]aintain[ing] appeal" if a patent examiner's answer contains a new ground of rejection). Indeed, they note with approval that under MPEP § 1207.04's predecessor, if an examiner reopened prosecution after an appeal had been initiated, patent applicants could either continue prosecution or seek reinstatement of the appeal. See Pet. 7 (citing MPEP § 1208.02 (8th ed. Aug. 2001)); see also pp. 13-15, *infra*. As the court of appeals correctly recognized, Section 6(b)'s list of the Board's duties therefore cannot be the source of the right that petitioners claim. See Pet. App. 20-21.

Section 134(a) states that "[a]n applicant for a patent, any of whose claims has been twice rejected, may appeal from the decision of the primary examiner to the Patent Trial and Appeal Board, having once paid the fee for such appeal." 35 U.S.C. 134(a). While that provision confers a right to intra-agency review, the USPTO's decision to allow reopening in some circumstances after such an appeal is taken is not inconsistent with that

right. The Board may have various reasons for declining to reach the merits of an applicant's appeal immediately (or at all), even after a claim has been twice rejected and an applicant has filed a notice of appeal and paid the fee. For example, USPTO regulations impose time limits and requirements for the contents of an applicant's brief. See, *e.g.*, 37 C.F.R. 41.4, 41.35(b)(5), 41.37, 41.45. The authority of a patent examiner (with supervisory approval) to reopen prosecution after an applicant initiates a Board appeal is another longstanding condition on an applicant's right to Board review. See p. 4, *supra*.

In conferring a right of administrative appeal on a patent applicant "any of whose claims has been twice rejected," Section 134(a) imposes an exhaustion requirement. But an applicant who satisfies the conditions for appeal does not thereby acquire an unfettered right to an immediate Board decision on the merits. Courts that review agency actions, and appellate courts that review trial-court decisions, often remand to allow the body whose decision is under review to resolve ambiguities or to consider points that have not been adequately explored. Such dispositions are not inconsistent with statutory provisions that confer a right of appeal. The same principle applies here.

Petitioners repeatedly suggest (*e.g.*, Pet. i, 2, 7-8) that the USPTO's reopening practice began in 2005. But patent examiners have been authorized to reopen prosecution in response to an applicant's appeal brief since at least 1948, and the 2005 changes to the USPTO's guidance on the practice were insignificant. Before 2005, an examiner could, "with approval from the supervisory patent examiner, reopen prosecution to enter a new ground of rejection after appellant's brief * * *

ha[d] been filed.” MPEP § 1208.02 (8th ed. Aug. 2001). “After reopening of prosecution,” the applicant then could either (1) “file a reply” with the examiner, responding to the new ground of rejection; or (2) “request reinstatement of the appeal,” accompanied by “a supplemental appeal brief” that addressed the new grounds for rejection “raised in the Office action that reopened prosecution” and “incorporate[d] by reference such parts of the previously-filed brief as may still be applicable.” *Ibid.*

In 2005, the USPTO’s guidance on the reopening practice was moved from Section 1208.02 to Section 1207.04. The description of an examiner’s reopening authority, however, was copied *verbatim* from the prior version. Compare MPEP § 1208.02 (8th ed. Aug. 2001) (first sentence) to *id.* § 1207.04 (8th ed. Rev. 3, Aug. 2005) (first sentence). And the applicant’s choices for responding were altered only in an inconsequential manner. The 2005 guidance explained that, as before, “[a]fter reopening of prosecution,” an applicant can “file a reply” with the examiner, responding to the new ground of rejection. MPEP § 1207.04 (8th ed. Rev. 3, Aug. 2005). Alternatively, the applicant can “initiate a new appeal by filing a new notice of appeal,” followed two months later by “a complete new brief” addressing all grounds of rejection. *Ibid.* Elsewhere, the MPEP continued to refer to this second option as “reinstat[ing] an appeal.” *Id.* § 1204.01. The 2005 guidance also made clear that, despite the new reference to “initiat[ing] a new appeal,” “[a]ny previously paid appeal fees * * * for filing a notice of appeal [or] filing an appeal brief * * * w[ould] be applied to the new appeal on the same application.” *Ibid.*

Thus, from before 2005 to today, USPTO examiners have been authorized to assert new grounds of rejection after an applicant's opening appeal brief is filed; the applicant has been required to respond to those new grounds (to either the examiner or the Board, at his choosing); the applicant has *not* been required to pay a second appeal fee after such reopening; and, if the applicant elects to respond directly to the Board, the appeal has continued with the new grounds of rejection added to the old. The only difference between the two procedural schemes is that, before 2005, an applicant who chose to respond to new grounds of rejection directly to the Board would file a supplemental brief that addressed those new grounds and incorporated by reference arguments from the original brief. Under the current guidance, an applicant who elects that course must file a new notice of appeal and a complete new brief that includes all of the relevant arguments. But if the prior scheme was lawful, the requirement that the applicant cut and paste arguments from one Word document to another cannot plausibly be thought to run afoul of Section 134(a).

b. Petitioners contend (Pet. 15) that the USPTO's reopening procedure is inconsistent with the presumption of judicial review because it permits patent examiners to "block judicial review indefinitely." That is incorrect. MPEP § 1207.04 describes the handoff of authority over a patent application between two levels of review *within* the USPTO before the agency reaches a final decision. It does not address a court's ability to review the agency's final decision once that decision has been issued. See 35 U.S.C. 141(a) (authorizing an applicant who is "dissatisfied with the final decision in an appeal to the [Board] under section 134(a)" to seek review

in the Federal Circuit). Petitioners identify no case in which this Court has invalidated such intra-agency procedures based on the presumption of judicial review.

In any event, the USPTO's reopening practices are more likely to hasten than to delay an applicant's opportunity to seek judicial review. If an examiner was precluded from reopening prosecution to assert a new ground of rejection, and the Board disagreed with the existing grounds for rejection (and did not enter its own new ground, 37 C.F.R. 41.50(b)), the Board would not be required to direct that the applicant receive a patent. Rather, the Board could remand the matter to the examiner, who could then enter a new ground of rejection. See 37 C.F.R. 41.50(a)(1), 41.54; cf. p. 13, *supra*; *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 138 S. Ct. 1365, 1374 (2018) (noting "the public's paramount interest in seeing that patent monopolies are kept within their legitimate scope") (citation omitted). Indeed, even after a *court* reverses the USPTO's final rejection, "the Patent Office can always reopen prosecution and cite new references." *In re Gould*, 673 F.2d 1385, 1386 (C.C.P.A. 1982) (citation omitted); see 37 C.F.R. 1.198 (permitting reopening in such circumstances for "consideration of matters not already adjudicated"). By reducing the need for such remands, the USPTO's reopening practice conserves agency resources and expedites the ultimate disposition of patent applications.

The use of reopening procedures during the examination of Hyatt's applications vividly illustrates this point. Hyatt's web of 400 related applications, with more than 115,000 total claims and many different possible priority dates for each claim, necessitated a coor-

minated and consistent examination approach. “By directing [Hyatt] to reduce the number of claims under review” and to provide the additional information that the USPTO needed to examine those claims, the agency’s approach “facilitate[d] effective examination of the relevant patent applications.” *Hyatt Unreasonable Delay Suit*, 146 F. Supp. 3d at 785. Reopening prosecution in the 80 (of 400) applications for which Hyatt had already filed his opening brief with the Board allowed that approach to be applied consistently to all of his pending applications.

Any concern that the reopening procedure might be abused, so that agency proceedings are unnecessarily extended or judicial review is unreasonably delayed, are best addressed not by categorically forbidding the practice, but by relying on existing checks against such potential abuse. Pet. App. 21-22. The USPTO’s rules require a supervisor to approve reopening, and all agency employees remain subject to the authority of the Director, who is a member of the Board. See 35 U.S.C. 3(a). An applicant may petition the agency to further review a reopening decision. See 37 C.F.R. 1.181. And in extraordinary cases, an applicant may sue the USPTO under the APA to “compel agency action unlawfully withheld or unreasonably delayed,” 5 U.S.C. 706(1)—a procedure that Hyatt has previously invoked.

c. Petitioners’ reliance (Pet. 16-17) on this Court’s decision in *United States ex rel. Steinmetz v. Allen*, 192 U.S. 543 (1904), is misplaced.¹ In *Steinmetz*, the

¹ Petitioners contend that “Steinmetz should have been controlling here.” Pet. 16. In the proceedings below, however, petitioners first cited *Steinmetz* in a “Notice of Supplemental Authority” submitted to the Federal Circuit on the eve of oral argument. See Pet. C.A. Rule 28(j) Letter (Feb. 20, 2018).

Court considered whether a patent examiner's refusal to permit a patent applicant to include both process and apparatus claims in the same application was a final decision by the examiner, appealable to the examiners-in-chief. *Id.* at 556. The Court concluded that the refusal was such a decision; that the applicant therefore was entitled under the "rules of the Patent Office" to proceed with his appeal before the board of examiners-in-chief; and that the primary examiner was required to answer that appeal. *Id.* at 564; see *id.* at 564-566 (citing Patent Office Rule 135).

The Court in *Steinmetz* did not consider the USPTO's practice of reopening prosecution after appeal or hold that the predecessors to Sections 6 and 134 barred such a practice. And while the *Steinmetz* Court relied on the Patent Office's own rules in concluding that the patent applicant was entitled to pursue his administrative appeal, the USPTO's rules and guidance authorize examiners to engage in the reopening practice that is at issue in this case. The decision in *Steinmetz* therefore is inapposite here.²

² Petitioners' amici suggest that MPEP § 1207.04 is inconsistent with 37 C.F.R. 41.39, which authorizes patent examiners to assert some new grounds of rejection in their answers to an applicant's opening appeal brief before the Board. See U.S. Inventor Amicus Br. 10, 15. Petitioners advanced a similar argument in the Federal Circuit, but the court of appeals correctly rejected that argument as time-barred (Pet. App. 18), and petitioners have not challenged that holding here. In any event, as the USPTO explained when it promulgated Section 41.39, that regulation provides one means by which examiners may assert new grounds of rejection after appeal, but not the *only* means. See *Rules of Practice Before the Board of Patent Appeals and Interferences*, 68 Fed. Reg. 66,648, 66,653 (Nov. 26, 2003) (explaining that, even after Section 41.39's promulgation, where "a new argument(s) or new evidence [offered in an applicant's

2. In any event, this case would be a poor vehicle for considering the USPTO's reopening practices, since petitioners appear to lack a cognizable interest in the question presented here. Petitioners' complaint sought exclusively forward-looking relief: an order enjoining the USPTO from following MPEP § 1207.04 and a declaration that the provision was invalid and unlawful. C.A. App. 24. Petitioners' standing to seek such relief "depend[s] on whether [they are] likely to suffer future injury" from the USPTO's reopening procedures. *City of Los Angeles v. Lyons*, 461 U.S. 95, 105 (1983). The only injury petitioners have asserted is based on the USPTO's 2013 reopening of prosecution of 80 Hyatt patent applications. See C.A. App. 8 (alleging that the 2013 reopening "cause[d] years-long delays in the review of" Hyatt's patent applications).³

Petitioners have identified no basis to find a substantial risk that the USPTO is likely to again reopen the prosecution of any of Hyatt's patent applications. See *Susan B. Anthony List v. Driehaus*, 573 U.S. 149, 158 (2014) ("An allegation of future injury may suffice if the threatened injury is 'certainly impending,' or there is a 'substantial risk that the harm will occur.'") (quoting *Clapper v. Amnesty Int'l USA*, 568 U.S. 398, 414 & n.5

appeal brief] cannot be addressed by the examiner based on the information then of record, the examiner may need to reopen prosecution rather than apply a new ground of rejection in an examiner's answer to address the new argument(s) or new evidence").

³ Petitioner American Association for Equitable Treatment (AAET) is an entity that Hyatt "founded in 2016 to promote and advocate for the fair, efficient, and effective administration of laws related to technology, innovation, and intellectual property, including the Patent Act and related statutes." C.A. App. 9; see Pet. App. 23. AAET has asserted no injury of its own, past or future, caused by the challenged practice.

(2013)). Any such allegation would be too speculative to establish standing here. As the USPTO explained to the district court in Hyatt's unreasonable-delay suit, the agency has now coordinated its approach to Hyatt's many applications and does not intend to reopen prosecution after appeal in any of Hyatt's other applications. USPTO Mot. for Summary J. at 10-12, *Hyatt v. United States Patent & Trademark Office*, No. 14-cv-1300 (E.D. Va. Sept. 17, 2015). Petitioners have provided no sound reason to doubt that assertion.

Petitioners argued in the district court that, if they prevail in this case, the USPTO "will not be able to penalize Mr. Hyatt for any consequences flowing from [the 2013 reopening of prosecution in 80 of his applications] * * * including [by denying] his entitlement to issuance of patents." C.A. App. 198. The government disagrees that any such order would be appropriate in this case, but even if it were, petitioners' request for such relief only poses additional barriers to this Court's review. For one, if that is the relief petitioners seek, this Court would be required to determine whether the District of Nevada had jurisdiction over this case. The Patent Act vests exclusive jurisdiction to review the USPTO's denial of a patent application in the Eastern District of Virginia and the Federal Circuit. See 35 U.S.C. 141 and 145. To the extent that petitioners brought this suit "seeking relief that might affect [those courts'] future jurisdiction" over such a denial, there would be a serious question whether the District of Nevada could exercise subject-matter jurisdiction over this case. *Telecommunications Research & Action Ctr. v. FCC*, 750 F.2d 70, 75 (D.C. Cir. 1984); see *ibid.* ("[W]here a statute commits review of agency action to [a particular court], any suit seeking relief that might affect [that

court’s] future jurisdiction is subject to the exclusive review of th[at court.]” (emphasis omitted); see also Pet. App. 26 (concluding the same). The Federal Circuit found to the contrary because it understood petitioners’ suit to be “completely separate” from the examination process. Pet. App. 9-10. But under that reasoning, petitioners have asserted no injury that could be redressed by this suit.

If the purpose of this suit is to redress the 2013 reopenings, moreover, claim preclusion would likely bar petitioners from raising their current challenge even if the district court had jurisdiction over this suit. Under the doctrine of claim preclusion (or *res judicata*), “a claim generally may not be tried if it arises out of the same transaction or common nucleus of operative facts as another already tried.” *Currier v. Virginia*, 138 S. Ct. 2144, 2154 (2018); see *United States v. Tohono O’Odham Nation*, 563 U.S. 307, 315 (2011); *Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 1362 (Fed. Cir. 2000) (explaining that claim preclusion applies if “(1) there is identity of parties (or their privies); (2) there has been an earlier final judgment on the merits of a claim; and (3) the second claim is based on the same set of transactional facts as the first”). In the court of appeals, petitioners conceded that this case includes the same parties as the *Hyatt Unreasonable Delay Suit*, that the earlier suit had culminated in a final judgment on the merits, and that petitioners could have challenged the validity of the USPTO’s reopening practice in that suit. Pet. App. 12. The Federal Circuit found claim preclusion to be inapplicable because it viewed petitioners’ current claim as arising from a “different set of facts unrelated in time, origin, or motivation,” than the earlier suit. *Id.* at 13. But if petitioners are using this suit

as a means to attack the same pending examination proceedings that were at issue in the *Hyatt Unreasonable Delay Suit*, that determination was incorrect.

Petitioners contend (Pet. 21-22) that no alternative vehicle for addressing the validity of MPEP § 1207.04 will likely soon arise. If other patent applicants are actually harmed by the agency's current reopening practices, however, it is not clear why that would be so. Petitioners assert (Pet. 18) that the USPTO applies these reopening procedures to "thousands of applicants each year." Nothing prevents an applicant whose patent application is denied on new grounds asserted under Section 1207.04 from arguing on appeal to the Federal Circuit (as petitioners did to the district court) that such grounds should not have been considered because the reopening should not have occurred. See C.A. App. 198 (contending that, if Section 1207.04 is invalid, the USPTO should not be permitted to "penalize Mr. Hyatt for any consequences flowing from [the reopening of prosecution in his applications] * * * including [by denying] his entitlement to issuance of patents"). And if the USPTO uses the reopening process to unreasonably delay such an appeal, an applicant could challenge the agency's use of the process under 5 U.S.C. 706(1). In either scenario, the Federal Circuit (and potentially this Court) could consider an applicant's challenge to Section 1207.04 without encountering the jurisdictional and procedural obstacles that are present in this case.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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