

NO. 17-1722

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*IN THE*  
***United States Court Of Appeals Federal Circuit***

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GILBERT P. HYATT AND  
AMERICAN ASSOCIATION FOR EQUITABLE TREATMENT, INC.,  
*PLAINTIFFS–APPELLANTS,*

v.

UNITED STATES PATENT AND TRADEMARK OFFICE AND  
ANDREI IANCU, *IN HIS OFFICIAL CAPACITY AS UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL*  
*PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE,*  
*DEFENDANTS–APPELLEES.*

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**On Petition for Panel Rehearing and Rehearing En Banc to  
the United States Court of Appeals for the Federal Circuit**

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**CORRECTED BRIEF OF AMICUS CURIAE  
JOHN D. RUSSELL  
IN SUPPORT OF PLAINTIFFS-APPELLANTS**

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*Amicus Curiae*

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# Table of Contents

**INTEREST OF AMICUS CURIAE**..... 1

**ARGUMENT**..... 2

**I. BACKGROUND**..... 2

**II. REOPENING PROSECUTION VIOLATES THE STATUTE**..... 2

*A. Reopening prosecution violates Applicant’s statutory right to appeal, as confirmed by precedential case law.*..... 2

**III. THE USPTO SHOULD NOT NEED TO UNILATERALLY RE-OPEN PROSECUTION**..... 3

**IV. REOPENING PROSECUTION HAS NEGATIVE CONSEQUENCES FOR APPLICANT WITH LITTLE TO NO EFFICIENCY BENEFIT FOR THE USPTO**..... 4

*A. The cost of reopening prosecution to Applicant is high because it causes delay, adds uncertainty and increases expenses.*..... 4

*B. Any alleged efficiency benefit for the USPTO is illusory.*..... 5

**TABLE OF AUTHORITIES**

**CASES**

*U.S. ex rel. Steinmetz v. Allen*,  
192 U.S. 543 (1904).....2

*In re Webb*,  
916 F.2d 1553 (Fed. Cir. 1990).....2, 3

**STATUTES**

35 U.S.C. § 6 (2011).....2

35 U.S.C. § 134 (2011).....2

**OTHER AUTHORITIES**

37 C.F.R. 41.39.....3

MPEP § 1207.03(II).....3, 4

MPEP § 1207.04.....3, 4, 6, 7

MPEP § 1208.01 (Nov. 1953).....4

MPEP § 1208.02 (Aug. 2001).....4

MPEP § 2103(II).....3

## INTEREST OF AMICUS CURIAE

Amicus John Russell is an experienced patent attorney who has handled hundreds of appeals at the USPTO, more than 70 of which have had prosecution unilaterally re-opened by the USPTO responsive to an appeal brief in only the last 4 years<sup>1</sup>. And, of the 61 applications where prosecution was reopened, 13 had prosecution reopened more than once. Dr. Russell has seen first-hand the practical impact of the USPTO's prosecution reopening policy. In 2018, Dr. Russell has observed the USPTO reopen prosecution responsive to over 30% of the appeal briefs he filed. Dr. Russell is also an inventor named on more than 170 US patents, having worked in R&D before transitioning to a legal practice.

Dr. Russell has received no form of payment from any party to prepare and file this brief. Instead, with support from McCoy Russell LLP, he is filing this brief with the Court out of concern for Applicants and the public at large, and in response to the use of prosecution reopening by the USPTO as a means to eliminate appellate review and unfairly wear down patent applicants.

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<sup>1</sup> U.S. Application Nos. 12/053,057, 12/721,445, 13/922,096, 14/049,025, 13/735,980, 13/270,098, 14/531,847, 13/293,015, 13/410,159, 13/372,335, 13/589,942, 13/619,941, 13/617,320, 13/656,471, 13/647,170, 13/719,080, 13,689,280, 13/749,585, 13/741,064, 13/770,853, 13/773,076, 13/779,359, 13/789,047, 13/857,365, 13/759,775, 13/853,680, 13/895,212, 13/910,836, 13/940,140, 13/925,323, 13/967,911, 14/039,964, 14/038,555, 14/085,676, 14/075,787, 14/086,210, 14/172,108, 14/189,778, 14/171,641, 14/244,217, 14/558,363, 14/839,636, 14/978,365, 11/400,035, 11/494,263, 12/797,405, 14/030,383, 12/786,950, 12/299,275, 14/139,521, 13/233,574, 13/863,258, 13/076,704, 13/079,836, 13/172,464, 13/537,893, 12/749,425, 14/513,795, 13/944,223, 14/373,131, 14/385,761

## ARGUMENT

### I. Background.

Plaintiff's request for rehearing (and rehearing *en banc*) shows how the Manual of Patent Examining Procedure (MPEP) § 1207.04 violates the statute by allowing Examiners to unilaterally reopen prosecution responsive to an Applicant's appeal brief, without the Applicant's consent. My clients, ranging from small independent inventors to large corporations, have experienced serious negative and unfair consequences as a result of this practice in technologies including automotive systems, batteries, LEDs, medical devices, biotech components and systems, cranes, heavy machinery, and winches, to name a few. This brief outlines these significant negative and unfair practical impacts, and further explains how the USPTO has no legitimate concern that should justify overriding the clear statutory language. Rather, the USPTO's unilateral reopening of prosecution only serves to reduce patent quality and examination efficiency, as well as reduce the chances of applicants obtaining the proper claim scope.

### II. Reopening prosecution violates the statute.

#### A. Reopening prosecution violates Applicant's statutory right to appeal, as confirmed by precedential case law.

In *U.S. ex rel. Steinmetz v. Allen*, 192 U.S. 543 (1904), the Supreme Court confirmed that a patent Applicant has a statutory right to an appeal upon filing an appeal brief. *Id.* at 565. Today, the statute is no different - it still recites the same right to appeal in nearly the identical language.

Both 35 U.S.C. § 134(a) and its *Steinmetz*-era predecessor grant a patent Applicant an affirmative right to "appeal adverse decisions of the primary examiner to the [Board]," while 35 U.S.C. § 6(b)(1) and its *Steinmetz*-era predecessor guarantee that the Patent Trial and Appeal Board (PTAB) "shall" observe this right to appeal by reviewing "adverse decisions of examiners" on Applicant's written appeal. Thus, *Steinmetz*'s guarantee to an appeal is controlling in this case since the current statute and its *Steinmetz*-era predecessor are substantively the same. Further, more recent case law, such as *In re Webb*, 916 F.2d 1553, 1556 (Fed. Cir. 1990), continues to recognize that "an examiner's final [i.e., second]

rejection...precipitates the statutory right to appeal to the Board.” Thus, because MPEP § 1207.04 prevents an Applicant from proceeding to the Board by allowing an Examiner to unilaterally reopen prosecution, it is unlawful.

### **III. The USPTO should not need to unilaterally re-open prosecution**

The USPTO should be following the principles of compact prosecution. MPEP § 2103(II) requires an Examiner to conduct a thorough and complete examination before issuing an Office action. Any appeal involves a claim that has been twice rejected, and so the USPTO has already had two bites at the apple that it should have used as best as possible. But even after these two bites at the apple, the USPTO has substantial latitude to enter new grounds of rejection in the Examiner’s Answer to the appeal brief. 37 CFR 41.39. Any need to re-open prosecution to conduct a proper examination is belayed by the USPTO’s extensive discretionary ability to enter new grounds in the Answer. While the Applicant may sometimes elect reopening in this situation, it makes sense to leave that choice to the applicant who can best balance their need for timely PTAB review and making further amendments to address new rejections.

The USPTO has suggested that the ability to unilaterally reopen prosecution is necessary because MPEP § 1207.03(II) explicitly precludes rejections for previously allowed or objected to claims in the Examiner’s Answer. PTO Br. at 45 (citing 68 Fed. Reg. 66647, 66653 (Nov. 26, 2003) (Example 2)). Thus, according to the USPTO, Examiners need to be able to reopen prosecution to reject previously allowed or objected to claims.

However, in my experience, Examiners typically do not reopen prosecution for this reason. In fact, in all of the many appeals that I have handled, the USPTO has never once reopened prosecution responsive to an appeal brief in order to reject a previously allowed claim. Instead, Examiners exploit MPEP § 1207.04 to reject twice-rejected, Applicant-appealed claims on new grounds. This leads to unduly protracted prosecution that is unfair to Applicants.

Further, MPEP § 1207.04 is not necessary in order for Examiners to observe MPEP § 1207.03(II). Instead of raising the rejections for previously allowed claims in the Answer, Examiners can still adhere to MPEP § 1207.03(II) by reopening prosecution after the PTAB's decision, once the appeal is completed. Thus, by postponing prosecution reopening until after the appeal, Applicants' statutory right to appellate review is observed, while conformity with MPEP § 1207.03(II) is still ensured.

The USPTO has also noted that the practice of reopening prosecution dates back to at least 1953 in what was then the predecessor MPEP § 1207.04, MPEP § 1208.01 (Nov. 1953). However, the validity of MPEP § 1207.04 should not hinge on its longevity when it violates a statute. More importantly, MPEP § 1207.04 has not always been the same as the USPTO makes it seem. Prosecution reopening used to be Applicant's choice, but now, it is forced on an Applicant. In particular, prior to the rule change in 2005, Applicants could effectively overrule an Examiner's attempt to reopen prosecution by persisting in their appeal. MPEP § 1208.02 (Aug. 2001). Under the current rule however, Applicant has no such choice. MPEP § 1207.04 does something that no other predecessor rule did: it forces Applicants into prosecution reopening whether they like it or not. Thus, although the ability to propose prosecution reopening is longstanding, the ability to force it on an unwilling applicant is not.

#### **IV. Reopening prosecution has negative consequences for Applicant with little to no efficiency benefit for the USPTO.**

##### **A. The cost of reopening prosecution to Applicant is high because it causes delay, adds uncertainty and increases expenses.**

When an Examiner reopens prosecution responsive to Applicant's appeal brief, an Applicant's fortitude and statutory right to an appeal are undermined. When prosecution is reopened, additional delay and costs occur, and the Applicant must restart the appeal process in order to continue to seek PTAB review. This may be enough to discourage some clients, particularly small clients that have fewer resources. The unilateral reopening not only dwindles their limited resources, but cuts their spirits as they feel that even when they have a strong case (or especially when they have a strong case), an Examiner can

unilaterally evade PTAB review. Thus, even just one instance of prosecution reopening can be enough to cause an Applicant to surrender as they lose hope for a fair process.

Unilateral reopening by the USPTO disenfranchises inventors because it creates significant uncertainty and increases costs. An Applicant does not know how long it will take before being able to obtain the PTAB's review, nor does Applicant know how much it will cost (only that the costs of the appeal brief preparation will reoccur). The USPTO's practice, which has become prevalent and well-known to practitioners, creates the environment that the mere possibility or threat of prosecution being reopened is enough to discourage some Applicants from appealing in the first place, particularly if the Examiner assigned to the case has a history of reopening or threatens reopening during an examination before appeal.

The situation is exacerbated in that Examiners do not always follow even the simple guidelines of MPEP § 1207. Just this month, I have received a prosecution reopening responsive to an appeal in Application No. 14/978,365 in which the Examiner failed to obtain supervisory approval as required. In another case, internal USPTO emails obtained through a FOIA request illustrate that the USPTO violated MPEP § 1207.01 by skipping the mandatory pre-appeal conference (the internal emails confirmed no conference was held, yet prosecution was reopened)<sup>2</sup>. The true extent of how the USPTO handles appeals and reopening is unknown and shielded from public view, and the little information available paints a disturbing picture.

**B. Any alleged efficiency benefit for the USPTO is illusory.**

As discussed above, the burden to Applicants of having prosecution reopened is significant. Therefore, any countervailing interest must be substantial to justify such actions. However, valid countervailing interests are difficult, if not impossible, to identify. The USPTO already has broad

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<sup>2</sup> John Russell, *Re-opening Prosecution Responsive to an Appeal Brief*, MR. IP LAW (Oct. 6, 2015), <http://www.mriplaw.com/blog/2015/9/17/re-opening-prosecution-responsive-to-an-appeal-brief?rq=reopen>. As noted in the cited blog post, I have obtained internal USPTO documents showing how Examiners and Supervisors ignore authority and procedures regarding prosecution reopening. These documents illuminate how Examiners have virtually free reign to reopen prosecution, and do so routinely at their discretion without restriction. I have filed petitions against this practice, but to no avail.



authority to present new grounds of rejection in the Examiner's answer. Every single example of prosecution reopening that I have handled, or have reviewed, could have been handled by entering new grounds of rejection in the Answer. In this way, the USPTO's extensive use of prosecution reopening must be serving another purpose (or else the USPTO would not be doing it).

Unfortunately, that purpose seems to be Examiners and Supervisors utilizing MPEP § 1207.04 as an improper weapon to wield over applicants in order to enable incomplete and piecemeal examination with the ability to unilaterally evade appellate review for as long as needed. In practice, MPEP § 1207.04 disincentives thorough searching and examination because an Examiner can effectively back-load their searching and detailed examination. In other words, an Examiner knows that they can minimize their search and analysis time in early rejections and always resort to reopening in the relatively rare cases where an Applicant actually persists with an appeal. While many Examiners conduct proper examination and analysis despite the ability to reopen at will, the improper discretion provided by MPEP § 1207.04 can be too tempting and result in poor examination quality and protracted examination in some cases.

### **Conclusion**

When a client is deciding whether or not to appeal, they have already encumbered significant time and expense going back and forth at least twice with an Examiner. Thus, the decision to appeal is a significant one because it locks a client into even more, extended prosecution, expense, and effort. And, there is no guarantee of success. Thus, the choice to appeal is a difficult and involved one that clients ultimately turn to because they have no other option. It is their only escape for independent substantive review, short of Federal Court action. As such, clients' justifiable expectation when they appeal is that they will at least achieve the right provided by statute.

But when prosecution is reopened, the rug is pulled out from under them. The appellate review they mentally prepared for, agonized over, and fully expected, is suddenly gone. Hearing that they have to start all over again with new rejections is incredibly deflating for a client, especially after having invested so much time, effort, and expense in the appeal decision and initial appeal brief preparation.

Clients also begin to worry that an Examiner might reopen prosecution again in the future. Thus, clients often feel hopeless and frustrated with the process, and in some cases, give up entirely.

Unfortunately, MPEP § 1207.04 creates an opportunity for an Applicant to be unfairly worn down through protracted prosecution, with no notable benefit for the USPTO. When coupled with the fact that MPEP § 1207.04 violates the statute guaranteeing appellate review, it must be struck down. Doing so should cause no practical detriment to the USPTO's ability to properly examine claims as the Examiner's Answer already provides wide latitude in entering new grounds of rejection.

Dated: November 21, 2018

Respectfully submitted,

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#### **CERTIFICATE OF SERVICE**

I hereby certify that on November 21, 2018 I electronically filed this brief with the Clerk of the Court for the United States Court of Appeals for the Federal Circuit by using the CM/ECF system. I certify that all participants in this case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

Dated November 21, 2018

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**UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT**

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\_\_\_\_\_

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Gilbert P. Hyatt and American Association for Equitable Treatment, Inc.

Nov 21, 2018  
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# UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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