

No. 10-1219

IN THE
Supreme Court of the United States

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

Petitioner,

v.

GILBERT P. HYATT,

Respondent.

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

**BRIEF FOR *AMICUS CURIAE* AMERICAN
INTELLECTUAL PROPERTY LAW ASSOCIATION
IN SUPPORT OF RESPONDENT**

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October 25, 2011

238806



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STATEMENT OF INTEREST

Amicus curiae American Intellectual Property Law Association (“AIPLA”) is a national bar association of approximately 16,000 members engaged in private and corporate practice, in government service, and in the academic community. AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property.¹ AIPLA has no stake in the parties to this litigation or in this litigation’s outcome other than its interest in seeking correct and consistent interpretation of the law as it relates to intellectual property issues. Therefore, AIPLA offers a balanced perspective on intellectual property enforcement issues.²

1. *Amicus curiae* certifies that no counsel for a party authored this brief in whole or in part, and that no person or entity, other than amicus, its members, or its counsel, has made any monetary contribution to the preparation or submission of this brief. After reasonable investigation, AIPLA believes that (i) no member of its Board or Amicus Committee who voted to file this brief, or any attorney in the law firm or corporation of such a member, represents a party to this litigation in this matter, (ii) no representative of any party to this litigation participated in the authorship of this brief, and (iii) no one other than AIPLA, or its members who authored this brief and their law firms or employers, made a monetary contribution to the preparation or submission of this brief. *See* Supreme Court Rule 37.6.

2. The parties’ counsel have consented to the filing of this brief. Mr. Hyatt filed a general consent letter with the Court, and Mr. Kappos’s counsel provided a letter of consent, filed herewith. *See* Supreme Court Rule 37(3)(a).

SUMMARY OF ARGUMENT

An applicant dissatisfied with the final decision of the United States Patent and Trademark Office (“PTO”) to reject claims in a patent application has by statute two alternative and mutually exclusive paths for judicial assessment of that decision. The applicant can file an *appeal* with the Federal Circuit under 35 U.S.C. § 141; that appeal will be limited to the facts and arguments presented to the PTO and hence the appellate court’s assessment of the evidence is deferential. Or, instead, the applicant can bring a *civil action* in the district court under 35 U.S.C. § 145; there both the applicant and the PTO may introduce new evidence and the trial court’s assessment of the issues to which the new evidence relates is under existing law *de novo*.

Although § 145 actions, as “civil actions,” are necessarily subject to the limits imposed on all civil actions by the Federal Rules of Evidence, the Federal Rules of Civil Procedure, and traditional principles of equity, in none of this Court’s prior analyses of § 145 or its predecessor did this Court impose the additional limitations that the government now seeks. Indeed, the reported § 145 appellate cases consistently reflect that the district court receives new evidence without objection by the government, and that the government itself often introduces new evidence.

Now, however, the government proposes two new limitations not found in this Court’s prior jurisprudence or in the nearly 30 years of § 145 jurisprudence that the Federal Circuit has carefully developed. First, the government proposes that the district court cannot

consider evidence that the parties had a reasonable opportunity to introduce in the PTO but did not. Second, the government urges that even if the district considers new evidence, it must have a “thorough conviction” that the PTO erred in order to disturb the PTO’s conclusions, even though the PTO did not consider the new evidence.

These new restrictions do not find support in this Court’s deep-rooted § 145 jurisprudence or in the Federal Circuit’s case law from the last thirty years. The only support for the government’s position appears in *some* case law from *some* regional appellate courts, before the Federal Circuit’s creation and at a time when the law on these issues was in disarray. Some decisions allowed the evidence; some allowed it but gave it lesser weight; and others disallowed it, under a patchwork of different standards. That disarray proves the point. The Federal Circuit was created to bring clarity and stability to patent law issues, which it has done in the § 145 area.

Nor do the government’s asserted policy rationales ring true, given the clarity of this Court’s and the Federal Circuit’s case law. The government’s policy arguments ignore the important principle, emphasized in this Court’s patent jurisprudence, that the inventing community’s settled expectations ought not lightly to be disturbed. Instead, the government in the main turns to administrative exhaustion principles. But those do not nestle comfortably in § 145’s structure. The statute allows the district court to consider new evidence and to assess the evidence upon the whole record, as this Court has confirmed. In short, the statutory structure inherently dilutes, if not rejects *ab initio*, administrative exhaustion notions, instead entrusting the district court to make its own decision.

In setting forth its position, the government fails to reconcile how its new § 145 procedure would also impact upon other areas of law, notably trademark appeals where there is a similar statute. The government's proposal would either require upending established law in other areas where there are similarly worded statutes, or create a different law for patents than for other substantive areas thereby violating this Court's admonition to avoid such patent-specific treatment of general legal principles. Both potentials support rejecting the government's proposal.

The government's brief issues dire warnings about applicants having an incentive to game the system by reserving the presumably most material information for the district court. Existing law provides a surfeit of severe penalties for intentionally failing to disclose material information to the PTO. Those draconian penalties include potentially rendering unenforceable not just the patent but even, in certain circumstances, the entire patent family, in addition to creating antitrust/unfair competition liability and a basis for a crime/fraud waiver to the lawyer-client privilege. Under-disclosure is not a problem the PTO faces.

Finally, the government's brief urges that the same standard ought to govern judicial assessment of both the grant and the denial of a patent application. Although linguistically similar, substantively these circumstances are quite disparate. For example, the grant of a patent application confers rights so potentially significant that this Court has spoken repeatedly of the "patent monopoly" they create. The denial of a patent application, by contrast, confers no such rights.

The statutory text, this Court's deep-rooted construction of it, the Federal Circuit's careful and consistent application of this Court's jurisprudence, and sound policy all point one way, and firmly so:

1. The plaintiff in a § 145 action should continue to be allowed to introduce new evidence even if that evidence could have been presented to the PTO in the first instance, subject only to the limits imposed in all civil actions by the Federal Rules of Evidence, the Federal Rules of Civil Procedure, and traditional principles of equity; and

2. When new evidence is introduced under § 145, the district court may continue to decide *de novo* the factual questions to which the evidence pertains, without giving deference to the prior decision of the PTO.³

3. The Court's second *certiorari* question is directed to whether the district court may decide *de novo* the factual questions to which new evidence pertains, when new evidence is presented. AIPLA does not interpret that question to be addressed to the broader issue of whether the introduction of new evidence requires *de novo* review of each factual question even if that new evidence does not pertain to a particular factual question. AIPLA thus expresses no opinion on that broader issue. In addition, since this Court's *certiorari* grant, §§ 141 and 145 were amended by Pub L. 112-29, enacted Sept. 16, 2011. The amendments did not affect the statutory text relevant to the *certiorari* questions this Court posed and this case arose under the previous law, so citations to these sections are not under the newly revised statutes.

ARGUMENT

- I. The law appropriately permits a district court to receive and assess evidence in a § 145 action without being hobbled by the government’s proposed restrictions on new evidence.**

By its plain terms, a § 145 proceeding is a “civil action” brought by a patent applicant that grants the district court authority to “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.”⁴ As confirmed by jurisprudence for over a century from this Court and for nearly thirty years from the Federal Circuit, that statutory grant is free of the strictures that the government would now impose. The government’s arguments, whether grounded in law or policy, provide no reason to cabin the district court’s statutory authority.

- A. The positive law does not reflect the government’s proposed changes.**

- 1. This Court’s jurisprudence has not imposed or even suggested those restrictions.**

In case law that stretches back for more than a century regarding § 145 and its predecessor statute, Revised Statutes § 4915 (1878), this Court has recognized

4. 35 U.S.C. § 145.

the right to introduce new evidence in the district court.⁵ In none of them did this Court impose the additional, novel, and non-textual qualifications on that right that the government now purports to identify.

Most recently, this Court recognized in *Zurko* that only § 145 civil actions, as opposed to § 141 appeals, “permit[] the disappointed applicant to present to the court evidence that the applicant did not present to the PTO.”⁶ Importantly, there this Court taught that the presence of such new or different evidence necessarily transformed the district judge’s job from simply reviewing the facts as the PTO found them, which is the function the Federal Circuit serves in a § 141 appeal, to finding the facts in the first instance: “The presence of such new or different evidence *makes a factfinder of the district judge.*”⁷

That description of the judicial function in a § 145 action reinforces this Court’s prior such descriptions.

5. *Dickinson v. Zurko*, 527 U.S. 150, 164 (1999); *Hoover v. Coe*, 325 U.S. 79, 83 (1945); *Butterworth v. Hoe*, 112 U.S. 50, 61 (1884). Section 145 is the current embodiment of a statutory provision that has authorized a judicial remedy for decisions of the PTO since 1836, when Congress first created an agency responsible for examining patents. Although Congress amended various other aspects of § 145’s predecessor during the 19th and early 20th centuries, the language defining the proceeding has remained essentially unchanged. *See* GOV’T’S OPENING BR. at 4-5 (summarizing the statute’s history).

6. *Zurko*, 527 U.S. at 164 (emphasis supplied) (citing *Gould v. Quigg*, 822 F.2d 1074, 1077 (Fed. Cir. 1987)).

7. *Id.* (emphasis supplied; citation omitted).

Some 50 years earlier, this Court unanimously explained in *Hoover* that

[i]t is evident that *alternative rights of review are accorded an applicant*,—one by appeal to the [Federal Circuit’s predecessor], 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 [PTO]; in the other *a formal trial is afforded on proof which may include evidence not presented in the [PTO]*.⁸

And in 1884, this Court also drew those same distinctions in *Butterworth*, the first case in which it discussed § 145’s predecessor, R.S. § 4915. There, this Court explained, again without dissent, that the statute authorized

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 [PTO], 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*.⁹

In sum, in an unbroken string of case law dating back more than a century and a quarter, this Court has

8. *Hoover*, 325 U.S. at 83 (emphasis and brackets supplied; citations omitted).

9. *Butterworth*, 112 U.S. at 61 (emphasis and brackets supplied).

described § 145 or its predecessor statute as “permit[ting] the disappointed applicant to present to the court evidence that the applicant did not present to the [PTO],” that the “proof . . . may include evidence not presented in the [PTO],” that the case is to be both “prepared and heard upon *all competent evidence* adduced and *upon the whole merits*” – and that “[t]he presence of such new or different evidence makes a factfinder of the district judge.” Section 145 actions, as “civil actions,” are necessarily subject to the limits imposed on all civil actions by the Federal Rules of Evidence, the Federal Rules of Civil Procedure, and traditional principles of equity.¹⁰ But in none of this Court’s prior analyses of § 145 or its predecessor did this Court impose the additional limitations that the government now seeks.

The government’s response to this line of deep-rooted, unbroken precedent is to assert, in effect, that this Court did not mean what it said – that the issue has remained open for more than a century because this case’s precise factual circumstances had not previously been presented.¹¹ That argument is like the one recently made and unanimously rejected in another patent case, *Microsoft v. i4i*.¹² There, as here, “nearly a century of case law from this Court” had articulated a rule on a patent issue (there, that invalidity had to be shown by clear and convincing

10. See Fed. R. Ev. 101 & 102; Fed. R. Civ. P. 1 & 2.

11. GOV’T’S OPENING BR. at 4 (discussing *Zurko*) & 33-34 (discussing *Butterworth* and *Hoover*).

12. *Microsoft Corp. v. i4i Ltd. P’ship*, 564 U.S. ___, 131 S. Ct. 2238 (2011).

evidence).¹³ There, as here, the petitioner argued that the rule applied only in the narrow factual circumstances in which this Court had explained the rule.¹⁴ There, this Court unanimously rejected the petitioner’s argument: “Squint as we may, we fail to see the qualifications that [the petitioner] purports to identify in our cases.”¹⁵ The qualifications in the law that the government purports to identify are likewise absent here and should be rejected.

The government’s argument relies very heavily on *Morgan v. Daniels*, 150 U.S. 120 (1894).¹⁶ But the Court did not there impose the limitations that the government now seeks. Indeed, the proceeding in *Morgan* is now governed by a separate statute, 35 U.S.C. § 146, which specifically allows the parties to introduce new evidence. *Morgan* is thus poor authority for the proposition that in a § 145 action there are patent-law-specific limits on what evidence the district court may consider when adjudicating entitlement to a patent.

Finally, the government’s cramped view of the judicial authority that § 145 confers is in tension with the “well-settled presumption favoring interpretations of statutes that allow judicial review of administrative action”¹⁷ The government’s proposal hobbles, rather than enables, judicial review of administrative action.

13. *Id.* at 2245.

14. *Id.* at 2247.

15. *Id.*

16. *E.g.*, GOV’T’S OPENING BR. at 16-18 & 31-34.

17. *McNary v. Haitian Refugee Ctr., Inc.*, 498 U.S. 479, 496 (1991) (citations omitted).

2. There was no settled practice in the regional appellate courts for Congress to adopt.

In seeking to exclude evidence from the district court’s “adjud[ication] . . . as the facts in the case may appear,” the government posits that before § 145’s passage in 1952 there was a “settled” judicial construction of its predecessor statute in the regional appellate courts, and that Congress implicitly adopted that construction in enacting § 145.¹⁸

Not so. Judicial construction of § 145 in the lower appellate courts was not uniform before 1952, as the government’s brief concedes in a footnote.¹⁹ In point of fact, it was in disarray. Some circuits allowed new evidence even if not presented to the PTO. For example, the Third Circuit, which encompassed the then-commercially significant and sophisticated states of Delaware and Pennsylvania, refused in a 1946 case to exclude such evidence because to do so “would be to change the nature of an R.S. Section 4915 proceeding and to rewrite the statute.”²⁰ Consistent with the Third Circuit’s approach in that case, the Seventh Circuit once cited a leading patent treatise published in 1937 that explained that “[i]t appears that, in general, evidence not previously presented in the

18. Gov’T’S OPENING BR. at 30 (“settled”), 35 n.8 (“consensus”), and 35 n.8 (“prevailing”).

19. *Id.* at 35 n.8 (conceding a “lack of uniformity”) & 37 n.9 (conceding that courts in various circuits allowed new evidence when no party objected to it).

20. *Minn. Mining & Mfg. Co. v. Carborundum Co.*, 155 F.2d 746, 748 (3d Cir. 1946).

[PTO] proceeding was not excluded from consideration for that reason, if otherwise admissible. Deller's Walker on Patents, 970, 3197 (1937 ed.)."²¹

Other decisions admitted the new evidence but discounted it because it had not been introduced below.²² Some excluded it, but did so based on a variety of standards that included: estoppel²³; bad faith²⁴; intent to suppress²⁵; or even mere negligence.²⁶ Given this patchwork, it would not have been possible for Congress implicitly to have adopted a settled standard, because one did not exist.

3. The government's imprecise, amorphous proposed change would invite intrusive and expansive collateral litigation.

The government proposes that § 145 be interpreted to allow new evidence only if its proponent had "no

21. *Velsicol Chem. Corp. v. Monsanto Co.*, 579 F.2d 1038, 1043 (7th Cir. 1978) (emphasis supplied).

22. *E.g., Western Elec. Co. v. Fowler*, 177 F. 224, 228-229 (7th Cir. 1910); *Standard Cartridge Co. v. Peters Cartridge Co.*, 77 F. 630, 638-639 (6th Cir. 1896).

23. *Barrett Co. v. Koppers Co.*, 22 F.2d 395, 397 (3d Cir. 1927).

24. *Knutson v. Gallsworthy*, 164 F.2d 497, 508-509 (D.C. Cir. 1947).

25. *Schilling v. Schwitzer-Cummins Co.*, 142 F.2d 82, 85 (D.C. Cir. 1944).

26. *Cal. Research Corp. v. Ladd*, 356 F.2d 813, 820-821 (D.C. Cir. 1966).

reasonable opportunity to present it to the PTO.”²⁷ As an initial matter, the government’s brief provides no guidance about the specific or even the general parameters of what constitutes a “reasonable opportunity.” The phrase is inherently imprecise and raises a host of questions.

Consider just two examples. Suppose an applicant’s counsel, guided by the Federal Circuit’s admonitions in case law and the government’s as *amicus curiae* in a recent case against larding the PTO’s records with excessive materials,²⁸ makes the reasoned judgment, discussed with the applicant, that the existing record suffices to prove a point, but that judgment proves incorrect. Would the “reasonable opportunity” standard require discovery about those attorney-client communications or about counsel’s reasons for not submitting the information? Given that the applicant was trying to comply with appellate guidance, is that a “reasonable opportunity”?

Or suppose, as is quite common, that an applicant’s budgetary constraints prevented him from searching for art to respond to a PTO objection. Suppose further that later, in § 145 litigation, after the application had become more commercially important, those budgetary

27. *E.g.*, Gov’T’S OPENING BR. § III.

28. *See, e.g., Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1183-1184 (Fed. Cir. 1995) (affirming finding of inequitable conduct in part because the applicant submitted too many references); *Therasense, Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276, 2011 WL 2028255 at *9 (Fed. Cir. 2011) (*en banc*) (disapproving of the practice by which “patent prosecutors regularly bury PTO examiners with a deluge of prior art references, most of which have marginal value.”) (citing *amicus curiae* brief of United States).

constraints were no longer present, and that important, dispositive art is thereby discovered. Did the applicant have in those circumstances a “reasonable opportunity” to present it? If so, why should a private applicant’s fluctuating budget issues determine the important public question of whether that applicant is entitled to a patent by preventing the district court from considering new and important art?

“Reasonable opportunity” is an inherently imprecise phrase – one that is absent from § 145’s text, this Court’s prior guidance about its contours, and decades of Federal Circuit jurisprudence. The phrase does, however, appear elsewhere in federal statutes and case law, and its presence invariably causes protracted litigation in both the district court and the relevant federal appellate court over whether a given set of facts is within or without its boundaries.²⁹ There is no good reason in law, logic, or policy to engraft that imprecise, resource-draining requirement onto § 145.

B. The policy rationales that the government identifies to support its non-statutory argument are not compelling.

The government advances various policy rationales for the new, non-statutory regime that it seeks. None offer a compelling reason to depart from the statute’s text, this Court’s prior guidance, or settled case law regarding whether new evidence can be introduced in a § 145 civil action.

29. See, e.g., *Taylor v. Fed. Nat. Mortg. Ass’n*, 374 F.3d 529, 534-535 (7th Cir. 2004); *Fed. Commc’ns Comm’n v. WJR, The Goodwill Station*, 337 U.S. 265, 283 (1949).

1. The government’s proposed change would upset settled expectations in the patent community.

As this Court has wisely and without dissent counseled in both *Festo* and *Warner-Jenkinson*, “courts must be cautious before adopting changes that disrupt the settled expectations of the inventing community.”³⁰ This important principle, not mentioned in the government’s brief, applies with special force here because the Federal Circuit, since shortly after its creation in 1982, has consistently allowed new evidence to be introduced in § 145 actions. In doing so, it has not imposed or even suggested the limitations on the parties’ use of that evidence or the district court’s consideration of it that the government now seeks to impose.

For example, in 1985, the Federal Circuit cited *Hoover* and other cases from this Court to explain that in a § 145 action “the parties are entitled to submit additional evidence,” without the limitations the government now seeks.³¹ Indeed, there the district court had allowed a new expert’s declaration and a new theory – without, insofar as the opinions disclose, objection from the government.³² Such jurisprudence continues unbroken into

30. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 739 (2002) (citing *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 28 (1997)).

31. *Fregeau v. Mossinghoff*, 776 F.2d 1034, 1036-1037 (Fed. Cir. 1985).

32. *Id.* at 1036.

this century.³³ As that case law's roots strengthened and deepened over the last three decades, the law recognized and acknowledged that § 145 actions confer "a powerful advantage over the patent examiner and the Board" precisely because the court can consider evidence not before the PTO – including, importantly, live witness testimony, which this Court has described as "the greatest legal engine ever invented for the discovery of truth."³⁴ (Indeed, this Court long ago acknowledged the "treacherous" nature of deciding legal "issues of public moment" on the basis of a paper record rather than through testimony presented in open court.³⁵) In one of those § 145 cases, the government, in stark contrast with its current position,³⁶ engaged an expert in the district

33. See, e.g., *Titanium Metals Corp. of Am. v. Banner*, 778 F.2d 775, 777-778 (Fed. Cir. 1985) (new expert testimony without objection from the government); *Gould v. Quigg*, 822 F.2d 1074, 1076 (Fed. Cir. 1987) (both the applicant and the government introduced new evidence); *Burlington Indus., Inc. v. Quigg*, 822 F.2d 1581, 1584 (Fed. Cir. 1987) (government cross-examined the applicant's trial witnesses); *Newman v. Quigg*, 877 F.2d 1575, 1579 (Fed. Cir. 1989) (government engaged expert for new tests); *Mazzari v. Rogan*, 323 F.3d 1000, 1004-1005 (Fed. Cir. 2003) (allowing new experts and prior art references); *Takeda Pharm. Co., Ltd. v. Doll*, 561 F.3d 1372, 1374 (Fed. Cir. 2009) (allowing new expert declaration).

34. *White v. Illinois*, 502 U.S. 346, 356 (1992) (quoting *California v. Green*, 399 U.S. 149, 158 (1970)).

35. *Eccles v. Peoples Bank of Lakewood Village*, 333 U.S. 426, 434 (1948).

36. Cf. *Comm'r v. Schleier*, 515 U.S. 323, 334 n.7 (1995) ("In view of the Commissioner's differing interpretations of her own regulations, we do not accord her present litigating position any special deference.").

court to conduct extensive tests, which cost more than one hundred thousand dollars, on an embodiment of the patent and to testify and introduce exhibits about those tests.³⁷

It is correct, as explained above in § I(A)(2), that before the Federal Circuit's creation, the § 145 jurisprudence about whether new evidence could be introduced was in disarray in the regional appellate courts (albeit not in this Court). That prior disarray underscores the point. In creating the Federal Circuit, Congress noted the "disuniformity" in the regional appellate courts's treatment of patent issues.³⁸ In particular, Congress observed that certain core issues were "too dependent upon geography . . . to make effective business planning possible."³⁹ Congress created the Federal Circuit "to reduce the widespread lack of uniformity and uncertainty of legal doctrine that exist in the administration of patent law."⁴⁰ The Federal Circuit has brought clarity and certainty to this area of the law, in a manner that reflects fidelity to the statutory text and to this Court's precedent. Generations of inventors and investors in the patent community have acted on the

37. *Newman v. Quigg*, 681 F.Supp. 16, 19-21 (D.D.C. 1988) (§ 145 trial), *aff'd*, 877 F.2d 1575. After Mr. Newman lost his appeal, he litigated the reasonableness of the government's \$103,015.48 in § 145 expenses conducting those tests. A bankruptcy court discharged that debt and the parties jointly dismissed the appeal to the Federal Circuit from the judgment awarding those costs. *Newman v. Quigg*, 923 F.2d 868 (Fed. Cir. 1990) (non-precedential decision; *see* Fed. Cir. L. R. 47.8(b)).

38. H.R. Rep. No. 97-312, at 20-21 (1981).

39. *Id.* at 20-22.

40. *Christianson v. Colt Industries Operating Corp.*, 486 U.S. 800, 813 (1988) (quoting H.R. Rep. 97-312, at 23 (1981)).

assumption that the clarity and stability will continue. Those settled expectations are best left undisturbed.

2. The government’s proposed change would have effects beyond patent law – or would create a patent-specific standard.

The government’s new rule might also disturb the trademark community’s settled expectations, because § 145 has a trademark analog with the same material language and a similar purpose: 15 U.S.C. § 1071(b). It also provides that a person “dissatisfied” with the PTO’s decision “may . . . have remedy by a civil action” and that the “court may adjudge that an applicant is entitled to [the intellectual property right] . . . as the facts in the case may appear.”⁴¹ It is generally appropriate to interpret statutes with the same material language and similar purposes to have the same meaning.⁴² Appellate courts from around the country have interpreted § 145’s trademark law analog to allow new evidence to be introduced in the district court, without the government’s new limitations.⁴³

41. 15 U.S.C. § 1071(b)(1). Appendix A hereto compares the text of the analogous patent and trademark statutes.

42. *E.g.*, *Smith v. City of Jackson, Miss.*, 544 U.S. 228, 233 (2005); *Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826, 829-830 (2005).

43. *Aktieselskabet AF 21. November 2001 v. Fame Jeans Inc.*, 525 F.3d 8, 13 (D.C. Cir. 2008) (“the court may consider . . . new evidence that [was] not before the [Trademark Trial and Appeal Board] TTAB”) (brackets supplied); *Kellogg Co. v. Toucan Golf, Inc.*, 337 F.3d 616, 623 (6th Cir. 2003) (“A disappointed party may present new evidence before the district court that was not presented to the TTAB”) (citing *Zurko*); *CAE, Inc. v. Clean*

The substantial body of trademark law, especially when read together with this Court’s prior pronouncements regarding § 145, the statute’s predecessor, and settled Federal Circuit law in the § 145 context, counsels towards a construction of § 145 by this Court that allows district courts to consider new evidence, regardless whether the evidence could have been introduced below.

The government may argue that § 145 and its trademark analog, § 1071(b), should be construed differently despite the fact that their text, as is relevant here, is the same (*see* Appendix A). But that argument would fly in the face of

Air Eng’g, Inc., 267 F.3d 660, 673 (7th Cir. 2001) (§ 1071(b)(1) “allows the parties to request additional relief and to submit new evidence”); *PHC, Inc. v. Pioneer Healthcare, Inc.*, 75 F.3d 75, 80 (1st Cir. 1996) (“the Board’s findings can be challenged in a civil action in district court through new evidence”); *Goya Foods Inc. v. Tropicana Prod., Inc.*, 846 F.2d 848, 853 (2d Cir. 1988) (“additional cross-examination and presentation of additional testimony is permitted”(quotation omitted)); *Noah’s, Inc. v. Nark, Inc.*, 728 F.2d 410, 410 (8th Cir. 1984) (affirming district court’s consideration of “additional evidence introduced by the parties”); *Gillette Co. v. ‘42’ Prod. Ltd.*, 435 F.2d 1114, 1117 (9th Cir. 1970) (§ 1071(b)(1) “provides the dissatisfied party with a trial *de novo* and the opportunity to present new evidence”); *see generally* 3 *McCarthy, Trademarks And Unfair Competition* § 21.20 (4th ed. 2010).

Indeed, there are additional compelling justifications for the introduction of additional evidence and *de novo* review in §1071(b) actions. For example, a dissatisfied opposer or applicant in a §1071(b) action often adds claims relating to use of the mark (*e.g.*, trademark infringement, fair use, and the like), which the Trademark Trial and Appeal Board has no authority to adjudicate as its jurisdiction governs solely the registration of marks. *See generally* Trademark Trial and Appeal Board Manual of Procedure §§ 102.1 & 311.02(b) (3rd ed. 2011).

the established statutory construction rules for similarly worded statutes.⁴⁴ That argument, if accepted, would create the type of patent-only judicial standards that this Court has strongly counseled against.⁴⁵

3. Administrative exhaustion principles do not nestle comfortably in § 145's statutory structure.

The government's main argument is that the principles underlying the doctrine of administrative exhaustion counsel that § 145 be construed to allow new evidence only when the applicant did not have a reasonable opportunity to present the evidence below.⁴⁶ This thesis can be tested with negative evidence: the absence of a condition when, if the thesis were true, that condition would be present. (This methodology was memorably employed in the Sherlock Holmes classic, "The Adventure of Silver Blaze," where Mr. Holmes knew a fact was true because a dog did not bark.) Tellingly, § 145 has been on the books since 1952, but the government's brief cites no case holding that administrative exhaustion principles, long a feature of federal law, apply to § 145.

44. See note 42, *supra*.

45. *E.g., eBay, Inc. v. MercExchange, LLC*, 547 U.S. 388 (2006) (disapproving of patent-specific permanent injunction standards); *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007) (disapproving of patent-specific declaratory judgment standards); *Holmes Group*, 535 U.S. 826 (disapproving of patent-specific appellate jurisdiction standards).

46. Gov'T'S OPENING BR. at 14-21.

There is a good reason for that half-century absence of any such case in the § 145 jurisprudence: administrative exhaustion principles do not mesh comfortably with the structure of a § 145 civil action in the district court. The government describes those principles as allowing the agency to: correct its own errors; apply its expertise and the statute in the first instance; and develop the factual background on which decision should be based.⁴⁷ But as this Court confirmed in *Zurko* (and in *Hoover* and *Butterworth* before it), a § 145 civil action contemplates an expanded factual record and a more robust judicial toolset when compared to a § 141 appeal – including, importantly, live testimony subject to cross-examination, which is not available in PTO proceedings. The import of the parties’ ability to present, and district court’s ability to assess, live testimony cannot be overstated, because most validity issues rest on issues of fact, either directly or because the question of law rests on underlying questions of fact.⁴⁸ Indeed, most patent law questions are resolved according to the understanding of the hypothetical person

47. GOV’T’S OPENING BR. at 22.

48. Obviousness by its terms depends on underlying questions of fact. *E.g.*, *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). Anticipation is a question of fact, *e.g.*, *TriMed, Inc. v. Stryker Corp.*, 608 F.3d 1333, 1343 (Fed. Cir. 2010), as are written description, *e.g.*, *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563 (Fed. Cir. 1991), the factors underlying the legal question of enablement, *e.g.*, *Alza Corp. v. Andrx Pharm., LLC*, 603 F.3d 935, 940 (Fed. Cir. 2010), and the factors underlying the legal determination of priority of invention, *e.g.*, *Price v. Symsek*, 988 F.2d 1187, 1190 (Fed. Cir. 1993). Many patent issues involve questions about what a reference teaches, and “what a reference teaches is a question of fact.” *TriMed*, 608 F.3d at 1341 (citation omitted).

of ordinary skill in the art at the time of the invention, which is itself a question of fact.⁴⁹

The proposition that live testimony can and often does shed light on and resolve questions of fact requires no citation, although this Court's precedent confirms the proposition.⁵⁰ From the perspective of reliably assessing the issues of public moment that patent rights potentially implicate, § 145 actions offer a superior vehicle for resolution of the fact questions that are the basis of most validity issues, the PTO's asserted expertise notwithstanding.⁵¹ Thus, § 145's statutory structure inherently dilutes, if not rejects in the first instance, the policy concerns that the government identifies.

Indeed, the government's proposed change could lead to perverse results. For example, suppose an applicant chose not to present evidence below because it was not relevant, or was only marginally so, to the issues before the PTO. Suppose further that that evidence turns out to bear trenchantly on the credibility of a key witness testifying in the § 145 action and, absent the government's proposed rule, that evidence would be otherwise admissible. Under the government's proposed rules, this dispositive evidence would be beyond the district court's consideration. That result is not tenable, particularly given that filing a patent application strips potential trade secret protection of any trade secrets thereby disclosed.⁵²

49. *E.g., Graham*, 383 U.S. at 17; *Alza*, 603 F.3d at 940.

50. *See White*, 502 U.S. at 356; *Eccles*, 333 U.S. at 434.

51. *See Eccles*, 333 U.S. at 434.

52. *See* notes 81 & 82 and accompanying text, *infra*.

That the government’s thesis is not correct can also be tested by examining the government’s cited authority. It holds that under traditional administrative exhaustion principles, “[w]hen material evidence that was previously unavailable is brought to the court’s attention, the proper course is usually ‘to remand to the agency for additional investigation or explanation.’”⁵³ But that authority is outside of the § 145 context. None of this Court’s § 145 jurisprudence has suggested such a procedure, and manifestly § 145 does not contemplate it. The disconnect between that procedure and the procedure § 145 contemplates points firmly away from, not towards, the relevance of administrative exhaustion principles.

This is not to say that administrative exhaustion principles have no place in judicial analysis of PTO decisions. They do – but they apply in the alternate path that § 141 provides: an appeal to the Federal Circuit, instead of a civil action in the district court.⁵⁴

4. The professed concern that applicants will “game” the system by reserving evidence ignores current law.

The government’s brief also darkly warns that if this Court affirms the existing rule, applicants will “game” the system by reserving helpful evidence for the district court

53. GOV’T’S OPENING BR. at 22 (citing *Florida Power & Light Co. v. Lorion*, 470 U.S. 729, 744 (1985); *Tagg Bros. & Moorhead v. United States*, 280 U.S. 420, 444-445 (1930)).

54. *Cf. Zurko*, 527 U.S. at 152 (APA review standards apply in § 141 actions).

or even by “creat[ing] new evidence later.”⁵⁵ As an initial matter, the warning is counterfactual. The Federal Circuit has for decades allowed new evidence in a § 145 action, and the government cites no evidence to show or even suggest that applicants have gamed the system. There is a reason for that lack of proof. Existing law provides severe potential penalties for intentionally not disclosing relevant information to the PTO. Intentional failure to disclose required information can under certain circumstances render the entire patent (or even an entire patent family) unenforceable.⁵⁶ But the problems that breach of that duty can create do not end there. Intentional nondisclosure can have further calamitous collateral effects, including creating liability for antitrust and unfair competition claims, liability for attorneys’ fees under the exceptional case law, and creating a crime or fraud exception to the lawyer-client privilege.⁵⁷ Indeed, case law recognizes that the threat of unenforceability for an intentional failure to disclose – called the “atomic bomb” of patent law – can sometimes serve to swing the balance too far, towards over-disclosure.⁵⁸

55. GOV’T’S OPENING BR. at 29-30 (brackets supplied).

56. An inequitable conduct finding can endanger a substantial portion of a company’s patent portfolio. Unlike validity defenses, which are claim-specific, 35 U.S.C. § 288, inequitable conduct regarding any single claim makes the entire patent unenforceable, *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 877 (Fed. Cir. 1988), and indeed can extend from a single patent to render unenforceable other related patents and applications in the same technology family. *See, e.g., Consol. Aluminum Corp. v. Foseco Int’l Ltd.*, 910 F.2d 804, 808-812 (Fed. Cir. 1990).

57. *Therasense*, 649 F.3d 1276, 2011 WL 2028255 at *8.

58. *Id.* at *9.

In other words, given settled law and accepted judicial recognition of its practical effect on the very concern that the government identifies, the argument that applicants would try to “game” the system by intentionally withholding evidence from the PTO in order to present it in a § 145 action is not compelling.

The government’s warning is also illogical even absent present penalties for intentional non-disclosure. If a patent application is potentially commercially significant enough to warrant the extra expense that a § 145 entails, the fact of its extra value would provide an especially compelling reason to disclose evidence to the PTO in the first instance – to optimize the chances of the PTO granting it.⁵⁹ To argue the contrary is like arguing that death penalty defendants have a greater incentive than other criminal defendants to withhold evidence for a later *habeus corpus* petition.

II. The law appropriately provides for the district court’s *de novo* assessment of the factual issues raised in the PTO that the new evidence affects.

Like its arguments about the first *certiorari* question, the government’s arguments on this second question, whether grounded in cases or policy, provide no reason to effect a dramatic change in course.

59. *Hyatt v. Kappos*, 625 F.3d 1320, 1337 (Fed. Cir. 2010) (*en banc*) (opinion below).

A. *De novo* assessment is the positive law.

1. *De novo* proceedings follow from the statutory text.

“Statutory construction must begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose.”⁶⁰ The government’s proposed limitations are not consistent with the statutory text and the legislative purpose it expresses, as a single example demonstrates.

Suppose a § 145 plaintiff introduces new evidence in the district court, and that the nature of that evidence is such that under a *de novo* standard the applicant would win but under a deferential standard he would lose. If the government’s proposed limitations were correct, they would find support in the statutory text. But they do not. To the contrary, § 145 empowers the district court to “adjudge that such applicant is entitled to receive a patent for his invention, . . . *as the facts in the case may appear*.”⁶¹ The statutory command that the district judge assess the “facts in the case” as they “may appear” implies an assessment of the facts as a whole, not an assessment in which some of the facts are viewed through a deferential lens and others accorded weight only insofar as they can overcome the force of that deference. Indeed, the statute refers to “the decision of the Board of Patent Appeals

60. *Engine Mfrs. Assn. v. South Coast Air Quality Mgmt. Dist.*, 541 U.S. 246, 252 (2004) (internal quotation marks and citation omitted).

61. 35 U.S.C. § 145 (emphasis supplied).

and Interferences” in the clause immediately before the command that the district court adjudge the issues “as the facts in the case may appear.”⁶² If Congress had intended the deference to that Board decision that the government now proposes, one would have expected the statute to mention it in a phrase such as “as the facts in the case, *with deference to the Board’s findings*, may appear.” But it does not. Instead, § 145 directs the district court to “adjudge” the issues “as the facts in the case may appear” to the court, unencumbered by the strictures that deferential review would impart.

2. *De novo* proceedings follow from this Court’s precedent.

In addition to the statutory text, the logic of this Court’s prior guidance in *Butterworth* sheds useful light. Based on that logic, such review is *de novo*. This Court there described an action under § 145’s predecessor – in specific contrast to § 141’s predecessor – as being “prepared and heard upon all competent evidence adduced *and upon the whole merits*.”⁶³ Consideration of the “whole merits” implies a lack of deference, because where deference is applied, the whole merits of the facts before the court are not considered. Rather, the new facts are assessed only to see whether they can overcome the presumption that the PTO’s decision was correct, under whatever level of deference is being applied.

This is not to say that the district court must, or indeed would be expected to, entirely disregard the PTO’s

62. *Id.*

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

findings on the issues to which the new evidence offered by the parties relates. The PTO's factual findings constitute relevant information, together with the newly offered evidence available to the district court as it undertakes its duty to adjudicate the facts on the complete record established in the § 145 action. To give one example: if an inventor submitted a declaration during prosecution (for example, to explain prior art), that inventor's credibility may be impeached either at deposition or at the trial of a § 145 action. In that circumstance, the district court would be able to consider the PTO's expertise and relevant findings along with the factual and credibility evidence developed through the inventor's testimony and cross-examination in its own fact findings.

3. *Morgan v. Daniels* (1894), upon which the government heavily relies, did not resolve the issue.

The government's brief argues at length that this Court's 1894 opinion in *Morgan v. Daniels* resolves the second *certiorari* question, which asks whether under § 145, which was passed in 1952, a district court may decide *de novo* fact questions to which new evidence pertains.⁶⁴ The argument is not compelling.

As an initial matter, it ignores *Morgan's* limitations. There, the parties submitted the case to the trial court without any additional evidence.⁶⁵ In those circumstances, which are not presented by the second *certiorari* question, this Court concluded that deferential review was

64. *Morgan*, 153 U.S. 120; GOV'T'S OPENING BR. at 16-18.

65. *Morgan*, 153 U.S. at 122.

appropriate because it involved “a controversy between two individuals over a question of fact which has once been settled by a special tribunal, entrusted with full power in the premises.”⁶⁶

In contrast, the second *certiorari* question presumes new evidence, which means that the questions of fact to which the new evidence relates have not been “settled” but have merely been initially explored on an incomplete record. The second *certiorari* question raises an issue that *Morgan* did not begin to approach: given that the statute entrusts the district court with full power to “adjudge . . . [the case] as the facts in the case may appear,” is any level of deference warranted where there is new evidence, such that the fact disputes affected by the new evidence cannot fairly said to have been settled?

On that question, this Court’s later guidance is more illuminating. As this Court observed in *Hoover*, the statutory scheme contemplates “alternative rights” – those provided by § 141, and those provided by § 145.⁶⁷ It is settled that the former provides for deferential review.⁶⁸ There is no reason in law, logic, or policy to import deferential review into § 145 and thereby conflate the two. To the contrary, as this Court observed in *Butterworth* when contrasting the predecessors to § 141 and § 145, a § 145 action is “prepared and heard upon all competent

66. *Id.* at 124.

67. *Hoover*, 325 U.S. at 83 (emphasis supplied; citations omitted).

68. *E.g., Rasmusson v. SmithKline Beecham Corp.*, 413 F.3d 1318, 1320 (Fed. Cir. 2005) (PTO’s factual findings upheld if supported by substantial evidence).

evidence adduced *and upon the whole merits.*⁶⁹ That is a distinction that the case law from this Court and from the Federal Circuit have preserved.

B. It is appropriate for the law to continue to permit the district court’s *de novo* review.

1. Deferential review would upset settled expectations in the patent community.

As with the first *certiorari* question, the government’s brief on the second does not address this Court’s unanimous and wise counsel that “courts must be cautious before adopting changes that disrupt the settled expectations of the inventing community.”⁷⁰ The Federal Circuit has long referred to the *de novo* nature of a § 145 civil action when the parties submit new evidence.

It did so at least twice in 1985, shortly after its creation.⁷¹ And again two years later.⁷² Indeed, the Federal Circuit emphatically made the point in a different decision in 1987. Quoting this Court’s opinion in *Hoover*, the circuit wrote that trial *de novo* was a well-established § 145 right: “The right to a fresh look by a court of general jurisdiction, upon refusal by the Commissioner to grant a patent, has

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

70. *Festo*, 535 U.S. at 739 (citing *Warner-Jenkinson*, 520 U.S. at 24).

71. *Fregeau*, 776 F.2d at 1038; *In re Newman*, 763 F.2d 407, 408-409 (Fed. Cir. 1985).

72. *Gould*, 822 F.2d at 1076-1077 (citing *Fregeau*, 776 F.2d at 1038; *Morgan*, 150 U.S. at 125).

long been established.”⁷³ Noting that “[t]he district court conducted a full trial of the issues, a resource not available to the PTO,” the circuit emphatically concluded that “[i]f the evidence adduced before the district court led to a decision different from that reached by the PTO, that is not contrary to the legislative purpose of section 145 *de novo* review. Indeed, it is in fulfillment of that purpose.”⁷⁴ That consistent holding continued into the 1990s, and continues into the jurisprudence of this century as well.⁷⁵ Insofar as AIPLA is aware, no published Federal Circuit decision is to the contrary. Likewise, the dissenting opinion in the Federal Circuit *en banc* opinion cited to no such authority.⁷⁶

Given the Federal Circuit’s consistent precedent over the course of nearly three decades, it would be appropriate to apply here the important principle that the government’s brief does not mention: the settled expectations of the patent community are best left undisturbed, and to do otherwise “risk[s] destroying the legitimate expectations of inventors in their property.”⁷⁷

73. *Burlington Indus., Inc. v. Quigg*, 822 F.2d at 1584.

74. *Id.* at 1584.

75. *In re Lueders*, 111 F.3d 1569, 1577 n.15 (Fed. Cir. 1997); *Brand v. Miller*, 487 F.3d 862, 867-868 (Fed. Cir. 2007); *Mazzari*, 323 F.3d at 1005; *In re Gartside*, 203 F.3d 1305, 1313 (Fed. Cir. 2000).

76. *Hyatt*, 625 F.2d at 1341-1358 (Dyk, J., dissenting).

77. *Festo*, 535 U.S. at 739.

2. The asserted “asymmetry” problem is illusory.

The government’s brief observes that, as this Court confirmed without dissent in *Microsoft*, a patent cannot be invalidated absent clear and convincing evidence, even if the PTO did not consider the asserted evidence.⁷⁸ From that settled law, the government’s brief repeatedly leaps to the conclusion that deferential review is required to produce “symmetry” between the standards of proof to invalidate a granted patent and the standards of proof to reverse the Board’s denial of a patent application.⁷⁹ Although the argument has superficial linguistic appeal (it frames the issue as symmetry between the government’s grant and its denial of a patent application), the argument does not withstand scrutiny.

As an initial matter, the government’s argument cherry picks. When a party challenges the validity of a patent in district court proceedings, the admissibility of the evidence used to challenge that patent does not turn on whether the PTO considered it or had a reasonable opportunity to uncover it. To the contrary, the admissibility of that evidence is subject only to the limits imposed in all civil actions by the Federal Rules of Evidence, the Federal Rules of Civil Procedure, and traditional principles of equity.⁸⁰ But the government’s response to the first *certiorari* question is that evidence is *not* admissible if the applicant could have presented it

78. Gov’T’S OPENING BR. at 26.

79. *Id.* at 26-28.

80. *See* n.10, *supra*.

to the Board. If the government's requested symmetry were appropriate, the government's answer to the first *certiorari* question would have been the exact opposite: that, as in district court validity proceedings, the evidence is admissible subject to the normal judicial constraints.

The government's inconsistency serves to reveal that the symmetry that it seeks is not appropriate in the first instance. When the government grants a patent, it thereby grants a bundle of rights that this Court has repeatedly referred to as the "patent monopoly."⁸¹ By contrast, when the government denies the grant of a U.S. patent on a patent application, no government rights are thereby conferred. The government's brief provides no reason to treat these two disparate circumstances the same. In addition, by filing a patent application, an applicant loses the trade secret protection of any of the information disclosed by the application.⁸² Those trade secrets may represent valuable commercial rights that the applicant could reasonably choose to maintain as trade secrets and to forgo patent protection.⁸³ Given that filing the application necessarily entails relinquishing potentially important rights, the additional protection provided by the district court's *de novo* assessment of factual issues affected by new evidence is entirely appropriate.⁸⁴

81. *E.g., Festo*, 535 U.S. at 727; *Warner-Jenkinson*, 520 U.S. at 24.

82. *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 493 (1974) (noting the differences between the two areas of law).

83. *Id.* at 493-494 (Marshall, J., concurring).

84. *See Eccles*, 333 U.S. at 434.

Indeed, even on its own terms, the government’s position does not achieve symmetry between the standards governing judicial assessment of the grant and the denial of a patent. To disturb the PTO’s decision to grant a patent requires clear and convincing evidence.⁸⁵ The government urges that to disturb the PTO’s decision to deny a patent, error should be established “by testimony which in character and amount carries thorough conviction.”⁸⁶ But the government’s brief omits that the “thorough conviction” standard has been likened to the “beyond a reasonable doubt” standard – and specifically distinguished from and contrasted with the “clear and convincing” standard.⁸⁷ The government’s requested standard thus would still not achieve the symmetry that it says is appropriate.

3. The government’s “variable standard of review” argument provides a solution in search of a problem.

As explained above, the decision below confirmed standards that flow from the statutory text, based on more than a century of this Court’s jurisprudence and nearly three decades of Federal Circuit jurisprudence. Nonetheless, the government’s brief urges this Court to replace it because, it argues, under such law the standard of review would “rise and fall with the facts of each case.”⁸⁸

85. *Microsoft*, 131 S. Ct. at 2242.

86. Gov’T’S OPENING BR. at 31.

87. *Price*, 988 F. 2d at 1193-1194; *but see Fregeau*, 776 F.3d at 1037-1038.

88. Gov’T’S OPENING BR. at 45.

Specifically, the government notes the settled law that if the parties in a § 145 civil action simply submit the PTO's record for the district court's review, the district will apply a deferential standard; but if either party submits new evidence, it will apply a *de novo* standard.⁸⁹ The "solution" the government proposes is to change the law so that the "thorough conviction" standard applies in all § 145 actions, regardless whether either of the parties introduce new evidence.⁹⁰

This is a solution in search of a problem. As this Court long ago explained in *Butterworth*, and later confirmed in *Hoover* and *Zurko*, the alternatives currently reflected in § 141 and § 145 provide entirely different and mutually exclusive methods for applicants to seek judicial assessment of the PTO's decisions. If an applicant wishes simply to submit the record in the PTO without new evidence, there is a statute designed specifically for such assessment: § 141. But if the applicant has new evidence, § 145 provides for an alternative: a civil action in the district court. The government provides no reason why an applicant who seeks judicial review of the PTO record would avoid the statute designed for such review, and no evidence that dissatisfied applicants do so.

89. *Id.* at 44.

90. *Id.*

CONCLUSION

The limitations that the government proposes to place on the district court's power in a § 145 civil action are not supported by the statute's text, this Court's case law, the Federal Circuit's case law, analogous case law in the trademark context, or sound policy. An opinion from this Court confirming the Federal Circuit's analysis of the two *certiorari* questions is warranted. The Federal Circuit's analysis of those issues was right.

Respectfully submitted,

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October 25, 2011

APPENDIX

APPENDIX A — RELEVANT STATUTES

35 U.S.C. § 145

15 U.S.C. § 107(b)

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

Whenever a person authorized by subsection (a) of this section to appeal to the United States Court of Appeals for the Federal Circuit is ***dissatisfied with the decision*** of the Director or Trademark Trial and Appeal Board, said person may, unless appeal has been taken to said United States Court of Appeals for the Federal Circuit, ***have remedy by a civil action*** if commenced within such time after such decision, not less than sixty days, as the Director appoints or as provided in subsection (a) of this section. ***The court may adjudge*** that an applicant is entitled to a registration upon the application involved, that a registration involved should be canceled, or such other matter as the issues in the proceeding require, ***as the facts in the case may appear***. Such adjudication

Appendix A

patent on compliance with the requirements of law. All the expenses of the proceedings shall be paid by the applicant.

shall authorize the Director to take any necessary action, upon compliance with the requirements of law. However, no final judgment shall be entered in favor of an applicant under section 1(b) [15 USC 1051(b)] before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c) [15 USC 1057(c)].