

Hyatt v. Dudas

Nos. 07-1050, -1051, -1052, -1053, Fed. Cir. (Newman, Gajarsa, * Ward)

[A] group of claims rejected for lack of written description do not share a common “ground of rejection” under section 1.192(c)(7)—thus, allowing the Board to consider the group on the basis of a single representative claim—unless the claims share a common limitation that lacks written description support.

On December 23, 2008, the Federal Circuit affirmed the district court’s remand to the USPTO Board of Patent Appeals and Interferences to reconsider the patentability of about 2,400 claims in twelve patent applications, which related to microcomputers, computer memories and displays, and global positioning systems. The Federal Circuit stated:

[T]here is an exception to the final judgment rule in the rare situation when denying appellate review of a remand order would likely result in the permanent loss of an agency’s ability to appeal the lower court’s determination of a legal issue. In this case, should we deny appellate review, there is a substantial risk that the PTO will permanently lose its ability to challenge the district court’s interpretation of section 1.192(c)(7). Indeed, under the district court’s interpretation of section 1.192(c)(7), the PTO may be required to issue claims that it would otherwise deny, and “by law the PTO cannot appeal its own decision to not reject claims,” Accordingly, we have jurisdiction to determine whether the district court’s interpretation of section 1.192(c)(7) is correct.

[U]nder section 1.192(c)(7), a commonly rejected group of claims—i.e., a group of claims rejected on the same ground—is one in which the differences between the claims is “of no patentable consequence to a contested rejection.” [Section] 1.192(c)(7) does not give the Board carte blanche to ignore the distinctions between separate grounds of rejection and to select the broadest claim rejected on one ground as a representative of a separate group of claims subject to a different ground of rejection. . . . [Section] 1.192(c)(7) does not override an applicant’s right under the statute to have each contested ground of rejection by an examiner reviewed and measured against the scope of at least one claim within the group of claims subject to that ground of rejection. [A] “ground of rejection” for purposes of Rule 1.192(c)(7) is not merely the statutory requirement for patentability that a claim fails to meet but also the precise reason why the claim fails that requirement.

[T]he PTO seeks to treat a group of claims rejected for lack of written description under 35 U.S.C. § 112 ¶ 1 as a commonly rejected group, regardless of whether the limitations lacking written description support in its chosen representative claim are present in the other claims in the group. [Thus,] the PTO argues that a “ground of rejection” in section 1.192(c)(7) is merely the statutory section under which a group of claims was rejected, rather than the precise reason why the examiner determined that the group of claims failed that statutory requirement.

We therefore conclude [that] the PTO's interpretation of section 1.192(c)(7) is plainly erroneous and inconsistent with the text of the regulation.

[T]o be consistent with the PTO's prima facie burden in rejecting claims, section 1.192(c)(7) must be interpreted such that, when a claim is rejected under 35 U.S.C. § 112 ¶ 1, the relevant "ground of rejection" is the PTO's identification of a specific limitation that lacks written description support. To interpret section 1.192(c)(7) otherwise would allow the Board to subject claims to a new ground of rejection without following the procedures specified in 37 C.F.R. § 41.50(b). In sum, we hold that a group of claims rejected for lack of written description do not share a common "ground of rejection" under section 1.192(c)(7)—thus, allowing the Board to consider the group on the basis of a single representative claim—unless the claims share a common limitation that lacks written description support. Because the PTO plainly erred in its interpretation of section 1.192(c)(7), the district court was correct to remand Hyatt's appeals to the Board with instructions to regroup and reconsider Hyatt's claims according to appropriate representative claims.

The PTO argues that if we reject its interpretation of "ground of rejection" in section 1.192(c)(7), then it will be required on remand to consider grounds of rejection that Hyatt failed to contest in his initial appeals to the Board. We disagree. [A]rguments that become relevant on remand, whether due to implementation of the district court's decision or other actions by the Board or the examiner, cannot be deemed waived if they were not previously required to have been made. . . . When the appellant fails to contest a ground of rejection to the Board, section 1.192(c)(7) imposes no burden on the Board to consider the merits of that ground of rejection on the basis of a representative claim. Rather, the Board may treat any argument with respect to that ground of rejection as waived. In the event of such a waiver, the PTO may affirm the rejection of the group of claims that the examiner rejected on that ground without considering the merits of those rejections. Thus, the applicant can waive appeal of a ground of rejection, and can waive the right to demand additional subgrouping of claims within a given appealed ground. But the applicant cannot waive the Board's obligation to select and consider at least one representative claim for each properly defined ground of rejection appealed. We express no opinion as to which grounds of rejection Hyatt has in fact appealed, nor as to whether he has argued for more specific review of claims within any of the grounds he has appealed. We simply note that this general rule of waiver is as applicable on remand as it was in the Board's initial review.

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