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REVIEW OF DECISIONS  
STRIKING PATENT  
APPLICATIONS FOR FRAUD

The recent opinions of Assistant Commissioner Tegtmeyer in *In re Stockebrand*, 197 USPQ 857 (CPT 1978), and *In re Altenpohl*, 198 USPQ 289 (CPT 1976), have provoked a great deal of interest in the Commissioner's apparently long moribund power to strike applications for fraud.<sup>1</sup> This interest has inevitably extended to the question of what, if any, judicial review of a Commissioner's decision striking an application for fraud is available.<sup>2</sup> It is apparently the Patent and Trademark Office's view that such decisions are reviewable only by way of civil action under the Administrative Procedure Act.<sup>3</sup> However, one seeking review of a Patent and Trademark Office decision under the Administrative Procedure Act must overcome a "presumption of administrative correctness" which the Federal District Courts attach to Patent and Trademark Office's decision, and this burden can be formidable indeed.<sup>4</sup> Accordingly, the question has arisen whether the Commissioner's decision striking a patent application may not be appealable to

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<sup>1</sup> See *In re Heany*, 1911 C.D. 138 (CP 1911), and *Ex parte Mallard*, 71 USPQ 294 (CP 1946), which appear to be the only two reported opinions prior to *Stockebrand* and *Altenpohl* in which applications were stricken for fraud.

<sup>2</sup> A Commissioner's decision striking an application for fraud should be distinguished from a decision of the Board of Patent Interferences awarding priority to one party to an interference on the ground that the other party committed fraud on the Patent and Trademark Office. In the latter situation, there is no question but that the decision of the board is reviewable by the CCPA on appeal, *Norton v. Curtiss*, 433 F.2d 779, 167 USPQ 532 (CCPA 1970), or, presumably, by any Federal District Court in an action under 35 USC 146, cf. *Standard Oil Co. v. Montedison, S.p.A.*, 540 F.2d 611, 191 USPQ 657 (3d Cir. 1976).

<sup>3</sup> Statement of Assistant Commissioner Tegtmeyer to the Advisory Board of the Patent, Trademark, and Copyright Journal, May 11, 1978.

<sup>4</sup> See, e.g., *Rohm & Haas Co. v. Commissioner*, 387 F.Supp. 673, 177 USPQ 625 (D.D.C. 1973), vacated, 504 F.2d 259, 183 USPQ 257 (D.C. Cir. 1974).

the CCPA, since it is generally believed that the CCPA applies a more searching review to the decision of the Patent and Trademark Office.<sup>5</sup>

There appear to be two arguments why a decision of the Commissioner striking a patent application should not be appealable to the CCPA: (1) No statute provides for review by the CCPA of decisions of the Commissioner in patent matters,<sup>6</sup> and (2) the decisions of the Commissioner striking patent applications are petitionable rather than appealable—that is they are not “decisions” within the meaning of that word in 35 U.S.C. 141.<sup>7</sup> Each argument will be discussed in turn.

*Lack of Statutory Authority for Review by the CCPA of Decisions of the Commissioner in Patent Matters*

In *Vandenberg v. Reynolds*,<sup>8</sup> in which Vandenberg contended that Reynolds's application should be stricken from the files of the Patent Office because it had been improperly altered after execution, the Court held that “the decision of that question must be made in the first instance by the Commissioner”,<sup>9</sup> citing three ancient opinions,<sup>10</sup> none of which involved the question of the proper procedure for reviewing such a decision.<sup>11</sup> Two

<sup>5</sup> See, e.g., Dunner, *Court Review of Patent Office Decisions: CCPA § 5.07[a]*, “Standards Applied by the CCPA in Deciding Appeals.”

<sup>6</sup> The court *does* have express statutory jurisdiction to review the decisions of the Commissioner in certain classes of trademark cases, 28 USC 1542(2), but such jurisdiction is not relevant here.

<sup>7</sup> As to the appealable versus petitionable dichotomy generally, see Gholz, *Patent and Trademark Jurisdiction of the Court of Customs and Patent Appeals*, “When is a Decision Not a Decision?—Appealable versus Petitionable,” 40 Geo. Wash. L. Rev. 416, 420 (1972), 55 JPOS 69, 74 (1973).

<sup>8</sup> 242 F.2d 761, 113 USPQ 275 (CCPA 1957).

<sup>9</sup> 242 F.2d at 765, 113 USPQ at 278.

<sup>10</sup> *Snider v. Bunnell*, 1902 C.D. 460 (COP), *Hopkins v. Scott*, 1903 C.D. 261 (COP), and *Davis v. Garrett*, 28 App. D.C. 724, 1906 C.D. 724 (Ct. of App. D.C.).

<sup>11</sup> Under the statute then in force, appeal lay from the Board of Appeals to the Commissioner in interference proceedings, and *Snider v. Bunnell* and *Hopkins v. Scott* were both opinions by the Commissioner of Patents on appeal from the Board of Appeals. In both cases, the Commissioner ruled that the question of whether to strike an interferant's application from the files because of alleged alter-

years later the Court did review the propriety of the decision of the Commissioner's delegee refusing to strike the application,<sup>12</sup> but that opinion also did not focus on the question of the proper procedure for reviewing such a decision. Moreover, since the decision was reviewed *inter partes*, it is clearly not authority for similar review in an *ex parte* context.

A decade later the Court extended *Vandenberg* to a fraud case, asserting that "In *Vandenberg v. Reynolds*, . . . it was held that *any* decision as to whether an application should be stricken should be decided 'in the first instance' by the Commissioner".<sup>13</sup> In that case the review was immediate, the Court having decided that the Commissioner had effectively delegated his authority in this respect to the Board of Patent Interferences and that the Board had already made the decision "in the first instance".<sup>14</sup> However, since that decision was also made *inter partes*, it again is not authority for similar CCPA review of an *ex parte* decision striking an application.

Support for the Court's authority to review an *ex parte* decision striking an application may, however, be

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ations after execution is not a matter for action by the primary examiner, but is exclusively within the jurisdiction of the Commissioner. That holding only means that the Commissioner had not delegated his authority as to this aspect of patent examination at that early date, whereas he has done so today to the Assistant Commissioner for Patents. MPEP § 1002.02(a)(5). *Davis v. Garrett* was an opinion by the Court of Appeals of the District of Columbia on appeal from the Commissioner of Patents. The Commissioner of Patents had refused to strike an application involved in an interference on the ground of post-execution fraud, and, after reviewing his reasons for doing so, the Court's sole substantive comment was as follows:

Assuming that the question [of striking] is now properly before us, it is clearly one resting largely in . . . [the Commissioner's] discretion, the exercise of which ought not to be disturbed save where that discretion has been palpably abused. We find no such condition here.

<sup>12</sup> *Vandenberg v. Reynolds*, 268 F.2d 744, 122 USPQ 381 (CCPA 1959).

<sup>13</sup> *Norton v. Curtiss*, 433 F.2d 779, 783 n.5, 167 USPQ 532, 536 n.5 (CCPA 1970) (emphasis supplied).

<sup>14</sup> *Id.*

found in *Myers v. Feigelman*,<sup>15</sup> a subsequent inter partes opinion which held that the Commissioner's decisions on petitions from primary examiner's decisions on ancillary-to-priority motions are reviewable both by the Board of Patent Interferences and by the Court. In that case the Court treated the Commissioner's review as, in effect, stepping into the shoes of the primary examiner. The primary examiner's decision on such questions, absent the petition, is reviewable by the Board of Patent Interferences and then the CCPA, and where the primary examiner's decision is supplanted by the Commissioner's decision on petition, the Commissioner's decision is reviewable by the Board and the Court in the same manner that the primary examiner's original decision would have been reviewable if there had been no petition.<sup>16</sup>

Similarly in *Nitz v. Ehreinrech*<sup>17</sup> the court held a Commissioner's decision refusing to dissolve an interference on the ground of lack of interference in fact to be reviewable both by the board and by the Court, reasoning as follows:

The Commissioner disapproved herein the board's recommendation that the interference be dissolved and decided that an interference in fact existed with respect to count 1. The Commissioner's decisions are not per se appealable. We find, however, that the interposition of the Commissioner does not affect our jurisdiction under the circumstances of this case.

In the declaration of all interferences, the Commissioner (or his examiner-delegate) makes an initial determination that two or more parties are claiming the same or substantially the same subject matter. An interference in fact issue raised in an interference would thus be and has without question been traditionally preserved for appeal to this court. That the Commis-

<sup>15</sup> 455 F.2d 596, 172 USPQ 580 (CCPA 1972).

<sup>16</sup> See also *In re Dollinger*, 474 F.2d 1027, 177 USPQ 201 (CCPA 1973), which held that the CCPA's jurisdiction under 35 USC 141 is dependent upon the jurisdiction of the Board of Appeals under 35 USC 7, viewed in light of 35 USC 134. That holding, of course, creates no problem here as long as review of the Commissioner's decision is sought initially from the Board of Appeals. Then, if the Board's holding is also adverse, review of the Board's decision (not review of the Commissioner's decision) is sought from the CCPA.

<sup>17</sup> 557 F.2d 539, 190 USPQ 413 (CCPA 1976).

sioner made the same decision a second time in the present interference does not operate to defeat the jurisdiction of this court to decide the issue on its merits.

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The board accepted and acquiesced in the Commissioner's conclusion concerning interference in fact on count 1. Thus, the Commissioner's decision was merged with and became a part of the board's decision.

The board has no authority to dissolve an interference, but interference in fact is an issue ancillary to priority which the board may decide at final hearing and this court may determine on appeal.<sup>18</sup>

The present situation is exactly parallel. In the usual ex parte case, the Commissioner (or his examiner delegate) makes an initial determination that one or more claims presented by an applicant are not patentable.<sup>19</sup> So long as that determination is made on an appealable ground (an issue examined in the next section of this article), it is appealable to the Board of Appeals and from there to the CCPA. The only difference between this situation and the ordinary ex parte case is that here the Commissioner's delegate is the Assistant Commissioner for Patents rather than a primary examiner. However, as evidenced by *Myers v. Feigelman* and *Nitz v. Ehrenreich*, this fact alone "does not operate to defeat the jurisdiction of . . . [the Board of Appeals and the CCPA] to decide the issue on its merits."

*Application of the Appealable versus Petitionable  
Dichotomy to this Situation*

As previously indicated,<sup>20</sup> the appealable versus petitionable dichotomy is a venerable one in the jurispruden-

<sup>18</sup> 537 F.2d at 543, 190 USPQ at 416-17; footnote omitted.

<sup>19</sup> According to 35 USC 131, "The Commissioner shall cause an examination to be made of the application and the alleged new invention; and if on such examination, it appears that the applicant is entitled to a patent under the law, the Commissioner shall issue a patent therefor." Succeeding sections of the statute contain still more explicit, though entirely formal, references to the Commissioner's involvement in the examination process.

<sup>20</sup> Supra footnote 7.

tial history of the CCPA, and there are a fair number of opinions which attempt to synthesize and rationalize the previous holdings on this issue. Unfortunately, there is as yet no single, consistent, and rational criterion with which to separate appealable decisions from petitionable decisions. However, three of the four major recent efforts in this regard point toward the conclusion that a decision to strike an application for fraud is appealable rather than petitionable, and the fourth opinion is so weakly reasoned that it is unlikely to be followed—or, at least, to be extended to a different factual situation.

The most recent of the four cases is *In re Haas*,<sup>21</sup> which held that the propriety of a restriction requirement is appealable rather than petitionable because:

those claims [i.e., the claims subject to the Marcus-Markush restriction requirement] were withdrawn from consideration not only in this application but prospectively in any subsequent application because of their content. In effect, there had been denial of patentability of the claims.<sup>22</sup>

Additionally, *In re Haas* is also pertinent to this discussion for its holding that it is the effect of the action below and not the label given to the action (there a “withdrawal from further consideration”; here a “striking from the files”) which is relevant to a determination of whether or not a given decision is appealable.<sup>23</sup>

The most closely in point of the four cases is *In re Searles*,<sup>24</sup> which involved a request to convert the application from a sole application in the name of Searles to a joint application in the name of Searles and Lutz in order to remove a publication by Searles and Lutz as a reference. The examiner denied the request, and the Board affirmed. On appeal, the Court considered the jurisdictional question at length, noting that it was being “asked to rule on the propriety of the examiner’s refusal to per-

<sup>21</sup> 486 F.2d 1053, 179 USPQ 623 (CCPA 1973).

<sup>22</sup> 486 F.2d at 1056, 179 USPQ at 625.

<sup>23</sup> 486 F.2d at 1055, 179 USPQ at 625. See also *In re Dollinger*, 474 F.2d 1027, 1032, 177 USPQ 201, 205 (CCPA 1973).

<sup>24</sup> 422 F.2d 431, 164 USPQ 623 (CCPA 1970).

mit entry of an amendment into the official file record" and that "traditionally, such actions being considered procedural, rather than substantive, recourse was available only through petition to the Commissioner of Patents, review of his decision being possible by means of civil action."<sup>25</sup> However, the Court held the questioned decision to be appealable rather than petitionable because it had:

required the exercise of technical skill and legal judgment in order to evaluate the facts presented, interpret the requirements of 35 U.S.C. 116 and Rule 45 and weigh the facts against those requirements.<sup>26</sup>

Finally, in *Palisades Pageants, Inc. v. Miss America Pageant*,<sup>27</sup> the court indicated that it would have been willing to review a subordinate decision of the Trademark Trial and Appeal Board if it had been able to see how that decision was "logically related" to the primary, jurisdiction-giving issues in the case. The primary, jurisdiction-giving issues were likelihood of confusion and estoppel, and the subordinate decision was one refusing to enter an amendment to applicant's statement of services which had been offered to, and obviously did, further distinguish applicant's services from the opposer's services. Surprisingly, the Court stated that it "[did] not see how the board's decision to refuse to permit the applicant to amend . . . [the description of its services in its application] is logically related to either of the above issues,"<sup>28</sup> although it is difficult to think of anything which is more obviously logically related to a likelihood of confusion issue in an opposition than the

<sup>25</sup> 422 F.2d at 434, 164 USPQ at 625-26.

<sup>26</sup> 422 F.2d at 435, 164 USPQ at 626. In view of the common belief that appealable decisions are those relating to "the merits of the invention," while petitionable decisions are those relating to everything else, it should also be noted that the Court in *Searles* expressly stated that the decision below had nothing to do with "the merits of the invention," yet it nevertheless held the decision to have been appealable.

<sup>27</sup> 442 F.2d 1385, 169 USPQ 790 (CCPA 1971), cert. denied, 404 U.S. 938, 171 USPQ 641 (1971).

<sup>28</sup> 442 F.2d at 1388, 169 USPQ at 792.

applicant's description of its goods or services. However, the language from the *Palisades Pageants* opinion has been given effect in subsequent cases,<sup>29</sup> and it appears to be a viable doctrine despite its rather inauspicious beginnings.

Applying the rationales of *Haas* and *Searles* to a decision striking an application for fraud, it is clearly the case that the claims in such an application have been "withdrawn from consideration" not only in the stricken application but prospectively in any subsequent application,<sup>30</sup> that in effect there has been a denial of patentability of those claims, and that the decision striking the application "required the exercise of technical skill and legal judgment in order to evaluate the facts presented, interpret the requirements of . . . [the applicable statutes—typically 35 U.S.C. 102 and 103] and Rule . . . [56] and weigh the facts against those requirements." Moreover, in most cases the decision striking the application for fraud will obviously be "logically related" to primary issues of obviousness and/or anticipation, decisions on which are clearly appealable to the Board of Appeals, so the rationale of the *Palisades* case will also support the appealability of a decision striking an application for fraud in most cases.

Only *In re James*,<sup>31</sup> which held a decision petitionable rather than appealable because it was based solely on a Patent Office rule rather than a statute, would support the argument that a decision striking an application is not appealable. This is so because a decision of the Commissioner or his delegate striking an application for fraud is arguably based solely on Rule 56 and not on any statute.<sup>32</sup> However, the Court seems to have already

<sup>29</sup> *Myers v. Feigelman*, 455 F.2d 596, 600, 172 USPQ 580, 584 (CCPA 1972), and *Nitz v. Ehrenreich*, 537 F.2d 539, 543, 190 USPQ 413, 416 (CCPA 1976).

<sup>30</sup> Cf. *In re Altenpohl*, 198 USPQ 289, 308-09 (CPT 1976).

<sup>31</sup> 432 F.2d 473, 167 USPQ 403 (CCPA 1970).

<sup>32</sup> But see *Langer v. Kaufman*, 465 F.2d 915, 175 USPQ 172 (CCPA 1972), which extended the holding of *Norton v. Curtiss*, 433 F.2d 779, 167 USPQ 532 (CCPA 1970) (that priority can be awarded against an applicant-interferant on the ground that he had com-



abandoned the rationale of the majority opinion in *James*, for in *Haas* the Court reinterpreted *James* by asserting that the action below in that case had involved a mere "procedural defect," as opposed to a "substantive holding."<sup>33</sup> Whatever the long-term viability of a procedure-substance dichotomy in this area of the law, it seems self-evident that a decision to strike an application for fraud is based on substance rather than a "procedural defect."

### *Conclusion*

For the foregoing reasons, it is submitted that decisions of the Commissioner of Patents and Trademarks or his delegee striking patent applications for fraud are appealable to the Board of Appeals and that, if the decision of the Board of Appeals is also unfavorable to the applicant, its decision is appealable to the CCPA under 35 USC 141 or reviewable by a civil action brought in the District Court for the District of Columbia pursuant to 35 USC 145.

mitted fraud on the PTO), to patentee-interferants. In *Norton* the Court purported to rely in part on Rule 56, but of course Rule 56 was totally inapplicable in *Langer*. And see the numerous cases, collected in Gholz, *The Law of Double Patenting in the CCPA*, "Authority for Double Patenting Rejections," 4 APLAQJ 261, 273 (1976), indicating that there is no statutory authority for obviousness-type double patenting rejections, yet approving their imposition.

<sup>33</sup> 486 F.2d at 1055, 179 USPQ at 624-25; emphasis in the original. See also Judge Rich's dissent in *James*, which points out that Patent Office rules, "if approved by the Secretary of Commerce and not inconsistent with statutory, constitutional, or treaty law, have the force and effect of law. \* \* \* And for all practical purposes they are law, the same as statutory law." 432 F.2d at 477, 167 USPQ at 406; emphasis in the original.