

WHEN CAN APJs USE THEIR COMMON SENSE IN INTER PARTES PROCEEDINGS?¹

By

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Introduction

This is a follow-on to Is Brand v. Miller Consistent With KSR Int'l Co. v. Teleflex Inc.?, 14 Intellectual Property Today No. 7 at page 40 (2007). That article dealt with an opinion³ by the Federal Circuit which sharply limited the ability of the APJs to rely on their own technical expertise in deciding interferences. My partner Robert Nissen and I were retained to file a petition for certiorari in that case. The petition was denied, and Mr. Nissen and I wrote two additional articles (which might be described as “sour grapes”) on that general subject. Nissen and Gholz, Brand v. Miller Demonstrates that the Federal Circuit is Giving Insufficient Deference to the Factual Findings of the Patent and Trademark Office, 89 JPTOS 848 (2007), and Nissen and Gholz, Brand v. Miller Prevents Administrative Patent Judges From Using Their Common Sense in Inter Partes Proceedings, 90 JPTOS 5 (2008).

Two panels of APJs have now reacted to the Federal Circuit’s opinion in Brand, and their opinions indicate that this issue will be with us for years to come.

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³ Brand v. Miller, 487 F.3d 862, 82 USPQ2d 1705 (Fed. Cir. 2007).

What the Panel Said in Robertson v. Timmermans

In Robertson v. Timmermans, 90 USPQ2d 1898 (PTOBPAI 2008)(non-precedential)(opinion by APJ Lee for a panel that also consisted of APJs Schafer and Tierney), a panel held itself “prohibited” by Brand v. Miller from making a very simple technical determination in the absence of evidence in the record:

To the extent that disclosure of only one species embodiment within the scope of a claim drawn to a genus may not be sufficient written description for supporting the genus broad enough to cover other embodiments, that depends on predictability of the technical subject matter and the reasonable expectations of one with ordinary skill in the art. *Bilstad v. Wakalopoulos*, 386 F.3d 1116, 1125 [72 USPQ2d 1785] (Fed. Cir. 2004). Robertson’s motion, however, does not advance such an argument or submit evidence in that regard. We are also prohibited from making a determination based on our own knowledge and expertise. The Board cannot substitute its own expertise for evidence that is not in the record. *See Brand v. Miller*, 487 F.3d 862, 869 [82 USPQ2d 1705] (Fed. Cir. 2007).⁴

Comment

Judge Lee did not sound very happy about the Brand court’s prohibition! He is a techie (an MIT graduate, no less), and he’s justly proud of his “knowledge and expertise.” But the PTO has only itself to blame for this sorry state of affairs. When Mr. Nissen and I asked the PTO to support our petition for certiorari in Brand, it declined to do so.

What the Panel Said in Rilo v. Benedict⁵

In Rilo v. Benedict, Int. No. 105,684, Benedict had filed a motion for a judgment of no interference-in-fact. Rilo did not oppose that motion. Nevertheless, a panel of the board

⁴ 90 USPQ2d at 1905; interpolations by the editor of the USPQ2d.

⁵ My partner Todd Baker and I are co-counsel for Rilo.

consisting of APJs Torczon, Lane, and Tierney denied that motion. Benedict then sought rehearing, relying heavily on Brand. Again, Rilo did not oppose—and again the panel turned Benedict down.⁶

In a section of its opinion entitled “Acceptable fact finding in view of *Brand*”, APJ Torczon acknowledged that the court had said in Brand that “it is impermissible for the Board to base its factual findings [in inter partes matters] on its expertise, rather than on evidence in the record....”⁷ However, he explained that:

Benedict has specifically identified [only] two instances where the decision is said to overstep the limits set in *Brand*. In each instance, Benedict cites to pages from the “Analysis” portion of the decision discussing whether something was obvious to try. * * * The request does not address the pages of facts and findings at the beginning of the decision, which include specific findings with citations to the record about what the art knew regarding the problems and solutions discussed.⁸

According to Judge Torczon:

The decision under rehearing is readily distinguishable from the decision faulted in *Brand*. The *Brand* court specifically noted the lack of support for the Board’s [factual] findings. By contrast, Benedict has not identified a single enumerated [factual] finding that lacks support in the record or fails as a reasonable inference from the record. While the Board in *Brand* merely held the only relevant testimony to be unconvincing, the decision in this case explicitly cited and even adopted some of the expert testimony [that is, the testimony of Benedict’s expert witness]. Where the decision did not accept the expert testimony, it provided a separate section explaining that the testimony “did not adequately account for the teachings in the art” and specifically noting where it contradicted Benedict’s own specification. Where there are contradictions in a party’s evidence, the fact finder is supposed to make a credibility determination and may do so without falling

⁶ Paper No. 39.

⁷ Page 2.

⁸ Pages 2-3; footnotes omitted.

short of the substantial-evidence requirement. The decision credited “Benedict’s presumptively enabling disclosure” over the expert testimony because the expert did not explain the apparent contradiction. In short, the decision did precisely what *Brand* implies the Board in that case had not done: it based its decision on the record and on reasonable inferences from that record. Nothing in *Brand* can be read to bar the Board from critically interpreting the evidence of record and independently making findings based on its interpretation.⁹

Not content with the distinction, however, Judge Torczon offered two others:

First, *Brand* involved a question of priority, while the question here is whether the Director should be of the opinion that an interference exists. Second, in *Brand*, the issue was actively litigated between the parties, while here Benedict’s motion was not opposed. Both of these distinctions would justify a more active role for the Board than was appropriate in *Brand*.¹⁰

Finally, Judge Torczon vigorously defended the APJs’ ability to rely on their own expertise and common sense:

While some have suggested that *Brand* undermines the role of administrative patent judges as fact finders [citing the two JPTOS articles that I co-authored with Mr. Nissen], there is no reason to read into *Brand* anything more than the common-sense requirement that each [factual] finding must be grounded in a reasonable interpretation of the record. Since Benedict has not shown a failure in this regard, this basis for relief fails.¹¹

Comments

(1) The distinction between factual findings and legal conclusions is often difficult to draw--even illusory. That is, no doubt, why many board opinions include a stock assertion to the effect that “Any factual finding herein may be considered to be a legal conclusion and vice versa.” If all that is required for the APJs to de-fang *Brand* is to put any questionable holding in

⁹ Pages 3-4; footnotes omitted.

¹⁰ Page 4.

¹¹ Page 5.

sections of their opinions entitled “Analysis,” indeed Brand will be easily consigned to the ashbin of history.

(2) Judge Torczon’s attempted distinction of Brand as involving a question of priority (in contrast to the interference-in-fact question involved in Rilo) is more problematic. The APJs decide many issues, and most of them involve judgments based on technical questions. Why should some be treated differently with respect to this important issue than others? Moreover, if the APJs can rely more or less on their own technical expertise depending on what the issue before them is, we are in for years of litigation until all of the issues that come before the APJs are neatly placed in either Column A (issues on which the APJs can rely on their technical expertise) or Column B (issues on which the APJs cannot rely on their technical expertise). And that assumes that there are only two columns! What if the APJs are allowed to rely 100% on their own technical expertise as to issues in Column A, 75% on their own technical expertise as to issues in Column B, 50% on their own technical expertise as to issues in Column C, etc.?

(3) In any event, I wish the APJs well in their attempts to recover from the blow dealt them by what, IMHO, is the cockamamie opinion in Brand.