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# Amicus Brief of Thomas G. Field, Jr., Pro Se Supporting in Principle, on rehearing the Commissioner of Patents and Trademarks

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# AMICUS BRIEF OF THOMAS G. FIELD, JR., PRO SE SUPPORTING IN PRINCIPLE, ON REHEARING THE COMMISSIONER OF PATENTS AND TRADEMARKS

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- John Duffy, Craig Nard and Tom Field's Amicus Brief to the Supreme Court.

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UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

96-1258
(Serial No. 07/479,666)

**IN RE** MARY E. **ZURKO**, THOMAS A. CASEY, JR., MORRIE GASSER, JUDITH S. HALL, CLIFFORD E. KAHN, ANDREW H. MASON, PAUL D. SAWYER, LESLIE R. KENDALL, and STEVEN P. LIPNER

Appeal from a decision of
the Board of Patent Appeals and Interferences dated July 31, 1995.

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## SUPPLEMENTAL STATEMENT OF THE ISSUE

The Court has ordered the parties to submit supplemental briefs addressed to the following issue: Should this court review Patent and Trademark Office fact-findings under the Administrative Procedure Act standard of review instead of the presently applied clearly erroneous standard?

In re Zurko, No. 96-1258 (Fed. Cir. July 3, 1997)

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## SUMMARY OF ARGUMENT

To those unfamiliar with the long, often bitter, struggle over equally compelling needs to provide, on the one hand, innovators with an adequate opportunity to recoup risk capital and to avoid, on the other, erecting unwarranted barriers to competition, a dispute over the proper scope of review for Patent and Trademark Office (PTO) patent appeals will seem both trivial and arcane. This case involves more than semantics -- its resolution turns on the allocation of power among three, and arguably four, branches of government. This Court, itself, has a stake.

The current scope of review in PTO patent appeals is both idiosyncratic and uncertain. "Clearly erroneous" appears to be uniquely applied to those and trademark appeals -- absent explicit statutory authority and in facial conflict with the Administrative Procedure Act (APA). It appears also to be, thus far, inconsistent with the scope of review for PTO fact finding that otherwise tends to closely track APA standards.

The scope of review in PTO patent appeals has varied widely. Review by the Court of Customs and Patent Appeals (CCPA) in the 1930s was highly deferential. Yet, by the mid-1960s, that Court's approach had become sufficiently non-deferential to prompt experts appointed by the Johnson Administration to recommend "clearly erroneous" as the *statutory* scope of review.

One key question is what does "clearly erroneous" *mean?* Is it sui generis, to be applied only to a subset of cases arising from the PTO, or does it incorporate the standards of Fed. R. Civ. P. 52(a) [Rule 52(a)]? The former seems singularly unwarranted -- it would further isolate the Agency from otherwise relevant bodies of precedent. If the latter, as suggested in some panel decisions, a 1985 amendment also deserves close attention.

Yet, these questions need not be addressed. Statutory provisions for PTO appeals do not set forth any scope of review. In such circumstances, the final section of the APA mandates that its standards be applied -- subject only to the condition that the PTO be an "agency". For at least a century, it has been so regarded by the Supreme Court. Hence, APA standards must be used as intended, i.e., to foster uniform treatment of citizens complaining of action by unelected federal officials. Failure of the PTO to complain, e.g., when in the 1960s it was caught between the Scylla of Supreme Court criticism and the Charybdis of CCPA reversal cannot estop a later Administration from protesting a legislatively unwarranted scope of review.

Applying APA standards also reflects sound policy. Rules should reference the most relevant precedents. Substantive issues aside, APA cases are much more relevant than those applying Rule 52(a) only within the judicial branch. Most importantly, as recently reflected in a few Federal Circuit decisions, they illuminate the path toward a proper balance between executive and judicial authority.

Some may believe that adherence to either of two roughly equivalent, but more deferential, APA standards for all PTO fact finding will abdicate Federal Circuit responsibility as the primary *judicial* overseer of the patent system (or, presuming that the same standards should apply, as a major overseer of federal trademark registers). That need, and should, not be so. First, courts are obligated to "set aside agency action... found to be-- ... contrary to constitutional right...; in excess of statutory... authority...; [or] without observance of procedure required by law...." Second, they can refuse to uphold actions that lack adequate and well-reasoned support in the record.

Thus, the Federal Circuit is respectfully urged to abandon "clearly erroneous" as its scope of review in PTO patent appeals. With the possible exception of facts underlying patent *validity* determinations, APA standards should be applied across the board in PTO appeals. Alternatively, should this Court find some basis for concluding otherwise, Rule 52(a) should be explicitly referenced and as carefully considered as is warranted in reviewing district court decisions.

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**ARGUMENT**

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## I. THIS CASE CONCERNS MUCH MORE THAN "SEMANTICS"

The Patent and Trademark Office (PTO or Office) protests that "clearly erroneous" review in patent appeals does not accord its fact finding appropriate deference. In historical context its grievance seems small,[1] but it deserves close consideration. Resolution implicates the amount of respect *any* court should afford *any* executive entity, notwithstanding that it is complicated by this Court's, too, having unique status in the patent system and no small stake in the outcome. Indeed, and unfortunately, as in *In re Kemps,* 97 F.3d 1427 (Fed. Cir. 1996), appellants may justly feel to be mere bystanders; *id*. at 1431-32.

This case is more complicated than it ought to be because, in pursuing a more deferential scope of review, the PTO has shifted position. Initially, as in *Kemps,* it maintained that the "arbitrary, capricious" standard was appropriate; now it seeks "substantial evidence" review. How different *are* those standards?

Then-Judge Scalia pointed out that differences are small:

> "We have noted on several occasions that the distinction between the substantial evidence test and the arbitrary or capricious test is *`largely semantic,'...." Assn. Data Processing Service Organizations, Inc. v. Bd. Governors, Federal Reserve System,* 745 F.2d 677, 684 (D.C. Cir. 1984). (Emphasis added.)

The choice between these standards is not as compelling as that between either of those and clearly erroneous. However, as discussed below, neither is it trivial. Differences between terms of art should never be dismissed. The authors of a leading administrative law casebook, coaching students toward an understanding of judicial review, state: "A feel for this evolving common law can be gained only by exposure to hundreds of cases, not a handful."[2]

If courts do not consistently reference the most relevant established benchmarks, understanding is unlikely regardless of the number of cases read. Were that not the case, this Court might be warranted in taking the next step and maintaining that distinctions between APA and "clearly erroneous" scopes of review are also largely semantic. In any event, that approach would be both inappropriate and contrary to strong authority.

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## II. "CLEARLY ERRONEOUS" REVIEW OFFENDS A STATUTORY MANDATE

"Substantial evidence" is derived from standards used to review jury trials, *e. g., Data Processing,* 745 F.2d 684, and therefore is closely related to the 6th and 7th Amendments. Were judges not suitably deferential to jury determinations of fact, the right to trial by jury of one's peers would be largely meaningless. To the extent that "arbitrary or capricious" is equivalent, review should be similarly deferential whether applied to fact or legal issues; *see, e.g., Data Processing,* 745 F.2d 683-4. This also seems true of "abuse of discretion" following the latter in 5 U.S.C.A. § 706(2)(A).[3]

In contrast with all of those, "clearly erroneous" is generally applied only to appeals from bench trials. Because these are not subject to 6th and 7th Amendment rights, reversal on issues of fact is much easier. Such review is currently unwarranted in the administrative context.

### A. For over a century, the Supreme Court has regarded the PTO as an agency.

Consider the implications of the following passage:[4]

> "But this is something more than a mere appeal. It is an application to the court to set aside the action of one of the executive departments of the government. The one charged with the administration of the patent system had finished its investigations and made its determination with respect to the question of priority of invention. .... A new proceeding is instituted in the courts -- a proceeding to set aside the conclusions reached by the administrative department.... .... It is 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. *As such it might be well argued, were it not for the terms of this statute, that the decision of the Patent Office was a finality upon every matter of fact." Morgan v. Daniels,* 153 U.S. 124 (1894) (emphasis added).

Also, consider the final paragraph from Advisory Committee notes accompanying a 1985 amendment to Rule 52(a):

> "The principal argument advanced in favor of a more searching appellate review of findings... based solely on documentary evidence is that the rationale of Rule 52(a) does not apply when the [y]... rest on... an evaluation of documentary proof and the drawing of inferences from it, thus eliminating the need for any special deference.... These considerations are outweighed by the public interest in the stability and judicial economy that would be promoted by recognizing that the trial court, not the appellate tribunal, should be the finder of the facts. *To permit courts of appeals to share more actively in the fact-finding function would tend to undermine the legitimacy of the district courts in the eyes of litigants, multiply appeals by encouraging appellate retrial of some factual issues, and needlessly reallocate judicial authority."* (Emphasis added.)

Rephrasing slightly, for this Court to share as actively in PTO decision making as "clearly erroneous" suggests is to undermine the Office's legitimacy in the eyes of applicants, multiply appeals and (beyond "needlessly") reallocate authority from the Executive to the Judicial branch.

### B. Congress has clearly mandated review under the Administrative Procedure Act.

#### 1. The APA clearly governs by default.

Failure to review under the APA, absent contrary legislation, is at odds with a clear congressional desire to foster uniform treatment of citizens complaining of action by unelected federal officials. The 5th sentence of original APA section 12, Pub. L. No. 79-404, 60 Stat. 244 (1946), read: "No subsequent legislation shall be held to supersede or modify the provisions of this Act *except to the extent that it does so expressly."* (Emphasis added.) This message is reinforced in Attorney General's Manual on the Administrative Procedure Act (1947) (Appx. B).

> "[N]o congressional legislation can bind subsequent sessions of the Congress. ... However, the act is intended to express general standards of wide applicability. it [sic] is believed that the courts should as a rule of construction interpret the act as applicable on a broad basis, unless some ubsequent act clearly provides to the contrary." *Id.* at 139.

That the equivalent, § 559, was originally the final section of the APA, and the importance conveyed thereby, is unfortunately obscured by its now preceding, e. g., judicial review, §§ 701 et seq.

**2. Further consideration of the PTO as an "agency".**

The APA governs the PTO only if it is an "agency" as defined in § 551. As discussed, e.g., in *Morgan v. Daniels, supra,* this is not open to doubt. Were the situation otherwise, current statutory and non-statutory review under the APA might well be unwarranted.

Statutory review under 35 U.S.C.A. § 32 (Suspension or Exclusion From Practice) is conducted under the APA. *Disciplinary action* following a "formal" (trial-type) hearing is reviewed under the substantial evidence standard of § 706(2)(E). *See, e.g., Klein v. Peterson,* 696 F.Supp. 695 (D. D.C. 1988), *aff'd* 866 F.2d 412 (Fed. Cir. 1989), *cert. den.* 490 U.S. 1091 (1989).[5] *Denial of enrollment,* likely to follow no oral hearing, much less a formal one,[6] is reviewed under the "arbitrary, capricious..." standard of § 706(2)(A); *see e. g., Premysler v. Lehman,* 33 U.S.P.Q.2d 1859 (D.D.C. 1994), *aff'd* 71 F.3d 387 (Fed. Cir. 1995).

"Non-statutory" review[7] also appears to be governed by the APA; *see, e. g., Rydeen v. Quigg,* 748 F.Supp. 900 (D.D.C. 1990), *aff'd* 937 F.2d 623 (Fed. Cir. 1991), *cert. den.* 502 U.S. 1075 (1992). It is, thus, difficult to understand why PTO patent [or trademark, 15 U.S.C.A. § 1071(a) (1963)] appeals would be accorded a different scope of review.

**3. Without legislative mandate, "clearly erroneous" review appears to be unique.**

PTO patent appeals are governed by 35 U.S.C.A. §§ 141-44 (1984). No scope of review appears therein. While Congress recently specified "clearly erroneous" review for one agency, its use without expressed warrant seems unique in federal administrative practice; *see, e.g.,* II Kenneth C. Davis & Richard J. Pierce, Jr., Administrative Law Treatise § 11.3 (3d Ed. 1994). That scope of review also appears in a few state acts, but this, too, has been criticized; Bernard Schwartz, Administrative Law 648 (1991). Other authorities were also consulted; no further references to "clearly erroneous" in agency review have been found. Other considerations aside, does this marginalize the Office, and possibly the Court?

**4. Standards extrinsic to the APA have not been impliedly ratified.**

No provision for statutory review of PTO actions explicitly sets forth the scope of review. As discussed above, failure to specify a scope of review does not justify use of a standard extrinsic to both the Patent Act and the APA. However, *In re Lueders* indicates the belief that the Court's use of a "clearly erroneous" standard has been impliedly ratified by Congress on several occasions, 111 F.3d 1569, 1575-77 (Fed. Cir. 1997), e.g., upon passage of the APA in 1946 and the Patent Act in 1952. Yet, recommendation XIII of an expert commission appointed by the Johnson Administration demonstrates that the standard fourteen years after the latest of these was not "clearly erroneous" as non-governmental patent experts understood it:

> "A Patent Office decision refusing a claim shall be given a presumption of correctness, and shall not be reversed unless *clearly erroneous."* The President's Commission on the Patent System, "To Promote the Progress of... Useful Arts" In an Age of Exploding Technology 29 (1966). (Emphasis added.)

Given that Commission's perceptions in the mid-`60s, the earliest that Congress might have ratified the standard by inaction is 1982. Yet, the scope of review for PTO patent appeals does not appear to have been considered, then or earlier. Even if it had, § 559 is a major obstacle to amendment by implication.

**5. APA Standards have not been impliedly excluded.**

Also as discussed in *Lueders,* 111 F.3d 1577 n. 12, 35 U.S.C.A. § 135 refers explicitly to review provisions of the APA. Hence, it is suggested that this impliedly indicates that Congress intended those provisions not otherwise to apply in PTO review. Not only is this proposition also at odds with the last section of the APA, but, again, were that so, the Court would be obligated to reconsider the authority of it and other courts to apply APA standards in, e.g., non-statutory PTO review.

**6. The Office is not estopped to insist on APA standards.**

In the 1960s, the PTO was criticized for having standards "notoriously different" from the courts', *e.g., Graham v. John Deere Co.,* 383 U.S. 1, 18 (1966). However, as reflected in the recommendation of the Johnson Administration patent commission, discussed earlier, the CCPA thwarted its efforts to conform. *See also, e.g.,* Martin Shapiro, *The Supreme Court and the Patent Office,* the 3d chapter in The Supreme Court and Administrative Agencies 143 (1968).

Ironically, the same year that *Graham* was decided, the Supreme Court also established that the PTO could seek certiorari from adverse decisions of the CCPA, *Brenner v. Manson,* 383 U.S. 519 (1966). While the Office prevailed on an issue of law in *Manson,* it did not seek, or at least did not secure, that result in any instance when it was reversed on its fact finding.

Yet, it is difficult to understand why this should estop subsequent administrations. Anything less deferential than APA review accords the Office less respect than that to which the Executive Branch is entitled. Anything more deferential accords the public less than it has a right to expect from the Judicial Branch. As pointed out in *In re Donaldson Company, Inc.,* 16 F.3d 1189, 1194 (Fed. Cir. 1994): "The fact that the PTO may have failed to adhere to a statutory mandate over an extended period of time does not justify its continuing to do so."

Last, it seems the standard of review did not need to be briefed until 1993. Thus, the PTO does not seem to have unduly delayed in pursuing the issue.

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## III. APA REVIEW REFLECTS SOUND POLICY

### A. It provides access to the mainstream of administrative process.

As much as possible, legal standards should directly reference the most relevant bodies of precedent. While, as discussed below, Rule 52(a) is superior to a sui generis "clearly erroneous" scope of review, the APA is even better. To the extent that it fosters uniformity among federal agencies, cases under the Act provide helpful guidelines for resolving not only novel fact-related issues, but also ones involving procedural and substantive rights -- likewise not explicitly addressed in §§ 141-44.

With regard to procedure, *see, e.g., In re Pantzer,* 341 F.2d 121 (CCPA 1965); "The question presented is one of Patent Office practice, and this court

will not disturb the rulings of the Patent Office in the absence of a showing of clear error." *Id.* at 126. Although the meaning of "clear error" in this context is uncertain and obviously different from that in reviewing questions of fact, the approach is nevertheless consistent with the degree of deference called for in *Vermont Yankee Nuclear Power Corp. v. Natural Resources Defense Council, Inc.,* 435 U.S. 519 (1978):

> "In short, nothing in the APA, NEPA, the circumstances of this case, the nature of the issues being considered, past agency practice, or the statutory mandate under which the Commission operates permitted the court to review and overturn the rulemaking proceeding on the basis of the procedural devices employed (or not employed) by the Commission so long as the Commission employed at least the statutory minima, a matter about which there is no doubt in this case." *Id.* at 548.

With regard to substantive issues, *see, e.g. Merck & Co., Inc. v. Kessler,* 80 F.3d 1543 (Fed. Cir. 1996), *cert. den. subnom. Organon, Inc. v. Kessler* and *Bracco Diagnostics Inc. v. Kessler,* 117 S.Ct. 788 (1997):[8]

> "Commissioners Kessler and Lehman contend that `under the familiar instructions of the Supreme Court in *Chevron*... PTO's Final Determination is entitled to controlling weight.' The contention is unavailing, based as it is on a mistake as to *Chevron's* breadth. ... As the Seventh Circuit recently had occasion to note, however, `only statutory interpretations by agencies with rulemaking powers deserve substantial deference.'" *Id.* at 549.

### B. APA review is not unduly deferential.

Adherence to congressionally-mandated standards of review for all PTO actions, unless a controlling statute otherwise provides, does not abdicate Federal Circuit responsibility as the primary judicial overseer of the patent system (or as a major overseer of the federal trademark registers). Besides being obligated to set aside "arbitrary, capricious..." action under § 706(2)(A) or "unsupported by substantial evidence..." under § 706(2)(E), paragraphs (B)-(D) of § 706(2) provide that "The reviewing court shall-... set aside agency action... found to be- ... contrary to constitutional right...; in excess of statutory... authority...; [or] without observance of procedure required by law...."

Also, while the APA does not explicitly require, e.g., findings and reasons for action taken other than after a trial-type hearing, courts have nevertheless refused to uphold agencies whose decisions lack reasoned support in the record compiled by the agency. *See, e.g., Citizens to Preserve Overton Park, Inc. v. Volpe,* 401 U.S. 402, 419 (1971). Note, too, that *Overton Park* particularly eschews post hoc rationalizations; *id. See also,* I Davis & Pierce, § 8.5, at 392-4.

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## IV. "CLEARLY ERRONEOUS" ENCOURAGES APPEALS; "CAPRICIOUS, ARBITRARY..." AGENCY RESPONSIBILITY

### A. "Clearly erroneous" is an uncertain benchmark.

Terms that describe applicable standards of review have little meaning standing alone. Thus, it might be questioned whether the court is actually reviewing PTO decisions as aggressively as "clearly erroneous" suggests. That appears to be the case; *see, e.g.,* Craig Allen Nard, *Deference, Defiance and the Useful Arts,* 50 Ohio St. L. J. 1415, 1439 (1995). However, reversal rates, per

se, are unhelpful.

**1. Reversal rates.**

Thirty years ago, I had personal reason to consider how frequently patent examiners should be reversed by the Board and concluded that 50% would be optimal. A lower rate would indicate allowing too many claims of doubtful merit; a higher rate would mean unwarranted stinginess. This notion is reflected elsewhere; *see, e.g., Nash v. Califano,* 613 F.2d 10, 13 (2d Cir. 1980). Were it to capture the full picture, however, a reversal rate below 20% in PTO patent appeals would suggest that far too many invalid claims are allowed. *See, e.g.,* Fred E. McKelvey, *Appeals to the Federal Circuit from PTO,* 1120 O.G. 22, Nov. 30, 1990 (data on all appeals in which the Solicitor appeared during 1985-90). [9]

It seems more likely that many appeals are pursued with small chance of success. This may well increase as the cost of refiling continues to increase. Also, reversal statistics for published decisions, alone, paint a daliesque picture. *See, e.g.,* Erica U. Bodwell, *Published and Unpublished Federal Circuit Patent Decisions: A Comparison,* 30 Idea 233, 239-41 (1990). Moreover, as mentioned regarding the 1985 amendment to Rule 52(a), non-deferential standards of review may unduly encourage appeals.

**2. Early CCPA standards would have discouraged appeals.**

Shortly before the APA was being considered, the CCPA afforded more deference than "clearly erroneous" review would allow:[10]

> "In cases involving intricate and highly technical questions, especially in the absence of the evidence of those expert in the art, concurring decision of the Patent Office tribunals will not be disturbed, unless it appear that they are *manifestly wrong." In re Anhaltzer* , 48 F.2d 657, 658 (CCPA 1931). (Emphasis added.)

*See also, e.g., In re Adamson,* 92 F.2d 717 (CCPA 1937) using similar language. These are typical of most (80 of 135) pre-1944 cases found using West key 291k113(7) (Presumption as to correctness of decision below). These seem quite consistent with APA standards.[11]

**3. Moving to a less deferential standard.**

*Ranney v. Bridges,* 188 F.2d 588 (CCPA 1951), is cited in *Lueders,* 111 F.3d 1576 n. 10, for the proposition that "clearly erroneous" has long been the standard of review in PTO patent appeals. Yet, in *Ranney,* Judge Garrett did not use that *term of art.* How was one to determine that the CCPA intended to signal a marked departure from earlier decisions showing considerable deference to the PTO? How was one to determine that, e.g., the Rule 52(a) standard was then being adopted to govern PTO patent appeals?

Also, *Lueders,* 111 F.3d 1575 n. 8, quotes *Morgan,* "It is enough to say that the testimony as a whole is not of a character or sufficient to produce clear conviction that the Patent Office made a mistake." Yet, meaning of those words may have changed.[12] They also should be viewed in context; *compare, e.g.,* the passage from *Morgan* above at II.A.

As discussed above, it appears that during at least one period a little over 30 years ago, the CCPA standard of review in PTO patent appeals was externally perceived as very different. Indeed, "clearly erroneous" was suggested as more deferential than the scope of review then being used. Is the current standard a reaction to the proposal made to the Johnson Administration?

**4. Uncertainty encourages appeals.**

The current standard is uncertain. For example, does this Court contemplate application of a sui generis standard or that of Rule 52(a)? The latter is indicated in *Lueders,* 111 F.3d 1575, n. 8, but has that standard been embraced by the entire Court?[13] On rehearing, if "clearly erroneous" is not abandoned, this should be explicitly answered, preferably also with reference to the 1985 amendment to that Rule. Also, unlike early CCPA decisions, more recent opinions of that and this Court do not give much attention to the technical nature of facts in dispute in patent appeals, a matter that, itself, deserves consideration and might furnish, e.g., a basis for distinguishing patent and trademark appeals. In any event, clear signals about likelihood of prevailing would seem to discourage "frivolous" appeals.

**B. "Capricious, arbitrary...." is typically applied in these circumstances.**

Absent contrary, explicit legislation, courts seem to have heretofore applied § 706(2)(A) and (E) in very different circumstances. "Formal" or trial-type hearings are reviewed under the standard of paragraph (E). All else is reviewed with reference to the "arbitrary, capricious..." language of paragraph (A). As mentioned, this dichotomy has also been followed with regard to the PTO except where the Court has used "clearly erroneous" -- and possibly, as an exception to that exception, where statutory review is under 35 U.S.C.A. §§ 145-46 or 15 U. S.C.A. § 1071(b); again, *see Fregeau.*[14]

What is to be made of the Administration's shifting position with regard to whether paragraphs (A) or (E) should apply? As discussed first in this argument, it may be semantic and not amount to much, if anything, in practice[15] -- certainly as between those standards, and any version of "clearly erroneous," little indeed. Yet, why should the Court abandon its current scope of review only to adopt another equally inconsistent with federal administrative practice? The "informal" PTO record furnishs no basis.

One facially reasonable basis for treating differently *some* facts determined by the PTO is furnished by the nature of patent law itself. As in *Fregeau,*[16] the *Lueders* panel, 111 F.3d 1577, n. 15, expressed concern about achieving parity in patent appeals that have different origins. That does not seem possible unless the Court is prepared to take the position that factual determinations affecting patent *validity,* insofar as they implicate a constitutional interest, are subject to more intense review than otherwise. In that vein, it would be useful for the Court to reflect on the implications of *Bose Corp. v. Consumers Union U.S.,* 466 U.S. 485, 500 (1984), *rehear. den.* 467 U.S. 1267.[17] This could affect *all* direct and collateral review.[18]

In any event, such an approach would leave many issues, e.g., priority in patent interferences and all questions of fact in trademark appeals, to be addressed more conventionally on direct appeal. It is difficult to justify applying standards other than those of § 706(2)(A) in such instances. First, "substantial evidence" seems more apt to encourage appellants to rehash the record. Second, in contrast, "capricious, arbitrary" review should put the focus where it belongs: Did the Board adequately support what it did? If not, it should be reversed whether or not it *might have* supported its position. As reflected, e.g., in the first paragraph of *Securities and Exchange Commission v. Chenery Corp.,* 332 U.S. 194 (1947) (albeit applied to a legal issue), this approach is not novel. If nothing else, it can obligate, whenever needed, the PTO to get its house in order and its Boards, specifically, to address intramural appeals with the rigor to which applicants are entitled. Among other salutary effects, this should help to avoid the substantial expense of further appeal.

## CONCLUSION AND STATEMENT OF RELIEF SOUGHT

The Federal Circuit is respectfully urged to otherwise justify or to abandon a scope of review for PTO fact finding that appears to be and, by its ordinary meaning is, less deferential than warranted under the APA.

Alternatively, should the Court decide, notwithstanding arguments to the contrary, to stay its present course, it is respectfully urged to reference Rule 52 (a) explicitly and to attend as rigorously to external evolution of that rule in deciding patent appeals as it would in reviewing fact finding by federal district judges.

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## NOTES

[1] *See, e.g.,* Pasquale J. Federico, *Evolution of Patent Appeals,* 22 J.P.O.S. 838, 858-64 (1948) (in the 1850s, reviewing judges were both selected and paid by disgruntled patent applicants).

[2] Jerry L. Mashaw et al., Administrative Law: The American Public Law System, 742 (3d Ed. 1992).

[3] APA references are to 5 U.S.C.A. (1996) unless otherwise indicated.

[4] *See also,* Caspar W. Ooms, *The United States Patent Office and The Administrative Procedure Act,* 38 Trademark Rep. 149 (1948) (recounting how the PTO conformed to the newly enacted APA).

[5] *See also, Kingsland v. Dorsey,* 338 U.S. 318, *rehear. den.* 338 U.S. 939 (1950). The case is also interesting in that Commissioner Kingsland successfully sought *certiorari.*

[6] *See, e.g., United States v. Florida East Coast Railway Co.,* 410 U.S. 224, 239-40 (1973) (concerning the several meanings of "hearing").

[7] This is, of course, a term of art. Truly non-statutory review does not exist.

[8] *Compare Eastman Kodak Co. v. Bell & Howell Document Management Products Co.,* 994 F.2d 1569 (Fed. Cir. 1993) (*Kodak* was not cited, although Judge Michel who wrote the decision was on the panel). *See also, In re Van Ornum,* 686 F.2d 937 (CCPA 1982) and *Nat'l Petroleum Refiners Assn. v. F.T.C.,* 482 F.2d 672 *passim* (D.C. Cir. 1973), *cert. den.* 415 U.S. 951 (1974). *Compare* Thomas G. Field, Jr., Commentary: Premysler v. Lehman, 36 Idea 341 (1996) (discussing instance where PTO has clear substantive authority).

[9] *See also, Matthews v. Eldridge,* 424 U.S. 319, 346 (1976) and *Califano v. Yamasaki,* 442 U.S. 682, 697 (1979).

[10] *Compare* the *headnote* "Findings of experts of Patent Office on highly technical questions are given great weight and only rejected when *clearly erroneous*" (emphasis added).

[11] *Compare, e.g., Digital Equipment Corporation v. Diamond*, 653 F.2d 701,

726 (1st Cir. 1981) (addressing facts not within the PTO's special competence).

[12] As others, *e.g.*, "science" as used in U.S. Const. Art. I § 8, cl. 8.

[13] *See also, e.g., Fregeau v. Mossinghoff,* 776 F.2d 1034, 1038 (Fed. Cir. 1985) (§ 145 review). *Compare id.,* at 1042 (Newman, J. concurring in part).

[14] *Supra* note 13. *See also,* § 702(2)(F).

[15] *But see* III Pierce & Davis § 11.4.

[16] *Supra* note 13.

[17] *See* Thomas G. Field, Jr., Law and Fact in Patent Litigation, 27 Idea 153 (1987) (raising the possible implications of the notion that "constitutional" facts might be reviewed less deferentially in the context of infringement litigation).

[18] *See, e.g., Corning Glass Works v. U.S. International Trade Commission,* 799 F.2d 1559 (Fed. Cir. 1986); *compare Corning Glass Works v. Sumitomo Electric U.S.A.,* 868 F.2d 1251 (Fed. Cir. 1989). *See also, Hyundai Electronics Industries Co., Ltd. v. U.S. International Trade Commission,* 899 F.2d 1204 (Fed. Cir. 1990).

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Professor Field's Administrative Process Syllabus

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Minor corrections; links to other documents 9/6/98.
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