16-1240

IN THE

Supreme Court, U.S. FILED

Supreme Court of the United States

APR 13 2017

OFFICE OF THE CLERN

MICHAEL WAYNE SHORE,

Petitioner,

v.

MICHELLE LEE, DIRECTOR, UNITED STATES PATENT AND TRADEMARK OFFICE,

Respondent.

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

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

In 35 U.S.C. § 144, Congress mandated that for determinations on "appeal[s] taken on the record before the Patent and Trademark Office," the Court of Appeals for the Federal Circuit "shall issue to the Director its mandate and opinion." Such mandate and opinion thereafter "shall" be entered of record in the Patent and Trademark Office (PTO) and "shall" govern any further proceedings in the case. For more than half of its rulings on appeals taken from PTO rulings on patentability, the Federal Circuit has issued summary affirmances without opinion under Federal Circuit Rule 36 (Fed. Cir. R. 36). Such summary affirmances never address the issues raised by appellants, who have the statutory right to appeal. Instead, the summary affirmances return the cases to the examiners or PTO with neither an opinion nor a mandate that governs further proceedings.

The Questions Presented by this Petition are:

- 1. Does the Federal Circuit's affirmance without opinion of the PTO's rejection of Petitioner's patent application violate 35 U.S.C. § 144?
- 2. Does the statute's requirement that the Federal Circuit issue a "mandate and opinion" govern over Federal Rule of Appellate Procedure 36's general permission for appellate courts to render judgment without opinion?
- 3. Assuming that the Federal Circuit can issue an affirmance without opinion despite the language of § 144, does the Federal Circuit act within

its discretion by issuing an affirmance without opinion that does not meet any of the criteria listed in Fed. Cir. R. 36(a)-(e)?

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PETITION FOR A WRIT OF CERTIORARI

Michael Wayne Shore respectfully petitions for a writ of *certiorari* to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The Federal Circuit did not issue an opinion in Petitioner's appeal on the record of the decision taken by the Patent Trials and Appeals Board (PTAB) of the United States Patent and Trademark Office (PTO). See 2016 WL 6647773 (Fed. Cir. Nov. 10, 2016); see also Appla-2a. The Federal Circuit denied rehearing and/or en banc rehearing on January 13, 2017. App93a-94a.

The final written decisions by PTAB are available as follows: *Ex Parte Shore*, Appeal 2012-008394, 2015 WL 6407269 (PTAB Sept. 28, 2015), *see also* App3a-16a; *Ex Parte White*, Appeal 2012-005807, 2015 WL 5999260 (PTAB Sept. 30, 2015); *see also* App17a-31a.

The Examiner's decisions rejecting U.S. Patent Application No. 11/491,269 ("269 App") and U.S. Patent Application No. 11/588,627 ("627 App"), which is a continuation-in-part of the 269 App, were issued June 23, 2011 and are attached at App32a-62a and App63a-92a respectively.

JURISDICTION

The Federal Circuit denied Petitioner's motion for rehearing en banc on January 13, 2017. App93a-94a. The Court has jurisdiction under 28 U.S.C. § 1254(1). The

Federal Circuit's decision arose in a consolidated appeal by Petitioner from adverse decisions of PTAB. The Federal Circuit had jurisdiction under 35 U.S.C. § 141(a) and 28 U.S.C. § 1295(a)(4)(A).

STATUTORY PROVISIONS INVOLVED

The statutory provision involved is 35 U.S.C. § 144. The appellate procedural rule involved is Fed. Cir. R. 36. Both are sufficiently short that they are reproduced below.

35 U.S.C. § 144 reads:

The United States Court of Appeals for the Federal Circuit shall review the decision from which an appeal is taken on the record before the Patent and Trademark Office. Upon its determination the court shall issue to the Director its mandate and opinion, which shall be entered of record in the Patent and Trademark Office and shall govern the further proceedings in the case.

FED. CIR. R. 36 reads:

Rule 36. Entry of Judgment – Judgment of Affirmance Without Opinion

The court may enter a judgment of affirmance without opinion, citing this rule, when it determines that any of the following conditions exist and an opinion would have no precedential value:

- (a) the judgment, decision, or order of the trial court appealed from is based on findings that are not clearly erroneous;
- (b) the evidence supporting the jury's verdict is sufficient;
- (c) the record supports summary judgment, directed verdict, or judgment on the pleadings;
- (d) the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review; or
- (e) a judgment or decision has been entered without an error of law.

STATEMENT OF THE CASE

This Petition addresses the propriety of the Federal Circuit's overuse of Fed. Cir. R. 36 to summarily affirm, without opinion, PTO rulings on patent eligibility. On its face, the Federal Circuit's rule clashes with the specific statutory requirement that, for appeals on the record from the PTO, the Federal Circuit must issue an *opinion* and *mandate* that will govern the matter. 35 U.S.C. § 144. Federal Circuit precedent states that a judgment of "affirmed," is not an opinion. And the Federal Circuit typically issues no mandate after Rule 36 affirmances.

The lack of opinion in this case left intact three clear and uncontested errors that the Examiner committed and PTAB ratified. The Federal Circuit's abdication of its role in appeals from PTO decisions promotes confusion in three areas of obviousness law: (i) the bounds of what constitutes "analogous art" that a patent examiner may consider in evaluating an application, (ii) whether patent examiners may use references in ways that defeat the purposes of such art, and (iii) the proper limits on the construction of claim terms in a patent application. This Court should require the Federal Circuit to explain its rationale in upholding each of these three PTAB errors, as mandated by Congress.

The Federal Circuit is the national court of appeals for all final decisions of the district courts in actions arising under, or containing at least one compulsory counterclaim arising under, Congressional patent laws. 28 U.S.C. § 1295(a)(1). It is also the national court of appeals for all rulings of PTAB, which include administrative decisions on patent applications, derivation proceedings, and the post-patenting proceedings created in the Leahy-Smith America Invents Act. 28 U.S.C. § 1295(a)(4). When it was established in 1982, the Federal Circuit's purpose was to enhance judicial efficiency, clarity and uniformity in patent law. *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1455 (Fed. Cir. 1998) (en banc).

The Congressional scheme in Chapters 10, 12, and 13 of Title 35—which sets forth the inventions that are patentable, how the PTO must examine patent applications, and the inventor's rights to judicial review of PTO decisions—provides specific protections to patent applicants. That scheme should safeguard inventors from examiners who fail to follow PTO procedures, Federal Circuit precedents, and the Patent Act, and further guard

^{1.} Pub. L. No. 112-29, 125 Stat. 284 (2011).

against PTAB decisions that are contrary to law.² The Federal Circuit's decision below renders those protections illusory.

For decades the various circuit courts have sought to balance the need for efficiency in handling their dockets with their duties to pronounce the law. One solution courts used was treating only certain decisions as precedential, presumably so that the judges would spend time "to do a decent enough job" on precedential opinions such that the litigants and public would have confidence that a precedential decision had received the utmost attention. See Anastasoff v. U.S., 223 F.3d 898, 904, vacated as moot, 235 F.3d 1054 (8th Cir. 2000). But as Judge Arnold noted in Anastasoff, if judges lack the time to ensure good decisions in each case, "the remedy is not to create an underground body of law good for one place and time only." Ibid.

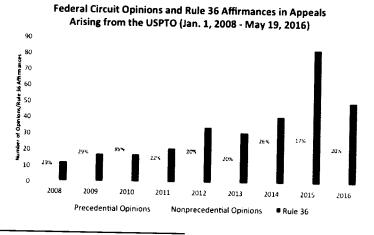
On December 1, 2006, Federal Rule of Appellate Procedure 32.1 became effective. That Rule prevented courts from prohibiting or restricting litigants from citing federal judicial opinions, orders, judgments or other written dispositions issued on or after January 1, 2007. The Rule ensured that the various circuits did not prohibit

^{2.} Congress created PTAB in 2011. 125 Stat. 313 (2011); 35 U.S.C. § 6. PTAB's duties include reviewing, upon written appeal by the applicant, any adverse decisions of examiners on patent applications under 35 U.S.C. § 134(a). In 2011, Congress established PTAB (35 U.S.C. § 6) and specified its appellate jurisdiction (35 U.S.C. § 134), but Congress did not replace "Patent and Trademark Office" with PTAB and its trademark counterpart in 35 U.S.C. § 144, which Congress last amended in 2002. Considering that appeals to PTAB under § 134(a) are on the record before the PTO, and PTAB acts for the PTO, the requirement of § 144 should apply to appeals from PTAB decisions.

or dissuade parties from citing unpublished opinions. 2006 Advisory Committee Note.

In part, Rule 32.1 answered some of the concern that courts would abandon precedent, and flawed reasoning would not come to light, in unpublished opinions because the unpublished opinions could be cited in all circuits. *See* William Bader, *et al.*, *Precedent and Justice*, 49 Duq. L. Rev. 35, 56-58 (Winter 2011).

The Federal Circuit, among others, has taken one step beyond distinguishing between published and unpublished opinions. It has repeatedly rendered decisions without opinions at all. In 2015, the Federal Circuit delivered nearly two-thirds of its rulings in appeals arising from PTO decisions by affirmance under its own Rule 36. In the first half of 2016, the trend continued as the Federal Circuit affirmed approximately 50% of appeals from PTO decisions without opinion.³



3. Source: Jason Rantanen, *Data on Federal Circuit Appeals and Decisions*, PatentlyO.com (June 2, 2016), http://patentlyo.com/patent/2016/06/circuit-appeals-decisions.html, last accessed Feb. 20, 2017.

Unfortunately, whether a court always adheres to its own precedents, and requires administrative agencies to do so, can be mysterious. Individual patentees not backed by large corporations or research institutions should not be denied their rights to fair adjudication by a Federal Circuit that tells inventors they should have amended their claims⁴ (and forfeit equivalents) instead of ensuring PTAB and patent examiners follow the law.

Inventor Michael Shore is a music aficionado who attends, and hosts, numerous live musical performances. His co-inventor Charles Attal is a founder of the Austin City Limits Music Festival. The Applications are directed to systems and methods that allow a user to create and purchase a custom video track of a live musical performance. One aspect of the system would enable a concertgoer to appear in a compiled custom video by entering a predetermined audience location to be filmed during the performance. The 627 App also enabled editing the video in low definition to save bandwidth.

^{4.} At oral argument, one member of the panel said Petitioner should have amended to avoid the rejections, which would have forced Petitioner to surrender patent infringement actions for infringement by equivalents on the amended claims, instead of pursuing his right to a patent that had been properly evaluated by the Examiner. Evidently, this panel is not the only one to voice concerns at oral argument that were not based on the record below but which nonetheless formed an implied basis to affirm without opinion. See Philip P. Mann, When the going gets tough ... Rule 36!, IP LITIGATION BLOG (Jan. 14, 2016), http://www.iplitigationblog.com/2016/01/articles/uncategorized/when-the-going-gets-tough-rule-36/ last accessed April 12, 2017.

In a final office action, the Examiner rejected claims 1-7, 9-42 and 44-62 of the 269 App based on finding that various combinations of prior art rendered the rejected claims obvious under 35 U.S.C. § 103(a). The Examiner similarly rejected claims 1-7, 9-42, 44-66, and 68-73 of the 627 App in a separate final office action. In his analysis of both Applications, the Examiner relied heavily upon the Watkins reference (U.S. Patent Application 2004/0071321), a method and system for preventing child abduction by automated photographing that has no connection to video customization, live music, commercial use of video as a product, or any other aspect of the claimed inventions. ⁵

In Ex Parte Shore, PTAB affirmed the Examiner's rejections of the claims from the 269 App. In Ex Parte White, PTAB affirmed the Examiner's rejections of claims 1-7, 9-42, 44-66, and 68-73 of the 627 App. In both decisions, PTAB refused to require the Examiner to consider the applicability of Watkins as a whole in analyzing why Petitioner would be motivated to use Watkins, and instead allowed the Examiner to rely upon portions of the reference knowingly taken out of context. Those holdings conflict with Federal Circuit precedent. See In re Klein, 647 F.3d 1343, 1348 (Fed. Cir. 2011); Abbott Labs. v. Sandoz, Inc., 544 F.3d 1341, 1348 (Fed Cir. 2008). PTAB also wrongly accused Petitioner of arguing features not in the claims.

PTAB violated Federal Circuit precedent by exceeding the broadest reasonable interpretation standard by applying an unreasonably overbroad interpretation to

^{5.} See generally, App31a-92a for the Examiner rejections.

^{6.} See generally, App3a-30a for the PTAB decisions.

the term "predetermined audience location" that included the *entire* concert audience instead of discrete portions thereof where a person could stand knowing they would be included in a video perspective. *PPC Broadband, Inc. v. Corning Optical Comm'ns RF, LLC*, 815 F.3d 747, 755 (Fed. Cir. 2016) ("Above all, the broadest reasonable interpretation must be *reasonable* in light of the claims and specification"; emphasis in original). That reading of the claim term set forth an erroneous basis for the Examiner and PTAB to state that the Applications were obvious under prior art.

The Federal Circuit affirmed PTAB's rulings without opinion under Federal Circuit Rule 36(d). This petition follows.

REASONS FOR GRANTING THE PETITION

Petitioner was a patent applicant before the PTO who had appealed adverse PTO actions to PTAB and lost. He has a statutory right to appeal those determinations to the Federal Circuit. 35 U.S.C. § 141(a). By challenging PTAB's rulings in an appeal to the Federal Circuit under 35 U.S.C. § 141(a), Petitioner necessarily waived any right to sue the Director for issuance of a patent in the Eastern District of Virginia. See 35 U.S.C. § 145. Between Petitioner's filing of his Applications, and the Federal Circuit's denial of enbanc review, which upheld the panel decision affirming PTAB without opinion, more than 10 years passed.

PTAB's opinion misapplied Federal Circuit law and failed to set forth proper rationale for why the Applications were obvious. The five-plus years from the Examiner's improper rejections to the equally erroneous decision by the Federal Circuit to affirm them without opinion have

effectively left Petitioner without any meaningful judicial review of an agency decision that was unquestionably legally erroneous.

This petition involves the Federal Circuit's abdication of its own supervisory duty over PTAB. This Court's "Considerations Governing Review on Certiorari" do not neatly cover this petition because it arises from patent law, which cannot have an inter-circuit conflict and cannot have a conflict between a state's highest court and a federal circuit court. See Sup. Ct. R. 10(a)-(c). Nonetheless, the importance of patent law uniformity caused Congress to create a single court charged with overseeing that area of law; that court's failure to fulfill its legislated purpose provides compelling reason to grant certiorari.

Simply stated, the Federal Circuit failed to follow its own precedents in the one area of law for which its purpose is to ensure predictability and uniformity—the development of United States patent law. By doing so, the Federal Circuit has sanctioned a "depart[ure] from the accepted and usual course of judicial proceedings" by the PTO, which calls for this Court to exercise its supervisory power and correct the Federal Circuit's, and PTAB's, errors. See Sup. Ct. R. 10(a).

This Court has the jurisdiction and authority to vacate the Federal Circuit's decision and require further proceedings "as may be just under the circumstances." 28 U.S.C. § 2106. At minimum, this Court should require the Federal Circuit to comply with its duties under 35 U.S.C. § 144. Therefore it should grant this Petition, vacate the Federal Circuit's judgment, and remand for further proceedings.

I. In 35 U.S.C. § 144, Congress Required the Federal Circuit to Issue an Opinion in Appeals From PTO Determinations

A. The Statute Requires the Federal Circuit to Issue Both a Mandate and an Opinion

The current version of 35 U.S.C. § 144 has been in place since 1984. Pub. L. 98-620, 98 Stat. 3363 (1984). By opting to appeal PTAB's affirmances of the Examiner's rejections of the 269 App and 627 App to the Federal Circuit, Petitioner exercised a right Congress provided to have the Federal Circuit evaluate the PTO's decision based on the record developed before the agency. 35 U.S.C. §§ 141(a), 144. Petitioner's appeal invoked the three obligations in 35 U.S.C. § 144 that Congress imposed upon the Federal Circuit for appeals from PTAB decisions: (1) to "review the decision from which an appeal is taken" on the record that the PTO had before it, (2) determine the appeal, and (3) "issue to the Director" the court's "mandate and opinion." Section 144 does not contain any language allowing the Federal Circuit to avoid the obligations it imposes.

The Federal Circuit failed to follow the law.

When reviewing the meaning of a statute, this Court "begins with the language of the statute." *Williams v. Taylor*, 529 U.S. 420, 431 (2000). To that end, this Court presumes "that the plain language of the statute expresses congressional intent." *Ardestani v. INS*, 502 U.S. 129, 135 (1991). If "the statutory language is unambiguous and the statutory scheme is coherent and consistent," the Court need not look past the statutory language to determine

the meaning of the statute. *Barnhart v. Sigmon Coal Co.*, 534 U.S. 438, 450, 122 S. Ct. 941, 950 (2002) (internal quotations omitted).

Congress's requirement that the Federal Circuit issue an opinion and mandate to the PTO Director after deciding appeals from PTAB decisions is unambiguous. It is part of a consistent and coherent statutory scheme that provides an inventor with two avenues to challenge a patent denial—appeal the PTAB decision to the Federal Circuit or bring a new action against the PTO director in the United States District Court for the Eastern District of Virginia to compel the Director to issue a patent. 35 U.S.C. §§ 141, 145. Petitioner appealed the final PTAB decision. The Federal Circuit failed to comply with the Congressional requirements it must meet in such cases. 35 U.S.C. § 144.

Instead of following Congress's specific requirements, the Federal Circuit issued no opinion and no mandate. It affirmed PTAB's rulings with no comment or reasoning other than one word: "affirmed." The Federal Circuit's alleged authority to issue the one-word affirmance comes solely from its own Rule 36, which enables it to "enter a judgment of affirmance without opinion" if it determines that at least one of five conditions exist and an opinion will have "no precedential value."

The Federal Circuit derives its authority to issue opinion-free judgments from Fed. R. App. P. 36(a)(2),

^{7.} Ultimately, the Federal Circuit could not write a coherent opinion consistent with current law that would uphold PTAB's two decisions.

which delineates when and how the clerk of an appellate court must prepare, sign and enter the court's judgment in the absence of an opinion. Fed. R. App. P. 36 has obvious application where an appeal becomes moot or is terminated before submission to the appellate court or before the court prepares its opinion. But the Rule does **not** specifically allow the Federal Circuit to issue judgments without opinions in appeals in which the proceedings appealed from have been litigated to conclusion in a district court or federal agency. This is especially true where issues remain unresolved and an affirmance will materially alter a party's statutory right to a patent in violation of a specific Congressional directive.

This Court's general authority to establish rules of procedure for the appellate courts under the Rules Enabling Act of 1934, 48 Stat. 1064, now codified as amended at 28 U.S.C. §§ 2071, 2072, does not and cannot justify the Federal Circuit's improper practice of issuing affirmances without opinions in appeals from PTO decisions. Such affirmances are improper because 50 years after the Rules Enabling Act, Congress enacted the current version of 35 U.S.C. § 144, which requires the Federal Circuit to issue a mandate and opinion for appeals from PTO decisions. Pub. L. 98-620, 98 Stat. 3363 (1984). Congress's authority to create and regulate the authority of the Federal Circuit is indisputable. See U.S. Const. Art. III, §§ 1, 2.

To the extent they may conflict, Congress' specific requirements in Section 144 must control over the general provisions of FED. R. App. P. 36. Although Congress granted the federal courts the authority to "prescribe rules for the conduct of their business," those rules must

be "consistent with Acts of Congress." 28 U.S.C. § 2071(a); see Nitro-Lift Techs., L.L.C. v. Howard, 133 S.Ct 500, 504 (2012) (noting that where laws of equal dignity conflict, the principle generalia specialibus non derogant applies to force the general provision to yield and enable the specific provision to control). The Federal Circuit has no authority to prescribe rules that are not consistent with 35 U.S.C. § 144 or follow its own rules when doing so conflicts with an Act of Congress.

This Court's acknowledgement "that the courts of appeals should have wide latitude in their decisions of whether or how to write opinions" which "is especially true with respect to summary affirmances" cannot render the Federal Circuit's use of its Rule 36 permissible in this situation. Once again, that reading would flout Congress's statutory requirement that the Federal Circuit issue an opinion and mandate that will then be entered of record in the PTO and used to guide further proceedings.

Fed. Cir. R. 36 affirmances are not opinions. The Federal Circuit itself has stated that "[s]ince there *is no opinion*, a Rule 36 judgment simply confirms that a trial court entered the correct judgment." *Rates Tech., Inc. v. Mediatrix Telecom, Inc.*, 688 F.3d 742, 750 (Fed. Cir. 2012) (emphasis added). Black's Law Dictionary defines an opinion as the "court's written statement explaining its decision in a given case." OPINION, Black's Law Dictionary (10th ed. 2014). A Rule 36 affirmance contains no written statement "explaining" why the Federal Circuit affirmed the agency decision; instead it fits Black's definition of a judgment—the "court's final determination

^{8.} Taylor v. McKeithen, 407 U.S. 191, 194 n. 4 (1972).

of the rights and obligations of the parties in a case"—which contains no requirement that the court explain its reasoning. JUDGMENT, Black's Law Dictionary (10th ed. 2014). And the Rule itself prevents viewing an affirmance under its provisions as an opinion because it establishes the conditions for "enter[ing] a judgment of affirmance without opinion." Fed. Cir. R. 36 (emphasis added).

For the same reasons, a Rule 36 affirmance alone cannot meet Section 144's mandate requirement. A mandate is an order from the appellate court "directing a lower court to take a specified action." MANDATE, Black's Law Dictionary (10th ed. 2014). Rule 36 affirmances include no directives from the Federal Circuit to a district court or federal agency. Simply stated, a Rule 36 affirmance of a PTO decision provides the agency with neither an opinion nor a mandate, despite the requirements of Section 144.

B. Public Policy Demonstrates the Need for Explanatory Opinions in Reviews of PTO Decisions

This Court has long recognized "the strong federal policy favoring the full and free use of ideas in the public domain." Lear, Inc. v. Adkins, 395 U.S. 653, 674 (1969). Prosecution history documents are important because "prosecution history constitutes a public record of the patentee's representations concerning the scope and meaning of the claims, and competitors are entitled to rely on those representations when ascertaining the degree of lawful conduct." Hockerson–Halberstadt, Inc. v. Avia Group Int'l, Inc., 222 F.3d 951, 957 (Fed. Cir. 2000). The record on appeal is a significant part of prosecution history. Just as the public should be able to view the

PTO's decision-making process during patent prosecution, it is entitled to know the reasons for a Federal Circuit judgment on appeal. The explanation that Congress required the Federal Circuit to provide serves to show the public how the Federal Circuit reviewed the PTAB decision, and how future inventors can apply the Federal Circuit's decision on any issue of law to future cases. *See* 35 U.S.C. § 144.

The Federal Circuit acknowledges that "a Rule 36 judgment simply confirms that the trial court entered the correct judgment." Rates Tech., Inc., 688 F.3d at 750. And a Rule 36 judgment "does not endorse or reject any specific part of the trial court's reasoning ... [thus it] has no precedential value." Ibid. The Rule 36 judgment therefore allows an absurdity—because it contains no explanation, analysis or acknowledgment of PTAB's rationale, the Federal Circuit can fully agree with an appellant that PTAB violated the law, but affirm its judgment because the Federal Circuit somehow found harmless error or believed the appellant violated some unexplained technicality. The public cannot interpret such decisions with any confidence.

^{9.} Such as here, where at least one member of the Federal Circuit panel stated at oral argument that Petitioner should have amended the claims even though such amendment would have destroyed the patentee's ability to enforce the patent against equivalent inventions. See Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 535 U.S. 722, 740 (2002) ("A patentee's decision to narrow his claims through amendment may be presumed to be a general disclaimer of the territory between the original claim and the amended claim.").

Congress created the Federal Circuit in large part to ensure uniformity in patent law. *Immunocept, LLC v. Fulbright & Jaworski, LLP*, 504 F.3d 1281, 1285-86 (Fed. Cir. 2007). The Federal Circuit touts its role in fulfilling that goal. *See Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1455 (Fed. Cir. 1998) (en banc) (citing the court's "role in providing national uniformity"); *see also* Dennis L. Crouch, *Wrongly Affirmed Without Opinion*, Univ. of Mo. School of Law, Legal Studies Res. Paper Series No. 2017-02 at 23 (citing same).

Requiring the Federal Circuit to issue an opinion and mandate on appeals from the PTO furthers the goal of uniformity by allowing the Federal Circuit to demonstrate it has fully considered the case before it and has scrutinized the PTO's own adherence to the Federal Circuit's precedents. In addition, the analysis the Federal Circuit would perform of any patents at issue would add to the body of law for which Congress established that court to foster and shepherd. And providing opinions would both guide PTAB in future decisions and *demonstrate to this Court* that the Federal Circuit is providing proper judicial oversight of the most important portion of its jurisdiction—the American patent laws.

The problems that the Federal Circuit has created by failing to follow Section 144 have multiplied in recent years. The policy of uniformity may be thwarted, if not wholly undermined, if the Federal Circuit does not subject its own decision-making to the public review Congress requires.

PTAB must comply with the Administrative Procedure Act, therefore it must "provide an administrative record

showing the evidence on which the findings are based, accompanied by the agency's reasoning in reaching its conclusions." *Synopsys, Inc. v. Mentor Graphics Corp.*, 814 F.3d 1309, 1322 (Fed. Cir. 2016) (internal quotation omitted). To ensure both fairness to the applicants before it, and meaningful judicial review, an agency must "articulate logical and rational reasons" for its decision. *Ibid.*

As the sole court of appeals reviewing PTAB decisions, the Federal Circuit has the responsibility to ensure PTAB decisions are not "arbitrary, capricious, an abuse of discretion ... otherwise not in accordance with law" or "unsupported by substantial evidence." 5 U.S.C. § 706(2)(A), (E).

Here, the agency failed to meet its duties, but the Federal Circuit still affirmed without opinion despite Congress's explicit instructions. 35 U.S.C. § 144. This situation begs the question, "who watches the watchmen?" This Court should act and require the Federal Circuit to meet its Section 144 obligations.

C. The Legislative History of § 144 Supports the Opinion Requirement

When Congress created the District of Columbia Circuit in 1893, it authorized judicial review of PTO decisions. 52 Cong. Ch. 74, February 9, 1893, 27 Stat. 434, at § 9. That provision required that "the opinion of the said court of appeals in every case shall be rendered

^{10.} Juvenal, Satires, VI, ll. 347-348 ("Quis custodiet ipsos custodies?").

in writing, and shall be filed in such case as a part of the record thereof." *Ibid.* at § 10. In 1929, Congress transferred jurisdiction over PTO appeals to the Court of Customs & Patent Appeals ("CCPA") and again required that "the opinion of the Court ... in every case on appeal from the decision of the Patent Office shall be rendered in writing..." 70 Cong. Ch. 488, March 2, 1929, 45 Stat. 1475.

Congress amended the Patent Act in 1952 to require only that "upon its determination, the court shall return to the Commissioner a certificate of its proceedings and decision, which shall be entered of record in the Patent Office and govern further proceedings in the case." 35 U.S.C. § 144 (1952). But in 1984 Congress put Section 144 into its current form and specifically required the Federal Circuit, which had replaced the CCPA in 1982, to issue "its mandate and opinion" in reviewing PTO matters. 35 U.S.C. § 144.

Section 144 requires the Federal Circuit to follow specific procedures in appeals from the PTO. Here, the Federal Circuit did not. The Federal Circuit cannot disregard a Congressional mandate.

In 1989, the Federal Circuit implemented its local Rule 36 authorizing affirmances without opinion. Transcript of the Seventh Annual Judicial Conference of the United States Court of Appeals for the Federal Circuit, 128 F.R.D. 409, 420 (1989). As implemented, Rule 36 authorizes

^{11.} Several other Circuit Courts have similar rules permitting judgments without opinions. *See* 1st Cir. R. 36(a); 4th Cir. IOP 36.3; 6th Cir. R. 36; 10th Cir. R. 36.1. But no other Circuit Court has statutory authority to review appeals from the PTO.

the court to issue an affirmance without opinion in five circumstances, of which two are relevant here, either "the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review" or PTAB's "decision has been entered without an error of law." Fed. Cir. R. 36(d)-(e).

Although subsection (d) applies to decisions of administrative agencies, it discusses administrative agencies generally and does not account for the statutory requirement issued five years earlier that the Federal Circuit issue written opinion in appeals from the PTO. ¹² To the extent Rule 36 and Section 144 conflict, Section 144 must control. 28 U.S.C. § 2071(a).

Ultimately, this Court need go no further. Congress has plenary authority to specify the availability and requirements for judicial review of agency decisions. *NLRB v. Cheney Calif. Lumber Co.*, 327 U.S. 385, 388 (1946) ("When judicial review is available and under what circumstances, are questions ... that depend on the particular Congressional enactment under which judicial review is authorized."). The Federal Circuit has no discretion to disregard the duties Congress imposed upon it in 35 U.S.C. § 144. This Court must, at minimum, grant this petition, vacate the Federal Circuit's decision, and remand this case for further proceedings.

^{12.} Whether Rule 36 as a whole is proper has no relevance here. This Petition deals only with appeals from the PTO, which the Federal Circuit reviews pursuant to a specific statute that does not apply to other cases heard by that court.

II. Three Distinct Errors the Examiner Committed, which PTAB Affirmed, Show Why the Federal Circuit Must Issue an Opinion Scrutinizing the PTO's Decision.

On the merits, Petitioner should have obtained a reversal of PTAB's rulings from the Federal Circuit. The Examiner rejected Petitioner's claims as obvious over various combinations of **six** prior art references, none of which refers to another, and without any evidence of motivation to combine the references. Four pieces of prior art were combined for each rejection (with occasional additional pieces) but two of those four pieces were wrongly combined. The Examiner's core combination of prior art references constituted legal error that PTAB affirmed and the Federal Circuit's Rule 36 decision tacitly endorsed.

The Examiner committed three legal errors, which PTAB affirmed, each of which formed an independent basis for the Federal Circuit to reverse PTAB: (1) the Examiner's reliance on the non-analogous Watkins reference; (2) the Examiner applied the Rui reference to one limitation of Petitioner's claims, then modified Rui to render it inoperable for its stated purpose; and (3) the Examiner used an overly broad construction of one of the claimed limitations, which was inconsistent with specification of Petitioner's application.

Although each error independently constituted sufficient reason to allow Petitioner's patent claims, the Federal Circuit rubber-stamped PTAB's judgment, leaving the public in the dark and Petitioner with no guidance as to how to proceed in his attempts to patent his invention.

A. The Case Below

1. The Applications

This Petition arises from consolidated Federal Circuit Case Nos. 16-1461 and 16-1462. The consolidated appeals concerned two U.S. Patent Applications, the 269 App and the $627~{\rm App.^{13}}$

The 269 App was filed with the PTO on July 21, 2006. The 627 App was filed with the PTO on October 27, 2006 as a continuation-in-part of the 269 App. On June 23, 2011, the PTO mailed final Office Actions for both applications rejecting all pending claims as being obvious under 35 U.S.C. § 103(a). Petitioner and his co-inventors appealed both rejections to PTAB, which issued decisions affirming the Examiner's rejections on September 28, 2015 and on September 30, 2015 for the 269 App and 627 App, respectively.

The 269 App is directed to systems and methods that allow a user to create and purchase a custom video track of a live musical performance. App4a. The inventor recognized that a quality recording of a live performance, such as a concert, is only available long after the event, if ever, and that the performer's fans typically prefer to have a recording of a concert they attended. The inventor also believed that concert-goers would prefer to see the concert again from customized vantage points based on their preferences (e.g., focused on the guitarists) instead of whatever view a third party producer chose.

^{13.} See supra, at page 1.

The inventor filed the 269 App for a system and method directed to allowing a user to create a custom track or presentation from a plurality of clips recorded at live musical performances at one or more venues featuring at least one artist and track. App4a.

As part of the system, the inventor envisioned that concertgoers may wish to include themselves in the custom track. *Ibid.* Accordingly, the inventor conceived that the venue could include at least one camera trained on a predetermined audience location. *Ibid.* Thus, a concertgoer wishing to appear in a subsequently compiled custom track could enter the predetermined audience location to be filmed during the performance, and would thereafter appear in one or more clips for use in creating the custom track. *See ibid.* The predetermined audience location would be marked so that a user would be assured that the predetermined audience location would be captured for including a clip for later use in creating a customized version of the performance video. *Ibid.*

The 627 App is a continuation-in-part of the 269 App. The 627 App added a feature—that the custom track or presentation could ultimately be presented in high definition, but that the editing of the clips could be done in low definition in order to save time and/or bandwidth. App18a.

2. The Prior Art

The Examiner based his rejections on post-hoc combinations of features he derived from no fewer than four, and usually at least five, prior art references. None of the references share authors or refer to one another.

The Examiner combined four references in all rejections. Only two are relevant here because they are the ones the Examiner used improperly.¹⁴

U.S. Patent Application Publication No. 2002/0196327 ("Rui") is directed to an automated video production system and method that uses expert video production rules for publishing lectures online. See App22a. Rui discloses that the camera focuses on the audience when (1) an audience member asks questions or (2) to provide random audience shots to make the lecture more enjoyable. Rui does not indicate that the footage taken by the audience camera is of a specific location at the venue and specifically indicates that the audience shots and camera view selections are random. E.g. App71a (discussing audience-tracking camera). The 269 and 627 Apps, however, required a predetermined specific reference point where an attendee can position himself to be certain of inclusion in the video. E.g., App7a-8a; App21a-22a.

U.S. Patent Application Publication No. 2004/0071321 ("Watkins") is directed to a "method and system for

^{14.} For all rejections, the Examiner combined the Abrams reference and the Freeman reference, U.S. Patent Application Publication Nos. 2006/0104600 and 2002/0188943, respectively, with the two references (Rui and Watkins) that Petitioner challenged. See App5a, App6a, App19a, App20a. For some rejections, the Examiner added other references to the core group of Abrams-Freeman-Rui-Watkins. Ibid. Neither the Examiner nor PTAB claimed that combining the Abrams and Freeman references without the Rui and Watkins references would have rendered the inventions obvious. See e.g., App69a, App7a, App21a-22a. Without combining Rui and Watkins, the Examiner could not have rejected the claims.

preventing abduction of a person." CAFCAppx1569. The system is located at a specific site. CAFCAppx1570, 1573. In use, an adult and child enter the premises and two bracelets with the exact same ID are taken from a dispenser for the adult and child to wear. CAFCAppx1574. An image will be captured within ten seconds of the bracelets being removed. *Ibid*. When leaving the premises, a second image is taken of the adult and child. CAFCAppx1574-1575. The second image is compared to the first image by the computer to determine whether the child is leaving with the same adult. *Ibid*. If the images are not a match, the exit of the premises may be blocked. Watkins is not analogous art.

3. The Applications' Claims

The 269 App includes claims 1-7, 9-42, and 44-62, of which claims 1, 7, 30, 39, 44, 47, 50, 54, 59, and 62 are independent. The 627 App includes claims 1-7, 9-42, 44-66, and 68-73, of which claims 1, 7, 30, 39, 44, 47, 50, 54, 59, 62-66 and 68-73 are independent. Each independent claim in the two applications includes the feature of at least one of the clips including footage of a predetermined audience location, which is marked to indicate that presence within the predetermined audience location is captured for inclusion in the clip.

4. PTO and PTAB Proceedings

On June 23, 2011, a PTO Examiner simultaneously issued final Office Actions for the 269 App and the 627 App. All claims the Examiner rejected as obvious over the combination of at least Abrams, Freeman, Rui, and Watkins.

The Examiner acknowledged that, other than Watkins, none of the prior art teaches the feature of at least one video clip including footage of a predetermined audience location, wherein the predetermined audience location is marked to indicate that presence within the predetermined audience location is captured for inclusion in the clip. See App39a, App72a. The Examiner asserted that it would have been obvious to modify the proposed system to include audience shots to make the video more enjoyable for a viewer to watch, which Rui allegedly teaches. App39a, App71a. The Examiner failed to address how no audience shot in Rui is of a pre-marked, predetermined location, but is instead random or based on the location of an audience member asking a question but does not enable that audience member to insert himself into the video clip.

The Examiner also relied on Watkins, which is directed *only* at still photos, not video. The Examiner designated Watkins as "analogous art," without explanation, for adding the feature of "mark[ing] areas that are going to be captured by a particular camera so that anyone present in the marked areas will be present in the captured data." App77a. The Examiner disregarded the surrounding context of the marked locations in Watkins. *See* App34a; App65a.

After Petitioner filed his opening brief in his PTAB appeals, the Examiner asserted for the first time that the "predetermined audience location" in Rui constituted the entire audience location. CAFCAppx753, CAFCAppx1455-1456. In affirming the Examiner's rejections, PTAB adopted this new reasoning regarding Rui. App71a, App22a. PTAB rejected any need for the

Examiner to consider the Watkins reference as a whole to ensure it qualified as analogous art and contended that the Examiner could rely on selected portions, regardless of their context. App8a-9a, App23a-24a. PTAB also inaccurately claimed Petitioner argued features not in the claims, and held the claims were mere common sense arrangements of old elements without discussing why a person of ordinary skill in the art would be motivated to combine the prior art. App9a-10a; App24a-25a. Finally, PTAB concluded its opinions by asserting that Petitioner's arguments are predicated on the purposes of the references. App11a, App26a.

B. The Examiner Relied on a Non-Analogous Reference in Forming the Rejection

By affirming the PTAB's decision without opinion, the Federal Circuit ratified the Examiner's use of a nonanalogous prior art reference to complete the obviousness rejection of the two applications. The Examiner and PTAB failed to articulate "reasoning with some rational underpinning to support the legal conclusion of obviousness." KSR Intl. Co. v. Teleflex, Inc., 550 U.S. 398, 418 (2007) (quoting In re Kahn, 441 F.3d 977, 988 (Fed. Cir. 2006)). Both the Examiner and PTAB relied solely on the Watkins reference to teach marking a predetermined audience location to film during the concert but failed to articulate why "there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue." KSR Intl., 550 U.S. at 418. Watkins has no audience, performance, or video, contains a single camera view not multiple cameras, does not allow user edits or remote access for editing, and is for a non-commercial application—why would the inventor have any motivation to combine it with other art?

A reference "qualif[ies] as prior art for an obviousness determination only when analogous to the claimed invention." *In re Bigio*, 381 F.3d 1320, 1325 (Fed. Cir. 2004). An analogous reference must be either (1) from the same field of endeavor as the claimed invention or (2) reasonably pertinent to the problem faced by the inventor. *In re Klein*, 647 F.3d 1343, 1348 (Fed. Cir. 2011). A "reasonably pertinent" reference "is one which, because of the matter with which it deals, logically would have commended itself to an inventor's attention in considering his problem." *Ibid*. (internal quotations omitted).

The Watkins reference met neither prong of Klein. It relates to an entirely different field of endeavor. The claimed invention is directed to the field of audio/video editing of footage from a live performance. Watkins relates to comparing two still image images (entry and exit) in a security system designed to prevent child abduction. Watkins has nothing to do with a consumer editing video footage from a live performance to create their own custom video of the performance. CAFCAppx1569 at Abstract. Properly considered as a whole, Watkins is directed to the use of only still photographs in an entry/ exit matching security system. This field would not have commended itself to the inventor's attention in the applications, which are directed to capturing, editing and distribution of highly customized video footage from a live performance.

Nor is Watkins reasonably pertinent to Petitioner. In the Applications, Petitioner faced the problem of allowing a concertgoer to ensure he or she could be found in the footage of a performance and place himself or herself into the customized arrangement of the video clips of the concert. Watkins addresses a system by which an adult leaving a secured facility with a child can be identified as the adult with which the child entered the facility. CAFCAppx1574-1575. Neither the Examiner nor PTAB explained why one skilled in the art of filming live performances would look to child kidnapping prevention through still photos to solve how to film a live performance with the ability to place a particular audience member in the video using his or her presence in a predetermined location in the venue.

The Examiner summarily concluded Watkins was analogous without analysis. *E.g.*, App39a, 72a. Despite Petitioner raising this issue, PTAB simply ignored it. App8a, App23a. That cannot comport with *KSR International's* requirement to show the motivation to combine nor does it demonstrate the Examiner took into account "the inferences and creative steps that a person of ordinary skill in the art would employ." 550 U.S. at 418.

The Federal Circuit has repeatedly disparaged the type of "picking and choosing" the Examiner performed here. *In re Fine*, 5 U.S.P.Q. 2d 1596, 1600 (Fed. Cir. 1988); *see Abbott Labs. v. Sandoz, Inc.*, 544 F.3d 1341, 1348 (Fed Cir. 2008). But by failing to perform any analysis beyond a one-word affirmance, the Federal Circuit tacitly approved how the Examiner and PTAB ignored the law.

Simply put, the Examiner and the PTAB failed to properly apply the law, and the Federal Circuit abandoned its statutory duty to analyze those failures. Because *Klein* authorizes two separate paths for an Examiner to properly consider a reference analogous, Petitioner and the public are entitled to know which prong the Federal

Circuit has sanctioned under these circumstances so that patents receive their proper scope in future applications, including any Petitioner may file claiming priority to the application below.

C. The Examiner Relied on Rui in a Way That Defeats its Purpose

Even if Watkins is analogous art, the Examiner erred by even considering Rui to teach filming an audience. The other references the Examiner relied upon did not teach filming of an audience member, thus Examiner needed Rui to justify rejecting the Applications. *E.g.*, App39a, App72a. Rui did not apply.

Rui teaches a system containing dynamically selected still images of portions of an audience, based upon either random selection or a selection determined by a portion of the audience from which a desired sound is detected during the filming. CAFCAppx1517-1518; CAFCAppx1522-1523. The Examiner does not suggest why one skilled in the art would select Rui to teach filming an audience by combining it with a reference that teaches the exact opposite purpose of Rui: filming a predetermined (i.e., selected ahead of time) location within the venue. *E.g.*, App39a, App44a, App72a, App77a.

Black letter patent law holds that "mere identification in the prior art of each element is insufficient to defeat the patentability of the combined subject matter as a whole." *In re Kahn*, 441 F.3d 977, 986 (Fed. Cir. 2006). Instead, an Examiner must "explain the reasons one of ordinary skill in the art would have been motivated to *select* the references and to combine them to render the claimed

invention obvious." *In re Rouffet*, 149 F.3d 1350, 1359 (Fed. Cir. 1998) (emphasis added). Without that explanation, the Federal Circuit must "infer that the Board used hindsight to conclude that the invention was obvious." *In re Kahn*, 441 at 986.

Neither the Examiner nor PTAB explained here **why** a person of ordinary skill would modify Rui's teachings of **dynamic** audience filming in a way that defeats Petitioner's central purpose to reach the claimed feature of a predetermined audience location. This omission, standing alone, should lead this Court to vacate the Federal Circuit's affirmance because the Federal Circuit should have taken the same action in the first instance. *In* re Van Os, 844 F.3d 1359, 1361 (Fed. Cir. 2017) (remanding PTAB obviousness finding for reasoning and analysis to support finding motivation to combine references). ¹⁵

The Examiner's decision "is not a proper ground for rejection of the claims" because his combination of references "would require a substantial reconstruction and redesign of the elements" in a prior art reference and force a "change in the basic principles under which the [Rui] was designed to operate." *In re Ratti*, 270 F.2d 810, 813 (C.C.P.A. 1959). If the examiner has to modify a reference so as to render it "inoperable for its intended purpose," the Examiner cannot use the reference as part of a combination in determining obviousness. *In re Gordon*, 733 F.2d 900, 902 (Fed. Cir. 1984). Rui teaches a system in which members of the audience could be selected for filming randomly or dynamically; the claimed

^{15.} The Federal Circuit decided *Van Os* only 10 days before it denied Petitioner's motion for rehearing.

invention requires that the filmed audience location be predetermined and marked. Modifying Rui for use in a predetermined location alters the basic parameters in which Rui was designed to operate and renders Rui inoperable for its intended purpose. The Federal Circuit had to render an opinion on this issue; its silence throws this area into disarray for any future patentees who may encounter a similar rejection.

D. The Examiner Improperly Construed the Limitations of the Claimed Invention

By issuing a Rule 36 decision, the Federal Circuit also rubber-stamped the improper breadth that the Examiner and PTAB gave the term "predetermined audience location." The Examiner relied on Rui's ability to show "the entire audience area" to disclose the predetermined audience location of the claimed invention. See App7a; App22a (citing Examiner answer). PTAB concluded "the claim does not preclude the entire audience area from being a marked, predetermined audience location." App7a. This interpretation violates the purpose of the claimed invention—if the **whole** audience is the "marked audience location," there is no reason to mark and locate a **specific** spot for an audience member to occupy.

The scope of claims in patent applications is not based solely on "the claim language, but upon giving claims their broadest reasonable construction in light of the specification." *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004) (internal quotation omitted). The claims must "conform to the invention as set forth in the remainder of the specification." 37 C.F.R. § 1.75(d)(1). If the predetermined audience location can encompass the

entire audience, there is no reason to mark it—audience members would know that they will appear in the video no matter where they sit or stand. Construing a term in a manner that "would defeat the invention's purpose" is improper. *Apple Inc. v. Motorola, Inc.*, 757 F.3d 1286, 1311 (Fed. Cir. 2014). By issuing a Rule 36 decision, the Federal Circuit tacitly approved the PTO's abuse of discretion.

An affirmance without opinion provides no information as to why the Federal Circuit ruled as it did. The lone clues come from the oral argument in this case, in which the Federal Circuit asked why Petitioner simply had not amended his claims to overcome the Examiner's erroneous objections. Those questions were off-point and irrelevant. The Examiner misapplied the law, which the agency had no discretion to do. 5 U.S.C. § 706(A).

After five years of prosecution and another five years of appeals, the Examiner's departure from the broadest reasonable interpretation standard and the Federal Circuit's obviousness jurisprudence were clear—he had applied the standard to reach an unreasonably broad interpretation. See In re Skvorecz, 580 F.3d 1262, 1267 (Fed. Cir. 2009) ("The protocol of giving claims their broadest reasonable interpretation ... does not include giving claims a legally incorrect interpretation").

The Examiner also failed to show how a person of ordinary skill in the art would be motivated to combine references as he did to deny the patentability of the claims at issue. PTAB's errors in summarily upholding the Examiner's rulings should have been scrutinized and overturned. The Federal Circuit should have issued an opinion and mandate as Congress requires.

On the critical issue of whether two references would have been obvious to combine, PTAB said the test for obviousness is "what the combined teachings of the references would have suggested" to an ordinarily skilled artisan, and that "we are not persuaded that an ordinarily skilled artisan would not have found it obvious to combine the teachings" of the two references in question. App10a, App25a (emphasis added). That formulation ignores this Court's admonition that reviewing tribunals should "identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does" and that "[t]o facilitate review, this analysis should be made explicit." KSR Intl. Co. v. Teleflex, Inc., 550 U.S. 398, 418 (2007). PTAB identified no reason that would have prompted Petitioner to combine references.

Further, PTAB's ruling failed to explain how prior art from all corners of audio/visual recording and still photography could be relevant to the inventions at issue—Watkins is directed to still photos, security application and static field of view; Petitioner's inventions are directed toward video entertainment with customized perspectives. If PTAB cannot meet its duty to explain its ruling, and the Federal Circuit rubber-stamps the agency decision without providing any basis for its judgment, how can litigants believe the system for judicial review operated properly? See Mullins v. U.S. Dep't of Energy, 50 F.3d 990, 992 (Fed. Cir. 1995) ("[A]gencies have a duty to provide reviewing courts with a sufficient explanation for their decisions so that those decisions may be judged against the relevant statutory standards.").

Federal Circuit Rule 36 does not safeguard the public from errors in that court's decisions because it hides the court's rationale from scrutiny. The criteria that could apply to the Federal Circuit's decision here—that "the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review" or "a judgment or decision has been entered without an error of law"¹⁶—cannot apply because PTAB committed legal error, which the Administrative Procedure Act does not permit. 5 U.S.C. § 706(2)(A). The opinion requirement controlled how the Federal Circuit must dispose of this case. 35 U.S.C. § 144. This Court should ensure the lower courts are complying with Congress's requirements.

^{16.} Fed. Cir. R. 36(d), (e).

CONCLUSION

The Court should grant the petition for certiorari. The petition raises significant constitutional and administrative law issues regarding Congress's authority over the Federal Circuit and the PTO's limits of discretion that impact the patent system as a whole. Because the Federal Circuit did not issue an opinion as 35 U.S.C. § 144 requires, the Court should grant the petition, vacate the Federal Circuit's judgment, and remand this case for the Federal Circuit to comply with 35 U.S.C. § 144.

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