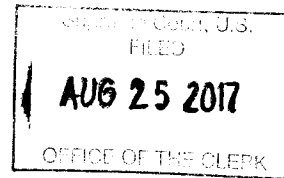


17-311



No.

---

IN THE  
**Supreme Court of the United States**

---

PUI-KWONG CHAN, MAY SUNG MAK, AND YUN WANG,  
PETITIONERS

*v.*

BAIZHEN YANG, SONGJIAN WANG AND CONGFU ZHAO  
RESPONDENTS

---

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

---

**PETITION FOR A WRIT OF CERTIORARI**

---

ALBERT WAI-KIT CHAN  
*Counsel of Record*

*Law Offices of Albert Wai-Kit  
Chan, PLLC  
World Plaza, Suite 604  
141-07 20th Avenue  
Whitestone, NY 11357  
(718) 799-1000  
chank@kitchanlaw.com*

*Counsel for Petitioners*

**BLANK PAGE**

**QUESTIONS PRESENTED**

The Questions Presented by this Petition are:

1. Whether the USPTO had exceeded its statutory authority in declaring and conducting an interference proceeding based on claims in a pending patent application that were neither directed to patent eligible subject matter under 35 U.S.C. §101 nor in allowable form?
2. Whether the Federal Circuit's affirmance without opinion in appeals from USPTO's decision violates 35 U.S.C. §144? Should the determination of which USPTO appeals require a written opinion rather than a Fed. Cir. Rule 36 Judgment depend primarily on whether the written opinion might benefit further proceedings in the case in the USPTO?
3. Whether the USPTO's practice to cancel the claims of an issued patent in an interference proceeding is unconstitutional, violating the Seventh Amendment and Article III?

## **PARTIES TO THE PROCEEDING**

The parties to the proceeding in the U.S. Court of Appeals for the Federal Circuit are listed.

Petitioners are Pui-Kwong Chan, May Sung Mak and Yun Wang. The real party in interest is Pacific Arrow Limited.

Respondents are Baizhen Yang, Songjian Wang and Congfu Zhao.

## **RULE 29.6 STATEMENT**

Pacific Arrow Limited states that it has no parent company, and no publicly held corporation owns 10% or more of its stock.

# TABLE OF CONTENTS

	Page
QUESTIONS PRESENTED.....	i
PARTIES TO THE PROCEEDING .....	ii
RULE 29.6 STATEMENT .....	ii
TABLE OF CONTENTS.....	iii-v
TABLE OF AUTHORITIES.....	vi-viii
OPINIONS BELOW .....	1
JURISDICTION .....	1
CONSTITUTIONAL AND STATUTORY	
PROVISIONS INVOLVED .....	2
STATEMENT OF THE CASE .....	4
A. Interference Proceedings in the Patent and Trademark Office.....	4
B. Appeal in the Court of Appeals for the Federal Circuit .....	6
C. Patentability Issues of Respondents' Claims .....	8
REASONS FOR GRANTING THE PETITION .....	10
A. This Court should review whether the PTAB must determine that a party's claims are directed to patentable subject matter under 35 U.S.C. §101 as a threshold jurisdictional prerequisite to declaring an interference .....	10

B. This Court should review whether the Federal Circuit must issue its mandate and opinion in appeals from USPTO's decisions under 35 U.S.C. §144, irrespective of Fed. Cir. Rule 36. ....	12
C. This Court should review whether interference proceedings violate Article III and the Seventh Amendment of U.S. Constitution .....	18
CONCLUSION .....	21
APPENDIX	
PTAB Declaration of Interference .....	1a
Examiner Interview Summary of 11/631,637 (2015-05-12) .....	8a
Respondents' Clean Copy of Claims .....	15a
PTAB Order to Show Cause .....	29a
Petitioners' Response to Order to Show Cause.....	32a
PTAB Order - 37 C.F.R. 41.104(a) .....	63a
PTAB Judgment .....	70a
Examiner Interview Summary of 11/631,637 (2017-06-15) .....	73a
Notice of Allowance of 11/631,637.....	76a
Motion to Terminate Interference.....	100a
Corrected Brief of Appellant.....	149a
Brief of Appellees.....	169a
Federal Circuit Judgment .....	198a
Petition for Panel Rehearing & Rehearing En Banc .....	200a
Federal Circuit Order Denying Petition for Rehearing and Rehearing En Banc .....	222a
Motion to Stay Issuance of The Mandate .....	224a

Federal Circuit Order Denying Motion to Stay Issuance of The Mandate .....	239a
Federal Circuit Mandate .....	241a

## TABLE OF AUTHORITIES

## CASES

<i>Association for Molecular Pathology v. Myriad Genetics, Inc.</i> , 133 S. Ct. 2107 (2013) .....	passim
<i>Brenner v. Manson</i> , 383 U.S. 519 (1966) .....	11
<i>Cascades Projection v. Epson America</i> , No. 2017-1517, 2017-1518 (Fed. Cir. 2017) .....	20
<i>Diamond v. Chakrabarty</i> , 447 U.S. 303 (1980) .....	8
<i>Funk Bros. Seed Co. v. Kalo Inoculant Co.</i> , 333 U.S. 127 (1948) .....	9
<i>Granfinanciera, S.A. v. Nordberg</i> , 492 U.S. 33 (1989) .....	19
<i>Mayo Collaborative Servs. v. Prometheus Labs., Inc.</i> , 132 S. Ct. 1289 (2012) .....	8
<i>McCormick Harvesting Machine Co. v. Aultman</i> , 169 U.S. 606 (1898) .....	18
<i>MCM Portfolio LLC v. Hewlett-Packard Company</i> , 812 F.3d 1284 (Fed. Cir. 2015) .....	20
<i>Minnesota Mining &amp; Manufacturing Company v. Coe</i> , 145 F.2d 25 (D.C. Cir. 1944), cert. den'd (January 15, 1945) 65 S. Ct. 554 .....	18
<i>Murray's Lessee v. Hoboken Land &amp; Improvement Co.</i> , 59 U.S. 272 (1855) .....	19
<i>Perkins v. Kwon</i> , 886 F.2d 325 (Fed. Cir. 1989) .....	11
<i>Oil States Energy Services, LLC v Greene's Energy Group, LLC</i> , 639 Fed. App'x 639 (Fed. Cir. 2016), cert. granted (June 12, 2017) (No. 16-712) .....	21



<i>Rates Technology, Inc. v. Mediatrice Telecom, Inc.</i> , 688 F.3d 742 (Fed. Cir. 2012) .....	13
<i>Shore v Lee</i> , 670 Fed. Appx. 716 (Fed. Cir. 2016), cert. den'd (May 30, 2017) (No. 16-1240) .....	15, 16
<i>Stern v. Marshall</i> , 564 U.S. 462 (2011) .....	18, 19
<i>TecSec, Inc. v. International Business Machines Corp.</i> , 731 F.3d 1336 (Fed. Cir. 2013) .....	13
<i>United States v American Bell Telephone Co.</i> , 128 U.S. 315 (1888) .....	18

## CONSTITUTIONAL PROVISION

U.S. CONST. art. III .....	18, 19, 20, 21
U.S. CONST. amend. VII .....	18, 20

## STATUTES

35 U.S.C. §101 .....	passim
35 U.S.C. §144 .....	passim
35 U.S.C. §135 (pre-AIA) .....	2, 10, 20

## RULES

37 C.F.R. §41.202(c) .....	3, 10
Federal Circuit Rule 36 .....	passim

## OTHER AUTHORITIES

Dennis David Crouch, <i>Wrongly Affirmed Without Opinion</i> , Wake Forest Law Review,	
--	--

Vol. 52, 2017; University of Missouri School of Law Legal Studies Research Paper No. 2017- 02 (2017) .....	16
Peter Harter and Gene Quinn, <i>Rule 36: Unprecedented Abuse at the Federal Circuit</i> , IPWatchdog (January 12, 2017), <a href="https://www.ipwatchdog.com/2017/01/12/rule-36-abuse-federal-circuit/id=76971/">https://www.ipwatchdog.com/2017/01/12/rule- 36-abuse-federal-circuit/id=76971/</a> .....	15
Jason Rantanen, <i>Data on Federal Circuit Appeals and Decisions</i> , Patently-O (June 2, 2016), <a href="https://patentlyo.com/patent/2016/06/circuit-appeals-decisions.html">https://patentlyo.com/patent/2016/06/circuit- appeals-decisions.html</a> .....	16

Petitioners hereby petition for a writ of certiorari to review the final decision of the United States Court of Appeals for the Federal Circuit entered in this action on January 27, 2017.

### **OPINIONS BELOW**

The U.S. Court of Appeals for the Federal Circuit did not issue an opinion in Petitioners' appeal on the record of the decision taken by the Patent Trial and Appeal Board (PTAB). The order disposing of the case (App., *infra*, 198a-199a) is unreported and available at 673 Fed. Appx. 1009 (January 27, 2017). The order denying panel rehearing and rehearing *en banc* issued on March 30, 2017 (App., *infra*, 222a-223a) is unreported.

The final decision and order by the PTAB (App., *infra*, 70a-72a) are unreported and available at 2015 WL 5144185 (PTAB August 31, 2015).

### **JURISDICTION**

The U.S. Court of Appeals for the Federal Circuit entered judgment on January 27, 2017 (App., *infra*, 198a-199a) and denied Petitioner's petition for panel rehearing and rehearing *en banc* on rehearing on March 30, 2017 (App., *infra*, 222-223a). An application to extend the time to file a petition for a writ of certiorari was granted on June 12, 2017, making the petition due on July 28, 2017. Another application to extend the time was filed on July 17, 2017, pending approval. The Court has jurisdiction under 28 U.S.C. § 1254(1).

**CONSTITUTIONAL AND STATUTORY  
PROVISIONS INVOLVED**

The Seventh Amendment of the United States Constitution

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

35 U.S.C. §101

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefore, subject to the conditions and requirements of this title.

35 U.S.C. §144

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.

## 35 U.S.C. §135(a) (pre-America Invents Act of 2011)

Whenever an application is made for a patent which, in the opinion of the Director, would interfere with any pending application, or with any unexpired patent, an interference may be declared and the Director shall give notice of such declaration to the applicants, or applicant and patentee, as the case may be. The Board of Patent Appeals and Interferences shall determine questions of priority of the inventions and may determine questions of patentability. Any final decision, if adverse to the claim of an applicant, shall constitute the final refusal by the Patent and Trademark Office of the claims involved, and the Director may issue a patent to the applicant who is adjudged the prior inventor. A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved in the patent, and notice of such cancellation shall be endorsed on copies of the patent distributed after such cancellation by the Patent and Trademark Office.

## 37 C.F.R. §41.202(c)

Examiner. An examiner may require an applicant to add a claim to provoke an interference. Failure to satisfy the requirement within a period (not less than one month) the examiner sets will operate as

a concession of priority for the subject matter of the claim. If the interference would be with a patent, the applicant must also comply with paragraphs (a)(2) through (a)(6) of this section. The claim the examiner proposes to have added must, apart from the question of priority under 35 U.S.C. 102(g):

- (1) Be patentable to the applicant, and
- (2) Be drawn to patentable subject matter claimed by another applicant or patentee.

### Federal Circuit Rule 36

#### 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****A. Interference Proceedings in the Patent and Trademark Office**

1. On May 20, 2015, the Patent Trial and Appeal Board ("the PTAB") of the United States Patent and Trademark Office ("the USPTO") declared Interference Proceeding No. 106,025 ("the '025 interference") involving Petitioners' U.S. Patent 8,614,197 ("the '197 patent") and Respondents' application 11/631,637. App., *infra*, 1a-7a.
2. On April 27, 2015, *prior to* the declaration of the '025 interference, the Examiner contacted Respondents to discuss independent claim 12 of their application. App., *infra*, 11a. The Examiner proposed that, if Respondents' claims were amended to include a "white raphide", they would then be directed to patent eligible subject matter under 35 U.S.C §101. *Id.*
3. However, since the '025 interference was declared *prior to* the entry of the Examiner's proposed amendment to Respondents' claim 12, Respondents' claims corresponding to Count 1 did not include the limitation "white raphide". App., *infra*, 17a (claim 12 did not recite the limitation of "white raphide"). Therefore, Respondents' claims stood rejected as being directed to patent ineligible subject matter under 35 U.S.C. §101.
4. Simultaneously with the declaration of the '025 interference, the PTAB issued an Order to Show Cause, requiring Petitioners to show why Petitioners' claims corresponding to Count 1 should not be cancelled due to interference estoppel arising

from an earlier interference between the same parties (Interference Proceedings No. 105,982, "the '982 interference "). App., *infra*, 29a-30a. In Petitioners' Response to Order to Show Cause, Petitioners argued that Petitioners' claims should not be cancelled and further pointed out the lack of patentability of Respondents' claims. App., *infra*, 44a-47a. However, PTAB responded by stating that the patentability of Respondents' claims "is not relevant to the inquiry required by the Order to Show Cause." App., *infra*, 66a & n3. Petitioners were also forbidden from filing any motion. App., *infra*, 69a.

5. In its Judgment on August 31, 2015, PTAB ignored Petitioners' arguments on the lack of patentability of Respondents' claims, and ordered to cancel claims 1-10, 12-19, 21-25, 28, 30, 32, 33, 35, 40, 41, and 44-59 of the '197 patent based on interference estoppel. App., *infra*, 70-72a.
6. After the Federal Circuit's decision, Respondents' application resumed its *ex parte* prosecution within the USPTO. On June 1, 2017, the Examiner of Respondents' application contacted Respondents to memorialize the limitation regarding the "white raphide" form of the product as agreed during the April 27, 2015 Examiner Interview. App., *infra*, 73a; 11a. On June 15, 2017, a Notice of Allowance was issued. App., *infra*, 76a-99a. The Examiner and Respondents agreed to amend claim 12 to insert "(I), where the compound is in a white raphide crystalline form". App., *infra*, 98a. On July 14, 2017, Petitioners filed a Motion to Terminate Interference with PTAB to request that the '025 interference be terminated for lack of statutory basis. App., *infra*, 100a-148a.



Given that Respondents' claims involved in the '025 interference have been amended and are no longer pending, Petitioners submitted that all judgments ordering cancelation of claims of the '197 patent should be moot. App., *infra*, 109a-113a.

B. Appeal in the Court of Appeals for the Federal Circuit

1. On October 20, 2015, Petitioners filed an appeal against the PTAB's Judgment in the Court of Appeals for the Federal Circuit. In their Appeal Brief filed on January 19, 2016, Petitioners requested the PTAB's decision be reversed on two grounds: (1) there is no interference-in-fact because none of Petitioners' claims is anticipated by, or obvious in view of, Respondents' claim(s) and none of Respondents' claim(s) is anticipated by, or obvious in view of, Petitioners' claim(s). App., *infra*, 160a-163a; and (2) PTAB erred in not addressing the patentability issue of Respondents' claims and not declaring them unpatentable under 35 U.S.C. §101. App., *infra*, 163a-168a.
2. In their March 3, 2015 Appellees' Brief, Respondents were totally silent on the issue of patentability of their claims, but insisted that the real issue before the Federal Circuit is the PTAB's decision of cancelling Petitioners' claims based on interference estoppel. App., *infra*, 184a-186a., and argued that the patentability issue of their claims was irrelevant to the issues in the appeal. App., *infra*, 194a-195a.
3. Following the January 11, 2017 oral argument, the Federal Circuit issued its Judgment without opinion,

affirmed the PTAB's decision to cancel Petitioners' claims. App., *infra*, 198a-199a.

4. On February 27, 2017, Petitioners timely filed a combined petition for panel rehearing and for rehearing *en banc*, requesting: (1) reconsideration of whether the '025 interference should have been declared; and (2) a written opinion. App., *infra*, 211a-216a. A *per curium* order was issued on March 30, 2017 denying Petitioners' combined petition. App., *infra*, 222a-223a.
5. Accordingly, the mandate was scheduled to issue on April 6, 2017. Petitioners filed a motion to stay the issuance of the mandate on April 4, 2017. App., *infra*, 224a-238a. The Federal Circuit issued on April 12, 2017 a *per curium* order denying Petitioners' motion. App., *infra*, 239a-240a. A mandate was issued on April 13, 2017. App., *infra*, 241a.

#### C. Patentability Issues of Respondents' Claims

1. This Court has long held that laws of nature, natural phenomena, and abstract ideas are ineligible subject matters for patent protection. *See Association for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293 (2012)). When a claim is directed to nature-based product, central to the patent-eligibility inquiry is whether the nature-based product limitations provide the claimed subject matter "with markedly different characteristics from any found in nature". *See Myriad*, 133 S. Ct. at 2109 (quoting *Diamond v. Chakrabarty*, 447 U.S. 303, 310 (1980)).

2. To show a marked difference, a characteristic must be changed as compared to nature. *See Funk Bros. Seed Co. v. Kalo Inoculant Co.*, 333 U.S. 127, 130 (1948), and cannot be an inherent or innate characteristic of the naturally occurring counterpart. *Id.* Markedly different characteristics can be expressed as the product's structure, function, and/or other properties. For example, in *Chakrabarty*, the claimed subject matter was found patent eligible because genetically modified bacterium's ability to degrade hydrocarbons does not exist in nature. *Id.* In *Myriad*, while cDNA retains the naturally occurring exons of DNA, it differs from natural DNA by having the non-coding regions removed. As a result, cDNA is not a "product of nature" and is patent eligible under 35 U.S.C. §101.
3. Respondents' claims involved in the '025 interference are unpatentable under 35 U.S.C. §101 regardless of the "white raphide" limitation. App., *infra*, 163a-168a. Raphide, a needle-shaped crystal of calcium oxalate, is naturally occurring and commonly found in plants. When Respondents' claim 12 is amended to include a "white raphide", the claim is drawn to a mixture of two natural products – the compound with formula (I) and the needle-shaped crystal of calcium oxalate. As to patentability, neither Respondents nor PTAB produced evidence showing "markedly different characteristic(s)" in the mixture as compared to each of the compounds that exists in nature. App., *infra*, 165a-166a. Therefore, whether or not the "white raphide" limitation is included, Respondents' claims are unpatentable in view of *Myriad*, and should not be the basis for declaring an interference proceeding.

4. Notwithstanding the foregoing, the PTAB acknowledged that “raphide” is a needle-shaped crystal of calcium oxalate found in many plants, and noted that “[o]n the fact before us, we are not persuaded that a compound obtained by crystallizing an eluate of plant material is non-obvious over the naturally occurring plant material.” App., *infra*, 66a. Obviously, the PTAB has recognized the patentability issue of Yang’s claims but chose not to address the issue. Rather, the PTAB asserted that the patentability of Yang’s claims is not relevant to inquiry required by the Order to Show Cause. App., *infra*, 66a & n3.
5. Respondents’ application resumed its *ex parte* prosecution within the USPTO after the Federal Circuit’s decision. A Notice of Allowance was issued based on claims including the “white raphide limitation. App., *infra*, 76a-99a. Respondents paid the issue fee to have their patent issued on July 11, 2017. App., *infra*, 107a.

### **REASONS FOR GRANTING THE PETITION**

- A. This Court should review whether the PTAB must determine that a party’s claims are directed to patentable subject matter under 35 U.S.C. §101 as a threshold jurisdictional prerequisite to declaring an interference.

It is a long-standing precedent of this Court, and indeed the USPTO itself, that an interference should not be declared unless the claims of each of the parties are patentable to that party but for the interference. 35 U.S.C. §135 (pre-AIA) and 37 C.F.R. §41.202(c).

This Court has squarely held that “[t]he question as to patentability of claims to an applicant must be determined before any decision of interference arises and claims otherwise unpatentable to an applicant cannot be allowed merely in order to set up an interference.” *See Brenner v. Manson*, 383 U.S. 519, 528 n.12, 86 S.Ct. 1033, 1038 n.12, 16 L.Ed.2d 69 (1966).

The requirement that each party’s claims in an interference must be patentable as to that party has been described as a “threshold determination” by the Federal Circuit. *See Perkins v. Kwon*, 886 F.2d 325, 327. Thus, there is no room for the PTAB to exercise its discretion in this regard.

In the ‘025 interference, none of Respondents’ claims was deemed patentable to the Examiner at the time the interference was declared (*supra*). The June 15, 2017 Notice of Allowance (App., *infra*, 98a) is an incontestable evidence showing that Respondents’ claims without the “white raphide” limitation were not patentable to the Examiner. Therefore, the declaration of the ‘025 interference violated the statutory requirements and long-established precedents. The ‘025 interference should have been dismissed and all decisions arising therefrom should be moot.

The patentability of the claims is an absolute jurisdictional prerequisite to the declaration of an interference proceeding and cannot be disregarded by the PTAB or the Court. Contrary to *Perkins* and *Brenner*, the PTAB was made aware of the patentability issue and yet declined to squarely resolve the issue. Petitioners requested the Federal Circuit to review *en banc* whether the PTAB has a discretion to ignore the issue of patentability in conducting an interference proceeding. App., *infra*, 212a. Petitioners

also questioned whether interference estoppel trumps the prerequisite requirement to determine the patentability of claims prior to declaring an interference. App., *infra*, 213a. If interference estoppel prevails, this would undoubtedly contradict the statutory requirements and long-established precedents, since an interference could then be declared even when the involved claims are unpatentable. *Id.*

Thus, the PTAB erred as a matter of law in declaring and conducting an interference based on a patent application that has no patentable claim, and further erred in cancelling the claims of an issued patent in an improperly declared interference proceeding. This Court should grant the petition so that it can review whether the issue of patentability is an absolute prerequisite requirement for declaring an interference, and if not, to what extent the PTAB can exercise its discretion in this regard.

B. This Court should review whether the Federal Circuit must issue its mandate and opinion in appeals from USPTO's decisions under 35 U.S.C. § 144, irrespective of Fed. Cir. Rule 36.

It is a long-standing practice of the Federal Circuit to issue Judgments affirming decisions of the USPTO without a written opinion under Fed. Cir. Rule 36. However, 35 U.S.C. §144 explicitly requires that the Federal Circuit "shall issue to the Director its mandate and opinion, which shall ... govern the further proceedings in the case". As such, the Federal Circuit should not issue an affirmance without a written opinion.

Assuming that the Federal Circuit can issue an affirmance without opinion notwithstanding the requirements of 35 U.S.C. §144, it follows from the language of 35 U.S.C. §144 and Fed. Cir. Rule 36 that a written opinion should be provided (1) to the extent necessary to clarify the record and clarify what may happen in any further proceedings in the case in the USPTO; and/or (2) if the issue in question has sufficient precedential value.

This case meets both limbs and is therefore entitled to a written opinion.

This Case Requires a Written Opinion to Govern Further Proceedings within the USPTO

As detailed *supra*, this case involves a significant issue as to the patentability of Respondents' claims. The Federal Circuit affirms the PTAB's decision by issuing a summary judgment under Fed. Cir. Rule 36 and did not articulate a basis for affirmance.

A Rule 36 Judgment does no more than merely affirm the result of the PTAB's judgment. *See Rates Technology, Inc. v. Mediatrix Telecom, Inc.*, 688 F.3d 742 (Fed. Cir. 2012); *TecSec, Inc. v. International Business Machines Corp.*, 731 F.3d 1336 (Fed. Cir. 2013). It does not endorse or reject any specific part of the reasoning below. *Rates Technology*, at 750.

Even though the "white raphide" limitation was contemplated prior to the appeal before the Federal Circuit, there was disagreement during the appeal as to whether the limitation should be considered (*see for example*, App., *infra*, 163a-166a). The Federal Circuit's summary judgment under Rule 36 failed to provide any opinion at all.

Even if the Federal Circuit affirms the PTAB's conclusion in complete agreement, notwithstanding the requirement of 35 U.S.C. §144, its summary judgment gives no guidance to the parties and the USPTO on key issues of patentability that were left unresolved in the PTAB decisions yet necessary for disposal of this case.

First and foremost, without an explanatory written opinion, it cannot be assumed that the Federal Circuit affirms PTAB's conclusion on the basis of Respondents' claims having the "white raphide" limitation, or otherwise on the basis of Respondents' claims without such limitation.

Secondly, as discussed *supra*, Respondents' claim 12 is deemed allowable to the Examiner if it is amended to include the "white raphide" limitation.<sup>1</sup> App., *infra*, 98a. However, in the absence of guidance on patentability from the Federal Circuit, it is uncertain whether the Federal Circuit finds such limitation sufficient or not to impart a marked difference to the natural product as required by *Myriad* for patentability under 35 U.S.C. § 101. Clearly, this case demands an explanatory written opinion to guide the Examiner and Respondents' what amendment is required to resolve the issues of patentability on remand.

Further, since the "white raphide" limitation was not included in Respondents' claims in the '025 interference, it leaves the records confused as to whether the PTAB and Federal Circuit has treated Respondents' to include the "white raphide" limitation or not. A written opinion would definitely help to clarify the records. Issuance of a Rule 36 judgment in lieu of a

---

<sup>1</sup> Petitioners do not concede that the amended Respondents' claims recite patentable subject matter under 35 U.S.C. §101.



written opinion clearly contradicts the language and intent of 35 U.S.C. §144.

This Case has Precedential Value

Even if the Federal Circuit can issue an affirmance without opinion in appeals from the decisions of USPTO despite the language of 35 U.S.C. §144, this case is not a case of which “an opinion would have no precedential value”, thus not meeting the prerequisite requirement for issuing a Rule 36 Judgment.

As discussed *supra*, the ‘025 interference was declared and conducted by the PTAB in violation of the statutory requirements and long-established precedents. In the absence of a written opinion from the Federal Circuit, doubts remain as to whether this sort of PTAB’s practice is considered acceptable or contrary to the statute and precedents, and, if acceptable, under what circumstances. These issues likely entail significant practical implications on USPTO’s practice in handling interference proceedings. An opinion clarifying these issues would have a significant precedential value, thus this case deserves a written opinion rather than a Rule 36 Judgment.

Some practitioners and scholars observed that the Federal Circuit has relied heavily on Rule 36 Judgment in appeals taken from the USPTO, and worried that persistence of such practice may undermine legal certainty and consistency.<sup>23</sup> See also generally *Shore v Lee*.<sup>4</sup>

---

<sup>2</sup> Peter Harter and Gene Quinn, *Rule 36: Unprecedented Abuse at the Federal Circuit*, IPWatchdog (January 12, 2017), <https://www.ipwatchdog.com/2017/01/12/rule-36-abuse-federal-circuit/id=76971/>

The Federal Circuit has an exclusive jurisdiction to hear appeals from the USPTO's decisions and is expected to provide precedential opinion especially in cases where new or controversial issues arise, in order to give certainty in future proceedings and maintain consistency in the patent law. *See also* Professor Grouch " *Wrongly Affirmed Without Opinion* " (concluded that the Federal Circuit is required by 35 U.S.C. §144 to issue an opinion in appeals taken from the USPTO).<sup>5</sup>

"And, although the Federal Circuit sets precedential authority over all federal district courts (in patent matters), the USPTO does not have that authority. The collective result of this is that the Federal Circuit's judicial reasoning – even when affirming a PTO determination cancelling one or more patent claims – will likely be highly relevant to later cases involving the same or closely related inventions either in the US or abroad. The statute recognizes this by requiring the opinion be issued and placed in the publicly available patent file."<sup>6</sup>

"In many ways, the Federal Circuit is facing a crisis of public confidence based largely upon external changes to the legal landscape but

---

<sup>3</sup> Jason Rantanen, *Data on Federal Circuit Appeals and Decisions*, Patently-O (June 2, 2016), <https://patentlyo.com/patent/2016/06/circuit-appeals-decisions.html>

<sup>4</sup> *Shore v Lee*, 670 Fed. Appx. 716 (Fed. Cir. 2016), cert. denied (May 30, 2017) (No. 16-1240): Petition for a Writ of Certiorari, available at 2017 WL 1406097 (April 13, 2017).

<sup>5</sup> Dennis David Crouch, *Wrongly Affirmed Without Opinion*, Wake Forest Law Review, Vol. 52, 2017; University of Missouri School of Law Legal Studies Research Paper No. 2017-02 (2017)

<sup>6</sup> *Id.* p.23.

compounded by the court's masked jurisprudence – hidden in the large number of summary affirmances. 'Justice must not only be done, it must appear to be done.'<sup>120</sup> Opinions provide a major source of legitimacy for the court.<sup>121</sup> And hidden decisions create the risk of either sloppy or intentionally misguided actions as well as later inconsistent rulings on the same set of facts.<sup>122</sup> Furthermore, in the patent context, the public demands and is entitled to a decision that both settles the law at hand and that also declares the facts in a way that becomes part of the case file and that will guide later courts in interpreting the patent family. I have so much respect the members of this court. I hope they will use this opportunity to take the next step in the right direction."<sup>7</sup>

For the above reasons, this Court should review whether the Federal Circuit's practice to issue a Rule 36 Judgment in appeals taken from the USPTO contravenes 35 U.S.C. §144, regardless of whether or not a written opinion is needed to govern future proceedings within the USPTO; and if the answer is negative, this Court should clarify to what extent the Federal Circuit can act within its discretion in (1) determining whether an opinion is precedential or non-precedential; and (2) issuing a Rule 36 Judgment even in cases where the Court's judicial reasoning would guide the public, petitioners, the USPTO and also lower Courts in future cases.

---

<sup>7</sup> *Id.* p.28 (*citation omitted*).

C. This Court should review whether interference proceedings violate Article III and the Seventh Amendment of U.S. Constitution.

The Seventh Amendment guarantees a right to jury trial in suits at common law. This Court has historically held that the only authority competent to set aside a patent is vested in Article III courts, and not in the USPTO. See generally *McCormick Harvesting Machine Co. v. Aultman*, 169 U.S. 612 (1898); *United States v American Bell Telephone Co.*, 128 U.S. 315 (1888). “The only authority competent to set a patent aside, or to annul it, or to correct it for any reason whatever, is vested in the courts of the United States, and not in the department which issued the patent.” *McCormick*, 169 U.S. at 608-09. “The patent, then, is not the exercise of any prerogative or discretion by the President or by any other officer of the government, but it is the result of a course of proceeding, quasi judicial in its character, and is not subject to be repealed or revoked by the President, the Secretary of Interior, or the Commissioner of Patents, when once issued.” *Am. Bell Telephone Co.*, 128 U.S. at 363. “The Patent Office cannot revoke a patent once issued.” *Minnesota Mining & Manufacturing Company*, 145 F.2d 25 at 27 (D.C. Cir. 1944).

The jurisdictional authority of the USPTO to invalidate the claims of issued patents started to come under increasing scrutiny following this Court’s decision in *Stern v Marshall*, 564 U.S. 462 (2011), which held that adjudication of a cause of action at common law where the action neither derives from nor depends on any agency regulatory regime involves “the most prototypical exercise of judicial power”, and “such an

exercise of judicial power may [not] be taken from the Article III Judiciary simply by deeming it part of some amorphous ‘public right’.” *Stern v. Marshall*, 564 U.S. 462 at 494-495 (held that the Bankruptcy Court lacked the constitutional authority to enter a final, binding judgment on counterclaims for tortious interference with a gift).

Patent rights litigated between private parties, either in the invalidity context or infringement context, have long been regarded as private rights and do not fall within the scope of the public rights exception to Article III review. This Court held, as a general rule, that Congress may not “withdraw from judicial cognizance any matter which, from its nature, is the subject of a suit at the common law, or in equity, or admiralty.” *Murray’s Lessee v. Hoboken Land & Improvement Co.*, 59 U.S. 272 at 284 (1855); cited in *Stern*, 564 U.S. 462 at 484. In *Granfinanciera*, this Court held that “[i]f a statutory right is not closely intertwined with a federal regulatory program Congress has power to enact, and if that right neither belongs to nor exists against the Federal Government, then it must be adjudicated by an Article III court.” *Granfinanciera, S.A. v. Nordberg*, 492 U.S. at 54-55 (1989).

Interference proceedings are *inter partes* proceedings for the USPTO to determine issues of priority of an invention between private parties. Yet, Congress empowered the USPTO to invalidate issued patents by 35 U.S.C. §135 (pre-AIA). It thus follows from the Constitution and in-force precedents that the

USPTO, a non-Article III tribunal, has exceeded its constitutional authority to cancel the claims of issued patents through administrative proceedings and without a jury trial. *Supra*.

In a similar context, the jurisdictional authority of the USPTO to cancel the claims of issued patents and the institution of Inter Partes Review (IPR) proceedings has been challenged. IPR proceedings are one type of the AIA-proceedings in which the USPTO invalidates the claims of issued patents based on new documentary evidence not considered when USPTO granted the patents. The question of constitutionality of IPR proceedings has been raised before the Federal Circuit in a number of occasions leading to conflicting decisions.<sup>8</sup> This Court recently granted the Petition for

---

<sup>8</sup>In *MCM Portfolio LLC v. Hewlett-Packard Company*, 812 F.3d 1284, 1289, (Fed. Cir. 2015), the Federal Circuit upheld the constitutionality of IPR proceedings, held that patents are a public right and therefore the Board's authority to adjudicate the validity of issued patents in IPR proceedings are not unconstitutional under Article III or the Seventh Amendment right to a jury trial. In *Cascades Projection v. Epson America*, No. 2017-1517, 2017-1518, (Fed. Cir. 2017), the Federal Circuit has denied (by a vote of 10-2) *Cascades'* petition for hearing *en banc* inviting the full court to resolve the conflicts between *MCM* and long-standing precedents in this Court. Judge Reyna and Judge O'Malley filed separate dissents, believe that the Court should address the conflicting cases. "By its inaction today, the court ignores the plain language of binding Supreme Court precedent. It ignores whether to continue to allow a 2-year-old panel decision to supplant a 120-year-old Supreme Court holding, and it overlooks an irreconcilable divide in our panel decisions. The relationship between patent statutes and constitutional provisions is an exceptionally important issue this court, in particular, should address." (Judge Reyna); and "MCM might be at odds with long-standing Supreme Court

Writ of Certiorari in *Oil States Energy Services, LLC v Greene's Energy*, No. 16-712 (June 12, 2017) to review the question of constitutionality of IPRs.

Given the significant implications on interference proceedings and AIA-proceedings, this Court should resolve the conflicting decisions of the precedents, and clarify whether final adjudications of patent validity can only occur in Article III trial courts rather than the USPTO.

### CONCLUSION

For the foregoing reasons, the petition should be granted.

Respectfully submitted,

ALBERT WAI-KIT CHAN  
*Counsel of Record*  
LAW OFFICES OF ALBERT  
WAI-KIT CHAN, PLLC  
World Plaza, Suite 604, 141-07  
20th Avenue  
Whitestone, NY 11357  
(718) 799-1000  
chank@kitchanlaw.com

---

precedent, I believe we should take this opportunity to reconsider our decision." (Judge O'Malley).

**BLANK PAGE**