UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

In re: Google LLC	Appeal No. 2022-1611

USPTO DIRECTOR'S UNOPPOSED MOTION FOR REMAND

Appellee, Director of the United States Patent and Trademark Office, respectfully moves to remand this case to the USPTO to permit further proceedings before the agency. Counsel for Appellant Google indicates that Google does not oppose this motion and does not intend to file a response.

This is an appeal from the Board's decision affirming the Examiner's rejection of claims 1-4 and 9-12 of U.S. Patent Application No. 15/487,516. Specifically, the Examiner found that claims 1-3 and 9-11 were anticipated by Lu,[1] and that claims 4 and 12 would have been obvious in view of Lu. Representative claim 1 recites:

> A method comprising:
>
> generating, by a processor in response to instructions stored on a non-transitory computer readable medium, a decoded current block by decoding an encoded current block, wherein decoding the encoded

[1] U.S. Patent Application Publication No. 2014/0010295.

current block includes adaptive composite intra-prediction, and wherein adaptive composite intra-prediction includes:

> [L1] in response to a determination that a first prediction pixel from a first block immediately adjacent to a first edge of the encoded current block is available for predicting a current pixel of the encoded current block:
>
> [L2] determining whether a second prediction pixel from a second block immediately adjacent to a second edge of the encoded current block is available for predicting the current pixel, wherein the second edge is opposite the first edge; and
>
> [L3] in response to a determination that the second prediction pixel is available, generating a prediction value for the current pixel based on at least one of the first prediction pixel or the second prediction pixel;
>
> generating a reconstructed pixel corresponding to the current pixel based on the prediction value; and
>
> including the reconstructed pixel in the decoded current block; and
>
> outputting or storing the decoded current block.

ECF No. 1-2 (Board's Decision on Appeal).

In affirming the Examiner's rejection, the Board found that certain limitations (designated above as L1, L2, and L3) in representative claim 1 are conditional limitations. The Board therefore applied the precedential decision in *Ex Parte Schulhauser*, 2016 WL 6277792 (PTAB Apr. 28, 2016) in analyzing the claim. The Board held that, under *Schulhauser*, "the Examiner need not present evidence of the anticipation of any of the disputed conditional method steps,

because they are not required to be performed under the broadest reasonable interpretation" of claim 1. ECF No. 1-2.

Upon review, and under the specific facts of this case, the Director acknowledges that the Board erred in designating L1 and L2 as conditional limitations governed by *Schulhauser* because such a reading would be inconsistent with the specification, which teaches that for every embodiment a first prediction pixel is available and a determination of whether a second prediction pixel is available is made.[2] On remand, the Board will consider whether *Schulhauser* applies to any claim limitations outside of L1 and L2. To the extent that the Board applies *Schulhauser*, the Board will also separately review the Examiner's anticipation and obviousness rejections based on Lu, giving weight to all claim limitations.

Under this Court's precedent, remand is appropriate in instances when an agency admits error in its decision. *SKF USA Inc. v. United States*, 254 F.3d 1022, 1029 (Fed. Cir. 2001). Other courts take a similar view. *See, e.g.*, *Citizens Against the Pellissippi Parkway Extension, Inc. v. Mineta*, 375 F.3d 412, 416 (6th Cir. 2004) ("[W]hen an agency seeks a remand to take further action consistent with

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[2] Under the broadest reasonable interpretation, the Board must provide "an interpretation that corresponds with what and how the inventor describes his invention in the specification, *i.e.*, an interpretation that is 'consistent with the specification.'" *In re Smith Int'l, Inc.*, 871 F.3d 1375, 1383 (Fed. Cir. 2017) (citation omitted).

correct legal standards, courts should permit such a remand in the absence of apparent or clearly articulated countervailing reasons."); *Ethyl Corp. v. Browner*, 989 F.2d 522, 524 (D.C. Cir. 1993) (stating that the court "commonly grant[s] such [remand] motions, preferring to allow agencies to cure their own mistakes rather than wasting the courts' and the parties' resources reviewing a record that both sides acknowledge to be incorrect or incomplete.").

This case is in an early stage, as Google has not yet filed an opening brief. The Director believes that it is in the best interests of the parties and the Court to remand this case for further proceedings before the Board. *See, e.g.*, *In re Gould*, 673 F.2d 1385, 1387 (CCPA 1982) (after the Commissioner informed the Court that the USPTO would enter a new rejection of the sole claim on appeal, the Court remanded the case, finding that "[j]udicial economy dictates granting a remand"); *In re Koninklijke Philips, N.V.*, No. 19-1162, ECF No. 18 (Fed. Cir. Apr. 24, 2019) (finding that a remand "would best serve judicial economy" when the USPTO acknowledged an error in the Board's rehearing decision). The USPTO's request for remand is not frivolous or in bad faith, and the USPTO's concern about the Board's decision in this case is substantial and legitimate.

Because this motion, if granted, would terminate the appeal, the time to serve and file the next brief due is suspended. *See* Fed. Cir. R. 31(c).

CONCLUSION

Accordingly, the Director respectfully requests that this Court remand this appeal to permit further proceedings before the Board.

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

I hereby certify that the foregoing motion complies with the type volume limitation. The total number of words in the foregoing motion is 877, as calculated by Microsoft Word 2019.

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