

**BRIDGING THE GAP BETWEEN THE  
FEDERAL COURTS AND THE UNITED  
STATES PATENT & TRADEMARK  
OFFICE: THE JOURNAL OF SCIENCE  
AND TECHNOLOGY LAW  
SYMPOSIUM**

**ACCEPTANCE INSTEAD OF DENIAL: PRO-APPLICANT  
POSITIONS AT THE PTO**

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ABSTRACT

*In Medicines Co. v. Hospira, Inc., 827 F.3d 1363 (Fed. Cir. 2016) (en banc), the United States filed an amicus brief, signed by the U.S. Patent and Trademark Office's (PTO) Solicitor and attorneys in the Department of Justice, in support of the plaintiff-appellant. Among other things, the government argued that secret sales should not trigger the on-sale bar within the meaning of § 102 of the Patent Act applying to patents governed by the regime prior to the Leahy-Smith America Invents Act. While government amicus filings in patent infringement cases are not uncommon, this brief is notable because it explicitly disavowed case law that is both binding on the PTO and unfavorable to*

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patent applicants. In fact, the government acknowledged that the Manual of Patent Examining Procedure “reflects decisions of this Court and other courts concluding that the on-sale bar applies to secret as well as public sales,” but argued that “those decisions are incorrect.” Put simply, the government does not like a controlling rule that makes it easier for PTO examiners to reject patent claims.

In this Essay, I ask what should happen if the PTO’s disagreement with binding law that disfavors patent applicants became developed not in an amicus brief filed in a litigated case, but in the course of an appeal of a rejection of an inventor’s desired claims during *ex parte* patent prosecution. Can the PTO Director join the disappointed applicant in urging the Court of Appeals for the Federal Circuit to convene *en banc* to change its precedent, or even support the applicant’s petition for a writ of certiorari in the Supreme Court? I argue that such a move would be neither unreasonable nor unprecedented for an agency, and that the PTO should probably make it more often. To be sure, PTO decisions to take the applicant’s side could generate concerns about capture, effects on third parties, and the preservation of an adversarial presentation of issues for adjudication. Nonetheless, as I show in this Essay, these challenges are not insurmountable. More importantly, the Director’s well-considered conclusion, reached in consultation with other players in the Executive Branch, that a panel of the Federal Circuit decided a case incorrectly might be quite valuable to decision-makers even when the rule in question happens to be contested during an applicant’s appeal of a rejection of his or her claims. Indeed, in addition to its amicus filings, the PTO has repeatedly taken active stances on important questions of patent law as a party challenging the Federal Circuit’s pro-patentee decisions in the Supreme Court. I argue that, given the PTO’s demonstrated willingness and capacity to develop well-articulated positions on legal issues and its role as a steward of the public interest, the government might also consider abandoning anti-applicant positions when challenges to the PTO’s claim rejections reach the highest levels of appeal.

#### INTRODUCTION

The U.S. Patent and Trademark Office (PTO) is charged with the task of examining patent applications and, if the claims desired by the inventor fail to meet any requirement of patentability, patent examiners must reject them.<sup>1</sup> In doing their work, the examiners must apply the governing case law interpreting various patentability provisions of the Patent Act. The same is true for the Patent Trial and Appeal Board (PTAB), a PTO tribunal that reviews examiners’ decisions when applicants appeal them, and also makes first-instance adjudica-

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<sup>1</sup> See 35 U.S.C. § 2(a)(1) (2012).

tions in various post-issuance proceedings, such as inter partes review.<sup>2</sup> The law that the PTO must apply is set down by the Court of Appeals of the Federal Circuit, the court with exclusive jurisdiction over appeals from PTAB decisions<sup>3</sup>—and, of course, by the Supreme Court of the United States.<sup>4</sup> In other words, interpretations of the Patent Act by these appellate courts bind the PTO.

At first glance, the PTO appears to be merely a bureaucratic arm of the Executive Branch tasked with carrying out the law as it has been set down by Congress and the courts. Indeed, the PTO generally lacks substantive rulemaking authority,<sup>5</sup> a reality that might reinforce the perception that the PTO does not get involved in developing the law, but simply applies it.<sup>6</sup> But this is clear-

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<sup>2</sup> *Id.* § 6; *see id.* § 311 (setting forth the basis for inter partes reviews); *see also id.* § 321 (setting forth the basis for post-grant reviews, another type of post-issuance proceeding).

<sup>3</sup> *See* 28 U.S.C. § 1295(a)(4)(A) (2011); 35 U.S.C. § 144 (2002). The Federal Circuit also has exclusive jurisdiction over appeals from district court judgments in patent cases, 28 U.S.C. § 1338(a) (2011), and the resulting appellate decisions, if precedential, likewise bind the PTO. *Cf.* Jonathan Masur & Lisa Larrimore Ouellette, *Deference Mistakes*, 82 U. CHI. L. REV. 643, 689-97 (2015) (contending that the PTO's application of Federal Circuit decisions resolving district court appeals is prone to mistakes based on the fact that the presumption of patent validity attaches in district court litigation, but not in PTO proceedings).

<sup>4</sup> The PTO likewise follows the law of the Court of Customs and Patent Appeals (CCPA), the Federal Circuit's predecessor court—and the Federal Circuit has adopted CCPA cases as binding precedent. *S. Corp. v. United States*, 690 F.2d 1368, 1369-70 (Fed. Cir. 1982) (en banc). The PTO might sometimes also follow patent case law of the regional circuits in decisions predating the creation of the Federal Circuit in 1982, to the extent that law does not conflict with Federal Circuit law.

<sup>5</sup> *Merck & Co. v. Kessler*, 80 F.3d 1543, 1549-50 (Fed. Cir. 1996) (concluding that 35 U.S.C. § 6(a) “does NOT grant the Commissioner the authority to issue substantive rules”) (emphasis in original) (citations omitted); *see also* *Brand v. Miller*, 487 F.3d 862, 869 n.3 (Fed. Cir. 2007) (explaining that adjudications by the Board of Patent Appeals and Interferences, the predecessor of the PTAB, are not entitled to *Chevron* deference). Thus, the received wisdom is that there is no court deference to the PTO's substantive rulemaking or adjudication. *See generally* Kali Murray, *First Things, First: A Principled Approach to Patent Administrative Law*, 42 J. MARSHALL L. REV. 29 (2009). The Leahy-Smith America Invents Act, Pub L. No. 112-29, 125 Stat. 284 (2011) [hereinafter AIA], however, appears to have changed that for certain PTO decisions during post-issuance proceedings. *See* *Cuozzo v. Lee*, 136 S. Ct. 2131, 2142-43 (2016) (suggesting that the PTO's rulemaking authority is not limited to procedural regulations).

<sup>6</sup> John R. Thomas, *Liberty and Property in the Patent Law*, 39 HOUS. L. REV. 569, 614-15 (2002) (“The Patent Office obviously receives much authority under the Patent Act, but its capabilities fall far short of most federal administrative agencies. The role of the Patent Office in the patent system is surprisingly limited. Its principal task is to facilitate the grant of patents.”) (citations omitted). *But cf.* Jonathan S. Masur, *Regulating Patents*, 2010 SUP. CT. REV. 275, 322 (contending that the PTO should have substantive rulemaking authority); Sarah Tran, *Patent Powers*, 25 HARV. J. LAW & TECH. 609, 640 (2012) (similar); *see also*

ly not always the case: The PTO occasionally petitions the Supreme Court to reverse the Federal Circuit's decisions directing the agency to allow a patent, thereby disagreeing with binding precedent.<sup>7</sup> Indeed, as a litigation opponent of patent applicants (and, in post-issuance proceedings, both as an arbiter and a potential opponent of patentees and sometimes of petitioners seeking to invalidate patents), the PTO has played a significant role in the development of patent law<sup>8</sup>—by challenging the Federal Circuit or by taking positions on issues of first impression.<sup>9</sup> In many of these cases, the PTO and other players in the Executive Branch have collectively made reasoned legal and policy judgments that certain kinds of patents should not be allowed.<sup>10</sup> And, as noted above,<sup>11</sup> if the agency's efforts were thwarted by the Federal Circuit, the Director of the PTO has sometimes sought relief from the Supreme Court to reinstate the government's interpretation.

More interestingly, the Director sometimes files *amicus curiae* briefs disa-

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Sarah Tran, *Policy Tailors and the Patent Office*, 46 U.C. DAVIS L. REV. 487, 523 (2012). The PTO does have rulemaking authority with respect to its procedures. See Joseph S. Miller, *Substance, Procedure, and the Divided Patent Power*, 63 ADMIN. L. REV. 31, 32-33 (2011) (“It is settled that Congress has given the Patent Office the power to issue procedural rules for patent examination at the Office, not substantive rulemaking power of the sort federal agencies typically possess.”). But even without substantive rulemaking authority, the PTO can still affect the interpretation of the Patent Act by being the first to decide issues of first impression. See John M. Golden, *Working Without Chevron: The PTO as Prime Mover*, 65 DUKE L.J. 1657, 1668 (2016) [hereinafter Golden, *Prime Mover*]; see also John M. Golden, *The USPTO's Soft Power: Who Needs Chevron Deference?*, 66 SMU L. REV. 541 (2013).

<sup>7</sup> See *infra* notes 116-120 and accompanying text.

<sup>8</sup> See, e.g., *Gottschalk v. Benson*, 409 U.S. 63, 71-73 (1972) (convincing the Supreme Court that, contrary to CCPA precedent, bare mathematical algorithms are not patent-eligible); *Brenner v. Manson*, 383 U.S. 519, 534 (1966) (convincing the Supreme Court that, contrary to CCPA precedent, chemical compounds used only for research fail the utility requirement); see also *Cuozzo*, 136 S. Ct. 2131 (obtaining an affirmance of a split Federal Circuit decision that had upheld the PTO's position on claim construction during post-issuance proceedings, and also prevailing on the argument that certain PTO decisions are unappealable); *SAS Inst., Inc. v. ComplementSoft, LLC*, 825 F.3d 1341 (Fed. Cir.), *reh'g en banc denied*, 842 F.3d 1223 (Fed. Cir. 2016), *cert. granted sub nom.* *SAS Inst., Inc. v. Lee*, 2017 WL 468440 (U.S. May 22, 2017) (No. 16-169) (seeking to maintain its dubious practice of issuing written decisions on only some, instead of all, of the claims challenged during inter partes review, thereby permitting such claims to be challenged again in district court proceedings rather than enabling a statutory estoppel to be triggered).

<sup>9</sup> See Golden, *Prime Mover*, *supra* note 6 at 1668.

<sup>10</sup> However, the PTO's positions in defending the PTAB's decisions in recent years may also be explained by the public choice model, which perhaps reflects a less salutary development. See *infra* notes 124-137 and accompanying text.

<sup>11</sup> See *supra* note 8 and accompanying text.

greeing with binding law in a way that advances a position that would make it *easier* for examiners to allow more patents. Such filings, to be sure, are rare and typically involve significant input from other Executive Branch actors. The brief I discuss in Part I was signed not just by the PTO's own top lawyer, but also by attorneys at the Department of Justice (DOJ).<sup>12</sup> Moreover, any government filing in the Supreme Court in a patent case, be it pro- or anti- patentee, must normally be signed by the Solicitor General of the United States (SG).<sup>13</sup> But the bottom line is that the PTO sometimes disagrees even with precedent that is against patent applicants. While the government's "pro-patent" views in amicus filings have not always prevailed in the courts,<sup>14</sup> they appear to be well-considered and reflective of good-faith views of the PTO Director (and other players in the Executive Branch) on how particular provisions the Patent Act are to be interpreted. More importantly, these instances confirm that it is not unusual for the PTO and its various attorneys to play an active role in the development of patent law, even when that means arguing that the law directing its examiners to make rejections is wrong.

In this Essay, I contend that this kind of activism is not a bad thing. Indeed, I believe that the PTO should, in the occasional case, take the applicant's position even when the agency is not an amicus, but is instead the applicant's adversary on appeal. In other words, the PTO should sometimes consider refusing to defend PTAB decisions that hold claims unpatentable under binding Federal Circuit precedent. The goal here is not to get the PTO to "switch sides"

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<sup>12</sup> See *infra* Part I.

<sup>13</sup> As Professor John Duffy has shown, the Supreme Court holds the SG's views (in general, but in patent cases in particular) in high regard, and has often followed the SG's recommendations in cases in which the SG had disagreed with the Federal Circuit. See John F. Duffy, *The Federal Circuit in the Shadow of the Solicitor General*, 78 GEO. WASH. L. REV. 518, 538 (2010). And, with rare exceptions, the SG signs all government briefs filed in the Supreme Court. See generally Neal Devins, *Unitariness and Independence: Solicitor General Control over Independent Agency Litigation*, 82 CALIF. L. REV. 255, 283 (1994). Finally, the SG must typically approve an agency decision to file a petition for rehearing en banc in intermediate appellate courts. See Al Daniel, *The Role of DOJ's Appellate Staffs in the Supreme Court and in the courts of appeals*, SCOTUSBLOG, (Dec. 12, 2012, 11:03 AM), <http://www.scotusblog.com/2012/12/the-role-of-doj-appellate-staffs-in-the-supreme-court-and-in-the-courts-of-appeals> [<https://perma.cc/YF7B-V7R7>].

<sup>14</sup> See, e.g., *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 89 (2012) (rejecting the government's approach to § 101); *Meds. Co. v. Hospira, Inc.*, 827 F.3d 1363 (Fed. Cir. 2016) (en banc) (rejecting the government's approach to pre-AIA § 102(b), though without specifically mentioning its argument on this point). For an example of a case in which the Supreme Court firmly rejected the SG's view on an issue of patent infringement, see *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920, 1926-28 (2015). In this Essay, however, I focus on the government's stances in cases dealing with patent validity, as infringement issues do not directly implicate the PTO's responsibilities.

so as to strengthen patent rights.<sup>15</sup> Instead, I maintain that the patent system and the courts might benefit from the agency's considered views—developed, of course, in combination with other Executive Branch actors—on objectively correct interpretations of the law, independent of the case's specific posture.<sup>16</sup> Thus, even in the absence of rulemaking authority,<sup>17</sup> the PTO might use a case in which its examiners must reject the inventor's claims under controlling law as an opportunity to leverage its expertise to advocate against a Federal Circuit panel decision that the agency considers to be incorrectly decided.

The adversarial relationship between the agency and the inventor in such a case might militate against a pro-applicant stance. Nevertheless, I contend that the PTO's exercise of judgment that the Federal Circuit (and perhaps, even the PTAB)<sup>18</sup> got the law wrong might still be valuable enough to the courts and the public so as to justify abandoning an anti-applicant posture on appeal—as long as there is someone else who can step up to defend the agency's decision. I explain in this Essay that, while the government should not pursue this strategy in a routine case, in general the decision to switch sides to support the applicant's position would be neither unprecedented in Executive Branch practice, nor unhealthy for the patent system if the PTO Director genuinely believes that he or she is interpreting the Patent Act in a way that is more accurate than a panel of the Federal Circuit.<sup>19</sup> Accordingly, I maintain that the PTO, in its role as a steward of the public interest, should consider taking the applicant's side more often. I begin, however, with examples in which the agency has already done so in an indirect way—*i.e.*, when it took a stance against binding precedent, and in favor of patent validity, as an amicus.

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<sup>15</sup> Indeed, in an appropriate case in a post-issuance proceeding, the PTO might consider joining the aggrieved petitioner, thereby switching sides to take an *anti*-patent view. *See infra* note 131 and accompanying text.

<sup>16</sup> In this Essay, I am agnostic with respect to whether this course of action by the PTO will result in the “correct” number and scope of patents from a pure policy perspective. *Cf. infra* note 114 and accompanying text (explaining that the dynamics of appeals form PTO decisions can lead to expansion of patent rights). Instead, I assume that there might be objectively correct interpretations of Supreme Court precedent (and of governing statutes), and that the PTO should sometimes pursue those interpretations when the Director concludes that the Federal Circuit got the law wrong, even when the PTO is adverse to the applicant. *See infra* note 94 and accompanying text. For an extended example, see *infra* Part V.

<sup>17</sup> *See supra* notes 5-6 and accompanying text.

<sup>18</sup> On the PTAB point, see *infra* note 137 and accompanying text.

<sup>19</sup> Similarly, if the issue is one of first impression, the government might consider, on appeal, supporting an interpretation contrary to that of a PTAB panel. *Cf.* Aaron Saiger, *Agencies' Obligation to Interpret the Statute*, 69 VAND. L. REV. 1231, 1272 (2016) (addressing a similar issue in the context of statutory interpretation by agencies that are entitled to *Chevron* deference).

I.

Consider the government's role in *Medicines Co. v. Hospira, Inc. (MedCo)*, a case decided last year by the en banc Federal Circuit.<sup>20</sup> In *MedCo*, the court dealt with the so-called "on sale" provision in the previous version of the Patent Act.<sup>21</sup> This provision was codified in 35 U.S.C. § 102(b), which stated that "[a] person shall be entitled to a patent unless . . . the invention was . . . in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States."<sup>22</sup> The central issue in *MedCo* was whether a patentee's contract with an external supplier to manufacture the material embodying the patented invention triggered the on-sale bar.<sup>23</sup> But an additional question raised in *MedCo* was the effect, if any, of the confidential nature of the transaction between the patentee and the supplier on the on-sale bar calculus.<sup>24</sup>

Responding to the court's invitation, the United States filed an amicus brief in support of MedCo, the patentee and plaintiff-appellant. The brief was signed by the head of the DOJ's Civil Division and other members of the DOJ's civil appellate staff, as well as by the Acting Solicitor of the PTO and several of the agency's Associate Solicitors.<sup>25</sup> Of most interest for present purposes was the government's position on secret sales and other confidential transactions. The Manual of Patent Examining Procedure (MPEP), which distills governing statutes and case law and thereby sets forth the legal rules that patent examiners must follow, notes plainly that "there may be a nonpublic, e.g., 'secret,' sale or offer to sell of an invention which nevertheless constitutes a statutory bar."<sup>26</sup> But the United States disagreed with this governing law.<sup>27</sup> Its brief acknowledged that "[t]he MPEP's discussion of . . . section 102(b) reflects decisions of [the Federal Circuit] and other courts concluding that the on-sale bar applies to secret as well as public sales," but noted that "[f]or the reasons we explain,

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<sup>20</sup> 827 F.3d 1363, 1365 (Fed. Cir. 2016) (en banc).

<sup>21</sup> *Id.* ("Today, we consider the circumstances under which a product produced pursuant to the claims of a product-by-process patent is 'on sale' under 35 U.S.C. § 102(b).").

<sup>22</sup> 35 U.S.C. § 102(b) (2012). Although this section was amended by the AIA, the patent at issue in *MedCo* fell under the pre-AIA regime. *MedCo*, 827 F.3d at 1372 n.1.

<sup>23</sup> *MedCo*, 827 F.3d at 1369-70.

<sup>24</sup> *Id.* at 1370.

<sup>25</sup> En Banc Brief for the United States As Amicus Curiae in Support of Appellant, *MedCo*, 827 F.3d 1363 (Nos. 2014-1469, 2014-1504), <https://patentlyo.com/media/2016/03/US-Amicus-Brief.pdf> [<https://perma.cc/KN9U-QSJY>].

<sup>26</sup> UNITED STATES PATENT AND TRADEMARK OFFICE, MANUAL OF PATENT EXAMINING PROCEDURE § 2133.03(b)(III)(A) (9th ed. Rev. 7, Nov. 2015) [hereinafter MPEP].

<sup>27</sup> The disagreement was clear both in the government's amicus brief, and during oral argument in *MedCo*.

those decisions are incorrect.”<sup>28</sup>

As noted earlier, the fact that the PTO Director, in his or her reasoned judgment, would challenge the law set forth by the Federal Circuit is not particularly remarkable.<sup>29</sup> Such disagreements come to the fore, for example, every time the agency files a petition for writ of certiorari<sup>30</sup> in the Supreme Court seeking to reverse a Federal Circuit ruling siding with the patent applicant.<sup>31</sup> This happens with some frequency—and, indeed, PTO Directors “beat” both the Federal Circuit and its predecessor court<sup>32</sup> by obtaining reversals from the Supreme Court in a number of very high-profile cases over the years.<sup>33</sup> But what seems interesting about the government’s views in *MedCo* is its forceful articulation of an “anti-Federal Circuit” position that is *in favor of*, rather than against, patent applicants.<sup>34</sup> Of course, the government made its filing in this case as an amicus, not as a party. Nonetheless, the PTO Solicitor’s signing of the brief makes clear that the Director disagrees with the law compelling the agency’s examiners (and the PTAB) to reject an inventor’s patent over secret sales. In other words, had *MedCo* been an applicant rather than a plaintiff asserting an issued patent, the PTO would have had to deny *MedCo*’s claims under the case law that it had determined to be incorrect.

There is no doubt that individual government officials frequently find themselves having to enforce laws with which they personally disagree. But this is different. Here, an agency head, in consultation with the agency’s lead lawyer

<sup>28</sup> En Banc Brief for the United States, *supra* note 25, at 17 n.8 (citing MPEP § 2133.03(b)(III)(A) (citing *Hobbs v. United States*, 451 F.2d 849 (5th Cir. 1971), “for the proposition that ‘public’ modifies only ‘use’ and not ‘on sale’”)).

<sup>29</sup> See *supra* note 8 and accompanying text.

<sup>30</sup> Throughout the Essay, I occasionally refer to “petition for a writ of certiorari” by the colloquial phrase “cert petition.”

<sup>31</sup> For that matter, the PTO Director effectively expresses disagreement with a Federal Circuit panel by petitioning the full court to suggest taking a case en banc—although this is fairly rare. The most notable example is probably the PTO’s petition for rehearing en banc in *In re Zurko*, 111 F.3d 874 (Fed. Cir. 1997), *aff’d en banc*, 142 F.3d 1447 (Fed. Cir. 1998), *rev’d sub nom. Dickinson v. Zurko*, 527 U.S. 150 (1999). In *Zurko*, the Director lost before the full Federal Circuit, but ultimately prevailed at the Supreme Court, on the issue whether the Administrative Procedure Act governs the level of deference that the Federal Circuit must give to the PTO’s fact findings. 527 U.S. at 160. For a critical analysis of this case, see Orin S. Kerr, *Rethinking Patent Law in the Administrative State*, 42 WM. & MARY L. REV. 127 (2000).

<sup>32</sup> See *supra* note 4 and accompanying text.

<sup>33</sup> See, e.g., *Zurko*, 527 U.S. 150; *Parker v. Flook*, 437 U.S. 584 (1978); *Gottschalk v. Benson*, 409 U.S. 63 (1972); *Brenner v. Manson*, 383 U.S. 519 (1966). See generally Duffy, *supra* note 13. For a recent unsuccessful attempt by the PTO to get the Supreme Court to overturn the Federal Circuit, see *Kappos v. Hyatt*, 566 U.S. 431, 438 (2012).

<sup>34</sup> See *supra* note 28 and accompanying text.



and other attorneys in the Executive Branch, concluded in view of Supreme Court precedent that the appellate courts have taken an unduly restrictive view of patent rights. If, instead of a patent infringement case, *MedCo* were an appeal that the Federal Circuit was asked to rehear en banc after a panel decision affirming the PTO's rejection of an inventor's claims, what would the government's options be? Could the PTO actually join the applicant in asking the Federal Circuit to establish new, more patentee-friendly precedent—and, failing that, even support his or her cert petition asking the Supreme Court to overturn the Federal Circuit's rule?

As I noted in the Introduction, there would be nothing unprecedented about such a move, and it would probably be desirable from a public interest perspective for the PTO to take a pro-applicant position in a carefully selected case. This is because the PTO is not a patent-rejection agency, but an important arm of the Executive Branch with relevant knowledge and ability to form independent views on patentability that might vary from that of a panel of the Federal Circuit. As Professor John Duffy argued in an important article, “[p]atent cases are typically complex, and the PTO . . . has both great expertise in the patent system and a significant interest in assuring the system's proper functioning.”<sup>35</sup> Between the Director, the Solicitor, the Chief Economist, and their respective staffs, the PTO indeed has extensive valuable legal and policy capabilities. In addition, these experts might further develop and refine their positions on patent law questions by working together with DOJ attorneys and, in the highest-profile cases, directly with the SG.<sup>36</sup>

The possibility that the PTO's informed views, reached in consultation with other actors in the Executive Branch, could in certain cases lead the Director to join the applicant in high-level appellate proceedings would therefore be neither anomalous nor undesirable. Perhaps, a refusal to defend bad precedent would even enhance the agency's credibility before the courts.<sup>37</sup> This path would naturally entail a set of challenges that are not present when the PTO propounds pro-patentee views in an amicus brief in a patent infringement case, but, as I argue in Part IV, none are insurmountable. In the Part that immediately follows, however, I make the point that the *MedCo* amicus was by no means unusual.

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<sup>35</sup> Duffy, *supra* note 13, at 527; cf. Ben Picozzi, Note, *The Government's Fire Dispatcher: The Solicitor General in Patent Law*, 33 YALE L. & POL'Y REV. 427 (2015) (discussing the SG's role in the patent system); see also Colleen V. Chien, *Patent Amicus Briefs: What the Courts' Friends Can Teach Us About the Patent System*, 1 U.C. IRVINE L. REV. 397 (2011) (examining the importance of amicus briefs to the functioning of the patent system).

<sup>36</sup> See, e.g., *infra* notes 108-112 and accompanying text.

<sup>37</sup> For a possible example of a case in which this could have happened, see *infra* Part V; see also *infra* notes 132-137 and accompanying text (discussing PTO defenses of bad PTAB decisions).

II.

Lest anyone argue that the PTO's pro-patent brief in *MedCo* is an outlier, consider other examples of cases in which the government supported a rule that would, ultimately, make it easier for examiners to allow patent claims. Although, in contrast to the *MedCo* amicus, none of these briefs urged the courts to replace clear and binding precedent with a new rule that would favor applicants, they are illustrative of the relative commonality of the PTO's pro-patent stances.

My second, and more recent, example of a pro-patent position advanced by the PTO, which the Director took in the *Helsinn* case,<sup>38</sup> is closely related to the view that the agency advanced in *MedCo*. While *MedCo* implicated the status of secret sales as prior art before the Leahy-Smith America Invents Act (AIA), *Helsinn* dealt with the same question for patents governed by the AIA regime.<sup>39</sup> In *Helsinn*, a case of first impression, the PTO argued firmly that the AIA had abrogated the case law holding that secret sales and other confidential activities qualify as prior art.<sup>40</sup> This was not merely a position taken in an ad hoc manner in an amicus brief: After the AIA was passed, the agency promulgated examination guidelines interpreting the AIA in favor of applicants on the secret prior art issue.<sup>41</sup> Those guidelines, of course, were born of necessity because without them, examiners would not have known whether to count confidential activities as prior art against the inventors' desired claims.<sup>42</sup>

Merits of this position aside—the *Helsinn* court, in a narrow decision, disagreed with the government's views<sup>43</sup>—this example shows that the agency has

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<sup>38</sup> *Helsinn Healthcare S.A. v. Teva Pharm. USA, Inc.*, 855 F.3d 1356 (Fed. Cir. 2017).

<sup>39</sup> 35 U.S.C. § 102(a) (2015).

<sup>40</sup> See generally Brief for the United States as Amicus Curiae in Support of Appellees, *Helsinn*, 855 F.3d 1356 (Nos. 2016-1284, 2016-1787), 2016 WL 4073939. Cases of first impression, to be sure, are different in kind from cases in which the PTO challenges binding precedent. Nonetheless, *Helsinn* and *MedCo* illustrate the varieties of pro-patent positions taken by the PTO. Cf. *supra* note 9 and accompanying text (discussing the PTO's role in ruling on issues of first impression).

<sup>41</sup> Examination Guidelines for Implementing the First Inventor To File Provisions of the Leahy-Smith America Invents Act, 78 Fed. Reg. 11,059, 11,084 (Feb. 14, 2013).

<sup>42</sup> Notably, the PTO has issued guidelines not only interpreting new statutory law, but also significant decisional law. See, e.g., *Subject matter eligibility*, UNITED STATES PATENT AND TRADEMARK OFFICE, <https://www.uspto.gov/patent/laws-and-regulations/examination-policy/subject-matter-eligibility> (last visited June 29, 2017) [<https://perma.cc/RWX2-3J4E>].

<sup>43</sup> *Helsinn*, 855 F.3d at 1368-71. Although *Helsinn* did not specifically address the government's arguments, it did rule against *Helsinn*, the party that the United States supported in its amicus brief. For pre-*Helsinn* critiques of the PTO's examination guidelines on secret prior art under the AIA, see ROBERT PATRICK MERGES & JOHN FITZGERALD DUFFY, PATENT LAW AND POLICY 359-61 (7th ed. 2017); Mark A. Lemley, *Does "Public Use" Mean the*

the capability and desire to develop sophisticated positions on important legal issues.<sup>44</sup> Although the PTO's interpretation of the law in a case like this would not command formal deference under administrative law principles,<sup>45</sup> the Federal Circuit thought highly enough of the PTO's expertise and the value of the government's input that it granted the United States' motion to participate in oral argument in *Helsinn*.<sup>46</sup> On the facts of the case, the Federal Circuit qualifiedly rejected an interpretation that the AIA removed from the ambit of prior art inventions whose workings are not revealed to the public.<sup>47</sup> But the larger point is that the PTO Director, as advised by its solicitors and DOJ lawyers, developed a strong legal position that at bottom favored patent applicants, and presented it to the Federal Circuit.

Of course, the PTO in *Helsinn* was in essence indirectly defending its own decision to allow a patent over a non-informing sale under the AIA, so the agency and the patent owner were in no way adverse. Nonetheless, the PTO is now in the position to both (1) reject claims over sales that do not reveal the details of the claimed invention to the public under the *Helsinn* holding; and at the same time to (2) advocate for applicants in *Helsinn*'s position if it chooses to join the challenge to the panel's decision in the en banc Federal Circuit or the Supreme Court.<sup>48</sup> This apparent conundrum is a natural consequence of the

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*Same Thing It Did Last Year?*, 93 TEX. L. REV. 1119 (2015); see also Dmitry Karshedt, *The Riddle of Secret Public Use: A Response to Professor Lemley*, 93 TEX. L. REV. SEE ALSO 159, 160-61 (2015) (agreeing with Professor Lemley's critique of the PTO's views on the AIA's effect on secret prior art). On the problem of secret prior art generally, see Dmitry Karshedt, *Did Learned Hand Get It Wrong?: The Questionable Patent Forfeiture Rule of Metallizing Engineering*, 57 VILL. L. REV. 261 (2012).

<sup>44</sup> See Golden, *Prime Mover*, *supra* note 6, at 1695 (“[T]he PTO has shown a capacity to use its adjudicatory processes to tee up important legal issues for courts and even to suggest novel ways in which the courts might ultimately resolve those legal issues.”); see also Jonathan Masur, *Patent Inflation*, 121 YALE L.J. 470, 529 (2011) (describing another occasion on which “[t]he PTO found itself pushing the legal frontier without a clear signal from the Federal Circuit”).

<sup>45</sup> See *supra* notes 5-6 and accompanying text. The Federal Circuit has, nonetheless, sometimes cited the PTO's examination guidelines with approval and followed them. See, e.g., *In re Fisher*, 421 F.3d 1365, 1370-73 (Fed. Cir. 2005) (following the PTO's Utility Examination Guidelines in a significant case interpreting § 101).

<sup>46</sup> Order, *Helsinn*, 855 F.3d 1356 (Nos. 2016-1284, 2016-1787), ECF No. 127.

<sup>47</sup> *Helsinn*, 855 F.3d at 1368-71.

<sup>48</sup> See Petition for Rehearing En Banc of *Helsinn Healthcare S.A.* at 3, *Helsinn*, 855 F.3d 1356 (Nos. 2016-1284, 2016-1787), ECF No. 136 (explaining that “the panel has rejected the interpretation adopted in the PTO's AIA guidelines (and advanced in this appeal by the United States as *amicus curiae*), casting doubt on the viability of patents issued since the statute's 2013 effective date and the standards used henceforth in issuing patents”). At the time of this Essay's publication, the deadline for filing amicus briefs in support of rehearing

PTO's initial pro-patent position.

A third series of examples relates to the government's amicus participation in a number of Supreme Court cases implicating issues of patent validity. In *Mayo v. Prometheus*,<sup>49</sup> the United States joined the patentee in arguing, unsuccessfully, against a broad approach to the enforcement of judicial exceptions to patentability under § 101 of the Patent Act.<sup>50</sup> In *Nautilus v. Biosig*,<sup>51</sup> the United States criticized the Federal Circuit's "insolubly ambiguous" standard for applying the claim definiteness requirement of § 112(b), but ultimately styled its brief as supporting the patentee-respondent.<sup>52</sup> In an argument that did not prevail, the government contended that the Federal Circuit was basically correct in its approach to definiteness, and that the defendant's proposed framework for making this requirement more rigorous would lead to too many patent invalidations.<sup>53</sup> Finally, in *J.E.M. Ag Supply v. Pioneer Hi-Bred*,<sup>54</sup> the United States also filed a brief supporting the patentee, arguing successfully that § 101 allows patents on sexually reproducing plants.<sup>55</sup>

My fourth example relates to the government's response to the Supreme Court's Call for the Views of the Solicitor General (CVSG) on the question whether to grant the petitions for a writ of certiorari in *Burroughs Wellcome v. Barr Laboratories*.<sup>56</sup> This case implicated the validity of a patent covering methods of using a drug called AZT in the treatment of AIDS and its symptoms. Barr, one of the defendants, argued among other things that the Federal Circuit's framework for determining the time of conception of an invention

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en banc has not yet passed.

<sup>49</sup> *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 72 (2012).

<sup>50</sup> Brief for the United States as Amicus Curiae Supporting Neither Party at 28-30, *Mayo*, 566 U.S. 66 (No. 10-1150), 2011 WL 4040414, at \*28-30. For a recent article in which I criticized the Supreme Court's approach in *Mayo*, and endorsed the government's argument, see Dmitry Karshedt, *Photocopies, Patents, and Knowledge Transfer: "The Uneasy Case" of Justice Breyer's Patentable Subject Matter Jurisprudence*, 69 VAND. L. REV. 1739, 1777 & n.214, 1780 & n.227 (2016).

<sup>51</sup> *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120 (2014).

<sup>52</sup> Brief for the United States as Amicus Curiae Supporting Respondent at 22-24, *Nautilus*, 134 S. Ct. 2120 (No. 13-369), 2014 WL 1319151, at \*22-24. It must be noted, however, that different rules apply to claim definiteness determinations during patent prosecution at the PTO. See *In re Packard*, 751 F.3d 1307, 1314 (Fed. Cir. 2014) (per curiam).

<sup>53</sup> Brief for the United States as Amicus Curiae Supporting Respondent, *supra* note 52, at 13-23.

<sup>54</sup> *J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred Int'l, Inc.*, 534 U.S. 124, 146 (2001) (holding that "newly developed plant breeds fall within the terms of § 101").

<sup>55</sup> Brief for the United States as Amicus Curiae Supporting Respondent at 16-17, *J.E.M. Ag Supply*, 534 U.S. 124 (No. 99-1996), 2001 WL 689516, at \*16-17.

<sup>56</sup> *Burroughs Wellcome Co. v. Barr Labs., Inc.*, 40 F.3d 1223 (Fed. Cir. 1994). I owe this example to Professor Duffy. See Duffy, *supra* note 13, at 527-28.

was inconsistent with Supreme Court precedent.<sup>57</sup> Specifically, Barr contended that conception requires that the inventor have a reasonable expectation that the invention work for its intended purpose.<sup>58</sup> If Barr and the other defendant-petitioner, Novopharm, had their way, Burroughs Wellcome's AIDS treatment patent would have been invalidated for lack of proper inventorship—or, at the very least, its patent rights would have been severely curtailed.<sup>59</sup> But the United States disagreed with the petitioners:

The primary issue here is whether an inventor must have a reasonable expectation that an invention will work in order to conceive the invention within the meaning of patent law. In our view, the Federal Circuit's decision is correct. The court's rejection of the "reasonable expectation" standard rests on a sound interpretation of the controlling judicial precedents and does not conflict with any decision of this Court or any other court. The Federal Circuit's decision is also consistent with underlying principles of patent policy.<sup>60</sup>

The SG therefore recommended that the Supreme Court deny certiorari, and the Court agreed.<sup>61</sup>

But what if, instead, we were faced with the inverse of the *Burroughs Wellcome* scenario? What if the patentee had *lost* at the Federal Circuit, and the SG came to the conclusion that the Federal Circuit's decision rested on an unsound interpretation of Supreme Court precedent and was contrary to patent policy? The SG in these circumstances should probably recommend that the Supreme Court grant certiorari, reverse the Federal Circuit, and direct a judgment for the patentee. And now, a further hypothetical: What if the PTO instead *had to reject* Burroughs Wellcome's claims to AZT-based AIDS treatment methods under binding Federal Circuit precedent while the other assumptions in this paragraph were to also hold true? Would it make sense for the SG to eventually defend, before the Supreme Court, a governing Federal Circuit rule if he or she, along with the PTO Director, thought that the lower court had gotten the rule completely wrong? It seems that the Executive Branch's duties under the Take Care Clause of Article II do not have to stretch so far as to compel the SG to argue that the Supreme Court should maintain such a questionable rule

<sup>57</sup> Petition for Writ of Certiorari at i, *Barr Labs., Inc. v. Burroughs Wellcome Co.*, 516 U.S. 1070 (1995) (No. 94-1527), 1995 WL 17047765 at \*i.

<sup>58</sup> *Id.* at 15-18.

<sup>59</sup> *Id.* at 8, 16; *see also id.* at 8 n.4.

<sup>60</sup> Brief for the United States as Amicus Curiae at 9, *Burroughs Wellcome*, 516 U.S. 1070 (Nos. 94-1527, 94-1531), <http://www.justice.gov/osg/briefs/1994/w941527w.txt> [<https://perma.cc/BTF3-V45S>]. This brief, however, was not signed by the PTO Director.

<sup>61</sup> *Novopharm, Inc. v. Burroughs Wellcome Co.*, 516 U.S. 1071 (1996) (mem.) (denying certiorari); *Burroughs Wellcome*, 516 U.S. 1070 (mem.) (denying certiorari).

merely so that the PTO could preserve its “win” against the applicant, even given the SG’s formal job description as the attorney whose responsibility it is to defend the government.<sup>62</sup> In fact, in other areas of law, we see significant examples of a so-called “enforce-but-don’t-defend” strategy in scenarios in which various officials in the Executive Branch believe that the rule they must apply is incorrect. Under this approach, the agency fully complies with binding precedent, but after the claimant challenges the decision in court, Executive Branch attorneys then argue against the controlling rule and in favor of the agency’s nominal adversary. The Part that follows explains the mechanics involved in this approach using several well-known cases as examples.

### III.

I begin with two cases that were decided by the Supreme Court. These cases, to be sure, present scenarios different from the one that I have been advancing because both implicate constitutional problems with acts of Congress. As such, these cases involve the concept of departmentalism—the (putative) duty of each coordinate branch to uphold the Constitution.<sup>63</sup> Moreover, my first example deals with the special situation in which a legislative scheme impinged on the power of the Executive Branch. Nonetheless, these cases illustrate the strategy I propose for the PTO from a procedural perspective.

I must make clear at the outset that the very idea of “enforce-but-don’t-defend” is generally controversial.<sup>64</sup> For example, William French Smith, the Attorney General for President Ronald Reagan, opined as follows in an influential memorandum to Congress:

The Department [of Justice] appropriately refuses to defend an act of Congress only in the rare case when the statute either infringes on the constitutional power of the Executive or when prior precedent overwhelmingly indicates that the stat-

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<sup>62</sup> It should be noted that, in this scenario, the SG would not be responding to a CVSG asking him or her to present the government’s views on whether the Court should grant cert, but rather taking a more proactive stance. The SG could do so, first, by acquiescing to Supreme Court review in response to the applicant’s petition for cert, and then supporting the applicant’s position during merits briefing if cert is granted. See Drew S. Days III, *The Solicitor General and the American Legal Ideal*, 49 SMU L. REV. 73, 78 (1996).

<sup>63</sup> See generally Robert Post & Reva Siegel, *Popular Constitutionalism, Departmentalism, and Judicial Supremacy*, 92 CALIF. L. REV. 1027 (2004); see also Daniel J. Meltzer, *Executive Defense of Congressional Acts*, 61 DUKE L.J. 1183, 1887-96 (2012) (providing an overview of the interplay between departmentalism and judicial supremacy).

<sup>64</sup> For a useful collection of materials on the related issue of state nondefense, see *State Executive Nondefense or “Failure to Defend,”* COLUM. L. SCH., <http://www.law.columbia.edu/attorneys-general/state-attorney-general-nondefense> [<https://perma.cc/524C-NH87>] (last visited Apr. 22, 2017).

ute is invalid. In my view, the Department has the duty to defend an act of Congress whenever a reasonable argument can be made in its support, even if the Attorney General and the lawyers examining the case conclude that the argument may ultimately be unsuccessful in the courts.<sup>65</sup>

Although Executive Branch refusals to defend the constitutional validity of statutes raise complex issues that I further explore below,<sup>66</sup> the government has nevertheless adopted “enforce-but-don’t-defend” approaches in significant cases—and even in those that do not implicate the power of the Executive Branch. For now, therefore, I simply focus on the fact that there exists precedent for the government’s taking the side of a claimant adverse to it once an agency’s decision has been challenged in court. Notably, in each of those cases, a live controversy was preserved and adversarial presentation of the issues was maintained.

In my first example, *Immigration and Naturalization Service (INS) v. Chadha*,<sup>67</sup> the INS was obligated to deport Jagdish Rai Chadha to Kenya when the House of Representatives, under the so-called “legislative veto” provision of the statute at issue, reversed an immigration judge’s decision to allow him to stay in the United States.<sup>68</sup> But, on Chadha’s appeal to the Court of Appeals for the Ninth Circuit, the agency actually sided with Chadha and argued that the legislative veto violated the Constitution’s Article I Bicameralism and Presentment procedures for enacting the laws of the United States, as well as the

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<sup>65</sup> The Attorney General’s Duty to Defend the Constitutionality of Statutes, 5 Op. O.L.C. 25, 25 (1981).

<sup>66</sup> See *infra* notes 84-88 and accompanying text. A related issue that I do not discuss in detail in this Essay is agency nonacquiescence to court decisions—particularly, intercircuit nonacquiescence (which is not present in the PTO context because the Federal Circuit is the PTO’s only reviewing circuit court). See generally Samuel Estreicher & Richard L. Revesz, *Nonacquiescence by Federal Administrative Agencies*, 98 YALE L.J. 679 (1989); Note, *Agency Nonacquiescence: Implementation, Justification and Acceptability*, 42 WASH. & LEE L. REV. 1233 (1985). Intracircuit nonacquiescence has been criticized by courts because that practice appears to entail a refusal to comply with the law. See, e.g., *Hutchison v. Chater*, 99 F.3d 286, 287-88 (8th Cir. 1996); *Johnson v. U.S. R.R. Ret. Bd.*, 969 F.2d 1082, 1091 (D.C. Cir. 1992) (“The Board’s refusal to acquiesce . . . undermines all of the advantages of appellate review that the Board insists Congress intended to recognize.”); cf. Dan T. Coenen, *The Constitutional Case Against Intracircuit Nonacquiescence*, 75 MINN. L. REV. 1339, 1413 (1991) (providing some rationales proposed by advocates of intracircuit nonacquiescence). Nonacquiescence is different from “enforce-but-don’t-defend,” and I do not endorse it, but I note that there is precedent for it. I thank Professor Jonathan Siegel for discussing this issue with me.

<sup>67</sup> 462 U.S. 919 (1983). I thank Dean Alan Morrison for helpful discussions of *Chadha* and *Helman*, another case discussed in this Part.

<sup>68</sup> See H.R. Res. 926, 94th Cong., 1st Sess., 121 CONG. REC. 40,800 (1975).

constitutional principle of separation of powers.<sup>69</sup> The House and Senate were invited to file briefs to defend the constitutionality of the legislative veto and, after Chadha won in the Ninth Circuit, filed petitions for a writ of certiorari in the Supreme Court. The Executive Branch, in the meantime, continued to side with Chadha—even though the INS was listed “on top” in the cert petition, indicating its formal status as the challenger of the Ninth Circuit’s decision in favor of Chadha. After overcoming various jurisdictional hurdles, the Supreme Court affirmed the judgment of the Ninth Circuit, concluding that the legislative veto conflicted with Article I and violated the principle of separation of powers.<sup>70</sup>

Although this brief recitation of procedural history does not do justice to this fascinating case, the important thing for the purposes of this Essay is the fact that an agency sided with someone against whom it initially took an adverse action under then-governing law. Here, the INS concluded that the law interfered with its power as an arm of the Executive Branch and contradicted a higher legal authority—the Constitution. Accordingly, the agency joined the person whose deportation it had to order and argued for the law to be struck down. And another entity, here Congress, stepped in to defend the legislative veto’s constitutionality.

*United States v. Windsor*,<sup>71</sup> the Defense of Marriage Act (DOMA) case, included procedural features similar to those in *Chadha*. Notably, however, *Windsor* did not implicate the power of the Executive Branch, but rather individual rights. The case arose when, after Edith Windsor’s spouse passed away, the Internal Revenue Service (IRS) denied her the benefit of a spousal deduction for federal estate taxes. Windsor is a woman, and so was her late spouse. The IRS, however, was precluded from recognizing that the two had validly married because under § 3 of DOMA, as far as federal agencies were concerned, “the word ‘marriage’ means only a legal union between one man and one woman as husband and wife, [and] the word ‘spouse’ refers only to a person of the opposite sex who is a husband or a wife.”<sup>72</sup> The Supreme Court, affirming the judgment of the Court of Appeals for the Second Circuit, concluded that DOMA violated the equal protection guarantee of the Due Process Clause of the Fifth Amendment.<sup>73</sup>

In winning her case, Windsor got help from the Executive Branch, which started off as her nominal adversary. The Second Circuit, relying on *Chadha*, aptly summarized the procedural issues in this case and explained why the

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<sup>69</sup> Brief for the Immigration and Naturalization Service at 15, *Chadha v. INS*, 634 F.2d 408 (9th Cir. 1981) (Nos. 80-1832, 80-2170, 80-2171), 1982 WL 607220, at \*15.

<sup>70</sup> *Chadha*, 462 U.S. at 944-59.

<sup>71</sup> 133 S. Ct. 2675 (2013).

<sup>72</sup> 1 U.S.C. § 7 (1996).

<sup>73</sup> *Windsor*, 133 S. Ct. at 2693-96.



switch did not moot the controversy:

The United States, initially named as the sole defendant, conducted its defense of the statute in the district court up to a point. . . . [T]hree months after suit was filed, the Department of Justice declined to defend the Act . . . , and members of Congress took steps to support it. The Bipartisan Legal Advisory Group of the United States House of Representatives (“BLAG”) retained counsel and since then has taken the laboring oar in defense of the statute. The United States remained active as a party, switching sides to advocate that the statute be ruled unconstitutional.

Following the district court’s decision, BLAG filed a notice of appeal, as did the United States in its role as nominal defendant. BLAG moved this Court at the outset to strike the notice of appeal filed by the United States and to realign the appellate parties to reflect that the United States prevailed in the result it advocated in the district court. The motion is denied. Notwithstanding the withdrawal of its advocacy, the United States continues to enforce Section 3 of DOMA, which is indeed why Windsor does not have her money. The constitutionality of the statute will have a considerable impact on many operations of the United States.<sup>74</sup>

As in *Chadha*, the agency in *Windsor* initially ruled against the claimant, but the Executive Branch disagreed with governing law and argued in the claimant’s favor after the agency’s decision was challenged in court. The courts, nonetheless, concluded in both cases that an adversarial relationship between the agency and the claimant was preserved throughout, and Windsor, like Chadha, eventually prevailed with the aid of the Executive Branch. Although some have criticized President Barack Obama’s administration for refusing to defend DOMA,<sup>75</sup> there appears to be a broad consensus that “enforce-but-don’t-defend” is a permissible Executive Branch strategy, at least in some situ-

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<sup>74</sup> *Windsor v. United States*, 699 F.3d 169, 176-77 (2d Cir. 2012) (citing *INS v. Chadha*, 462 U.S. 919, 931 (1983) (“When an agency of the United States is a party to a case in which the Act of Congress it administers is held unconstitutional, it is an aggrieved party for purposes of taking an appeal. . . . The agency’s status as an aggrieved party . . . is not altered by the fact that the Executive may agree with the holding that the statute in question is unconstitutional.”)) (alterations in original).

<sup>75</sup> See Marcia Coyle, *US Justice Department Has a Duty to Defend—Only When It Doesn’t*, NAT. L.J. (Nov. 17, 2016), <http://www.nationallawjournal.com/id=1202772617790/US-Justice-Department-Has-a-Duty-to-DefendmdashOnly-When-It-Doesnt> [<https://perma.cc/G6GB-23HE>] (summarizing the critiques).

ations.<sup>76</sup>

My third example is a case recently decided by the Federal Circuit under its jurisdiction to review decisions of the Merit Systems Protection Board. In *Helman v. Department of Veterans Affairs*,<sup>77</sup> the court invalidated, as unconstitutional under the Appointments Clause of Article II, parts of a statute that provided for expedited removal of high-level Veterans Administration officials who engaged in misconduct. Although President Obama signed this statute into law (as § 707 of the Veterans Access, Choice, and Accountability Act of 2014),<sup>78</sup> the Obama administration declined to defend its constitutionality.<sup>79</sup> Moreover, the Executive Branch (through DOJ attorneys) actually joined Sharon Helman, the aggrieved employee, in arguing that the statute violates the Constitution.<sup>80</sup> Congress did not step in to defend § 707, but the Federal Circuit allowed various veterans groups—who presumably supported the passage of this law and believed that its invalidation would adversely affect their interests—to join the case as intervenors and argue for its constitutionality.<sup>81</sup> Thus, in this case, as in *Chadha* and *Windsor*, the Executive Branch joined the side of the person against whom one of its agencies had taken an adverse action, and “won”—in the sense that its position prevailed.<sup>82</sup>

Again, the postures of the cases I have discussed in this Part differ from those under my proposal for the PTO in terms of the relative authority frameworks.<sup>83</sup> In *Chadha*, *Windsor*, and *Helman*, the Executive Branch declined to

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<sup>76</sup> See, e.g., Meltzer, *supra* note 63; see also *infra* note 85 and accompanying text.

<sup>77</sup> 856 F.3d 920 (Fed. Cir. 2017).

<sup>78</sup> 38 U.S.C. § 713(e)(2) (2014).

<sup>79</sup> Letter from Attorney General Loretta Lynch to the Honorable Paul Ryan, Speaker, U.S. House of Representatives (May 31, 2016), <https://www.justice.gov/oip/foia-library/osg-530d-letters/5-31-2016/download> [<https://perma.cc/DT3D-VYQV>]; Letter from Attorney General Loretta Lynch to Patricia Bryan, Senate Legal Counsel (May 31, 2016), [https://www.govexec.com/media/gbc/docs/pdfs\\_edit/060216kl1.pdf](https://www.govexec.com/media/gbc/docs/pdfs_edit/060216kl1.pdf) [<https://perma.cc/VMU4-J9GK>]. The Attorney General is required by statute to inform Congress whenever the DOJ decides not to oppose a challenge to the constitutionality of a statute. See 28 U.S.C. § 530D (2002).

<sup>80</sup> Brief for the Respondent at 1-2, *Helman*, 856 F.3d 920 (No. 15-3086), 2016 WL 3137589, at \*1-2.

<sup>81</sup> Order, *Helman*, 856 F.3d 920 (No. 15-3086), ECF No. 86; see *Helman*, 856 F.3d at 925 & n.2.

<sup>82</sup> *Helman*, 856 F.3d at 927 (“[W]e agree with Ms. Helman and the government and conclude that by prohibiting Board review, Congress vests significant authority in an administrative judge in violation of the Appointments Clause.”).

<sup>83</sup> I note that the Supreme Court recently granted cert in a case in which the petitioner is challenging the authority of the PTAB on constitutional grounds. See *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 639 F. App’x 639 (Fed. Cir. 2016) (mem.), cert. granted in part, 2017 WL 2507340 (U.S. June 12, 2017) (No. 16-712). The acting SG had

defend an act of Congress because it had concluded that the law was in conflict with the Constitution. In the patent cases, the idea is that the PTO would oppose a Federal Circuit panel decision based on the view that its holding entails an incorrect interpretation of the Patent Act, and that the case should come out differently en banc or at the Supreme Court. But the two types of scenarios are structurally and procedurally similar. In both, an agency would join the side of a claimant because its officials and attorneys disagree with the governing law compelling the agency to rule against the claimant—and believe in their considered collective judgment that the law should be changed.

The difference between switching sides when refusing to defend the constitutionality of an act of Congress, as opposed to challenging a lower-court precedent, is worth briefly exploring further. As noted earlier, the “enforce-but-don’t-defend” approach can be controversial<sup>84</sup>—though some have argued that this practice is salutary because it apprises the courts of the Executive Branch’s genuine views in important cases.<sup>85</sup> The strategy I propose in this Essay offers that same advantage, but does not invite the critique that Executive Branch nondefense of constitutionality might be a *sub silentio* expression of political disagreement with a law that the President does not like.<sup>86</sup> Rather than “giving up” on a law passed by a coordinate branch and signed by the President—perhaps, under a different administration<sup>87</sup>—the PTO in the scenarios I have been considering would instead act on a disagreement with a panel of an intermediate appellate court in the expectation that the en banc court or the Supreme Court would rule otherwise.<sup>88</sup>

My fourth and final non-patent example illustrates this sort of a scenario,

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filed a Brief in Opposition defending the constitutionality of the PTAB. Brief for the Federal Respondent in Opposition, *Oil States*, 2017 WL 2507340 (U.S. June 12, 2017) (No. 16-712), 2017 WL 1632445.

<sup>84</sup> See *supra* notes 64-65 and accompanying text.

<sup>85</sup> See, e.g., Brianna J. Gorod, *Defending Executive Nondefense and the Principal-Agent Problem*, 106 NW. U. L. REV. 1201, 1204-08 (2012). But cf. Aziz Z. Huq, *Enforcing (But Not Defending) “Unconstitutional” Laws*, 98 VA. L. REV. 1001 (2012) (arguing that while the Executive Branch might readily refuse to defend laws when Article II values are implicated, it should be more cautious about pursuing this approach when individual rights are at stake).

<sup>86</sup> See *supra* note 75 and accompanying text.

<sup>87</sup> Days, *supra* note 62, at 80 (“Granting the Solicitor General broad[ ] latitude [to refuse to defend constitutionality of statutes] would permit the Executive Branch to use litigation as a form of post-enactment veto of legislation that the Administration dislikes, while permitting Congress to defend its own statutes would undermine the Executive Branch’s status as the litigating arm of the government.” (citing Joshua I. Schwartz, *Two Perspectives on the Solicitor General’s Independence*, 21 LOY. L.A. L. REV. 1119, 1152-54 (1988))).

<sup>88</sup> Cf. *supra* note 66 and accompanying text (discussing a similar strategy in the context of agency nonacquiescence).

though the government, to be sure, participated in the case as an amicus after a CVSG. The case, *Kimberlin v. Quinlan*, involved a *Bivens* action against federal prison officials,<sup>89</sup> who were represented by private attorneys. The Court of Appeals for the District of Columbia Circuit held that when the *Bivens* claim centers on a government official's improper motive, the doctrine of qualified immunity requires that the motive be shown by direct evidence—circumstantial evidence could not suffice.<sup>90</sup> The court reasoned that this rule would best effectuate the doctrine's purpose of protecting officials from frivolous suits and, because no direct evidence of motive was provided, reversed the district court's denial of summary judgment to the defendants.<sup>91</sup> Brett Kimberlin, the plaintiff, filed a cert petition, and the Supreme Court issued a CVSG. In response, Drew Days III, the SG for President Bill Clinton, filed a brief in support of reversal, in which the government essentially argued that categorical exclusion of circumstantial evidence is unprecedented in civil litigation.<sup>92</sup> In an article discussing this brief, General Days noted that "the Solicitor General acts in the interests of justice"<sup>93</sup> and described the SG office's approach in *Kimberlin* as follows:

Even though the defendants in the case are all federal officials who had prevailed in the court of appeals, we took the position that the Court should grant certiorari and reverse because the lower court's decision imposed a burden on the plaintiff which was "incorrect" and conflicted with "well established" law. Although the ruling of the lower court may have favored the United States and its employees, we opposed it because we believed it was contrary to the long-term interests of the law.<sup>94</sup>

Extending this example, I contend that a government agency and its lawyers would not be out of line in arguing that the government should lose "in the

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<sup>89</sup> See *Bivens v. Six Unknown Named Agents of Fed. Bureau of Narcotics*, 403 U.S. 388 (1971). *Bivens* actions against federal officials roughly parallel suits against state officials under 42 U.S.C. § 1983, which provides a civil cause of action for deprivation of constitutional rights under color of law. *But see* *Ziglar v. Abbasi*, Nos. 15-1358, 15-1359, 15-1363, 2017 WL 2621317, at \*15-22 (U.S. June 19, 2017) (limiting the scope of *Bivens*).

<sup>90</sup> *Kimberlin v. Quinlan*, 6 F.3d 789 (D.C. Cir. 1993), *vacated*, 515 U.S. 321 (1995).

<sup>91</sup> *Id.* at 793-97.

<sup>92</sup> Brief for the United States as Amicus Curiae at 17-20, *Kimberlin v. Quinlan*, 515 U.S. 321 (1995) (No. 93-2068), <https://www.justice.gov/sites/default/files/osg/briefs/1993/01/01/w932068w.txt> [<https://perma.cc/MQT5-RQ5H>].

<sup>93</sup> Days, *supra* note 62, at 78.

<sup>94</sup> *Id.* at 79 (citing Brief for the United States as Amicus Curiae, *supra* note 92, at 14-15).

long-term interests of the law” in a case in which the agency and the claimant are initially adverse, especially when the governing precedent is clearly wrong. As I explain in the next Part, the strategy is not without peril, but the various challenges can be overcome. The final Part, Part V, provides an example of a case that the Federal Circuit likely decided incorrectly and notes that the PTO Solicitor appeared to come close to joining the applicant in advocating for a change.<sup>95</sup>

#### IV.

The previous Parts of this Essay make clear that a decision by the PTO to take the side of an initially unsuccessful patent applicant would not be somehow illegal or extraordinary. But there may be prudential concerns with my proposal. One simple objection is that the pro-patent side should already be adequately represented by someone who is highly motivated to get the patent—the inventor—so why should it be necessary for the Executive Branch to pile on? The second concern is the potential for capture of the PTO and other arms of the Executive Branch by powerful players who would seek to enlist various government officials to aid in their patent-related agendas.<sup>96</sup> The third concern is a recurring worry in such cases, which is that the positioning of the agency and the applicant “on the same side” would deprive the courts of an adversarial presentation of the issues.<sup>97</sup> I address each objection in turn, and conclude that none are insurmountable.

First, it is true that the pro-claimant side is already represented, but that feature is shared with all the cases discussed in the previous Part. Moreover, while the courts might be suspicious of an applicant who would understandably seek to present the law in the light most favorable to himself or herself, a well-considered decision by an expert agency that the precedent is wrong and the appellant is right might lend a great deal of credibility to the pro-patent position. Thus, the PTO’s switch could convince the courts that a decision in the applicant’s favor would work a positive change in the law rather than merely a

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<sup>95</sup> Issues beyond the scope of this Essay are presented when, after taking a position, the government reverses course following a change in the presidential administration. *See, e.g.*, Amy Howe, *Murphy Oil’s law: Solicitor General’s office reverses course in arbitration cases, supports employers*, SCOTUSBLOG, (Jun. 19, 2017, 7:12 AM), <http://www.scotusblog.com/2017/06/murphy-oils-law-solicitor-generals-office-reverses-course-arbitration-cases-supports-employers> [<https://perma.cc/MM7V-NCDA>].

<sup>96</sup> *See* Tejas N. Narechania, *Patent Conflicts*, 103 GEO. L.J. 1483, 1534 (2015); Arti K. Rai, *Patent Validity Across the Executive Branch: Ex Ante Foundations for Policy Development*, 61 DUKE L.J. 1237, 1242 (2012) (discussing concerns about agency capture in normative terms); Jacob S. Sherkow, *Adminstrating Patent Litigation*, 90 WASH. L. REV. 205, 209 (2015).

<sup>97</sup> *See* *Ashwander v. TVA*, 297 U.S. 288, 341-56 (1936) (Brandeis, J., concurring).

win for a particular inventor or firm. Indeed, by already repeatedly asking the government to weigh in as an amicus in patent cases, the Federal Circuit and the Supreme Court have implicitly acknowledged the expertise of the PTO and other players in the Executive Branch in this area.<sup>98</sup> And rightly so: because the patent system is especially imbued with public interest, the honest views of government officials are valuable to the courts no matter which side of the pro- or anti-patent line they might end up falling on.<sup>99</sup>

To be clear, the concern is a bit different in cases like *Chadha* and *Helman*, in which the Executive Branch sought to protect its power against coordinate branches.<sup>100</sup> However, perhaps the absence of intra-branch competition in the context of my proposal actually weighs in favor encouraging the Executive Branch's assertion of its views relative to these other cases. Optimistically, we might hope that the PTO would opt for supporting a rule that its Director believes to be right as a matter of legal analysis and public interest, rather than act on the motivation to wrest power from another branch of government.

Still, capture is a pervasive concern when it comes to agencies.<sup>101</sup> And, at various times, the PTO has been accused of falling prey to undue influence of both pro- and anti-patent forces.<sup>102</sup> But the record of the government's positions at the highest levels of appeal reflects a rather balanced approach. In Parts I and II, I provided examples of the government's "pro-validity" amici, but there are many examples on the opposite side—including *KSR v. Teleflex* (in recommending grant of cert and on the merits, arguing that the Federal Circuit has taken an unduly narrow view of the nonobviousness requirement of § 103, thereby causing the PTO to issue too many trivial patents)<sup>103</sup> and *SmithKline Beecham v. Apotex* (in recommending denial of cert, arguing that the Federal Circuit correctly applied § 102(b) to restrict the patenting of metabolites).<sup>104</sup> Furthermore, the SG under various presidential administrations has taken anti-patentee positions in cases implicating patent infringement issues.<sup>105</sup> Finally, the AIA reforms that introduced various post-issuance pro-

<sup>98</sup> See generally Chien, *supra* note 35; Duffy, *supra* note 13; Picozzi, *supra* note 35.

<sup>99</sup> See *supra* note 85 and accompanying text.

<sup>100</sup> The Attorney General's Duty to Defend the Constitutionality of Statutes, *supra* note 65, at 25.

<sup>101</sup> See *supra* note 96 and accompanying text.

<sup>102</sup> See generally Clarisa Long, *The PTO and the Market for Influence in Patent Law*, 157 U. PA. L. REV. 1965, 1992-95 (2009).

<sup>103</sup> Brief for the United States as Amicus Curiae Supporting Petitioner at 23, *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398 (2007) (No. 04-1350), 2006 WL 2453601, at \*23.

<sup>104</sup> Brief for the United States as Amicus Curiae at 6, *SmithKline Beecham Corp. v. Apotex Corp.*, 547 U.S. 1218 (2006) (No. 05-439), 2006 WL 1388199, at \*6.

<sup>105</sup> See, e.g., Brief for the United States as Amicus Curiae Supporting Petitioner, *Lime-light Networks, Inc. v. Akamai Techs., Inc.*, 134 S. Ct. 2111 (2014) (No. 12-786), 2014 WL

ceedings, about which I will say more below,<sup>106</sup> arguably had the effect of tilting the PTO toward a distinctly anti-patent stance,<sup>107</sup> though these dynamics could shift under President Donald Trump's administration.

Significantly for the purposes of countering the capture critique, it is worth noting the following. Particularly when the SG becomes involved—for example, when the Supreme Court issues a CVSG—it is not just the PTO that has a say in what position the government would take. Typically in these circumstances, the SG will hear from other agencies and stakeholders before presenting its views to the Supreme Court. Indeed, when the “Solicitor General decides what the US Government position will be, it solicits input from the various executive agencies with equities in the subject matter at hand. To reach a consensus Government opinion, the Solicitor General must often adjudicate disputes between executive agencies . . . .”<sup>108</sup> This process reduces the chances for capture or “fossilization” of the PTO's views.

Thus, in *Association for Molecular Pathology (AMP) v. Myriad*,<sup>109</sup> the agency initially adhered to its long-standing position that isolated human genes are patentable within the meaning of § 101,<sup>110</sup> but the SG eventually took the opposite view, siding with AMP on this issue.<sup>111</sup> This move was significant, arguably convincing the Supreme Court to discount the contention that it should defer to the PTO's established practice of allowing gene patents.<sup>112</sup> So perhaps, to reduce the possibility of capture, a similar process should take

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827992; Brief for the United States as Amicus Curiae Supporting Petitioner, *Microsoft Corp. v. AT & T Corp.*, 550 U.S. 437 (2007) (No. 05-1056), 2006 WL 3693464.

<sup>106</sup> See *infra* notes 124-135 and accompanying text.

<sup>107</sup> See, e.g., Gregory Dolin, *Dubious Patent Reform*, 56 B.C. L. REV. 881, 932 (2015).

<sup>108</sup> Colleen V. Chien, Thomas E. Cotter & Richard A. Posner, *Redesigning Patent Law* (manuscript at 24) (Dec. 24, 2016) (unpublished manuscript) (on file with author).

<sup>109</sup> *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107 (2013).

<sup>110</sup> See *Ass'n for Molecular Pathology v. U.S. Patent and Trademark Office*, 702 F. Supp. 2d 181, 220-21 (S.D.N.Y. 2010).

<sup>111</sup> See *Ass'n for Molecular Pathology v. U.S. Patent and Trademark Office*, 689 F.3d 1303, 1345 (Fed. Cir. 2011) (Moore, J., concurring in part) (“Although the Patent Office has consistently followed the same policy [of allowing gene patents] for a decade (and arguably a century or more), the United States, as an amicus represented at argument by the Solicitor General, now argues that the Patent Office's published guidelines are incorrect and a misstatement of the law.”); Brief for the United States as Amicus Curiae in Support of Neither Party at 26, *AMP*, 133 S. Ct. 2107 (No. 12-398), 2013 WL 390999, at \*26. Interestingly, AMP had named the PTO as one of the defendants, but the district court dismissed the claims against the agency while ruling for AMP on other grounds. See *AMP*, 702 F. Supp. 2d at 237-38. If, however, the PTO had stayed in the case but the SG nonetheless took the position that human genes are unpatentable, we would have a true refusal-to-defend scenario—though, of course, in the anti-patent direction.

<sup>112</sup> *AMP*, 133 S. Ct. at 2118-19.

place when the PTO is considering taking the applicant's position even outside the CVSG context. Of course, the SG himself or herself could be captured or subject to partisan influences—though some commentators maintain that, at both state and federal levels, “solicitors general have acted within their proper constitutional role.”<sup>113</sup> Thus, when it comes to Executive Branch positions in important cases at the highest levels of appeal, agency capture does not appear to be a significant concern.

Moreover, in considering anti- versus pro-patent dynamics, we cannot forget the PTO's traditional role in its capacity as a party. In the normal course, when the Director files a cert petition to overturn a Federal Circuit decision directing the agency to allow a patent, or opposes the applicant's petition seeking relief from the Supreme Court to get a patent granted, the agency by necessity takes an anti-patent position.<sup>114</sup> As noted above,<sup>115</sup> the PTO has won landmark Supreme Court cases restricting patent rights, including *Brenner v. Manson*,<sup>116</sup> *Gottschalk v. Benson*,<sup>117</sup> *Parker v. Flook*,<sup>118</sup> *Bilski v. Kappos*,<sup>119</sup> and *Cuozzo v. Lee*,<sup>120</sup> the first three culminating in highly significant reversals of pro-patent decisions of the Federal Circuit's predecessor court. The PTO had also taken anti-patent positions in cases that the Director lost at the Supreme Court—including *Diamond v. Chakrabarty*,<sup>121</sup> *Diamond v. Diehr*,<sup>122</sup> and *Kappos v. Hyatt*.<sup>123</sup> And, as embodied in the recent *Cuozzo* decision and two patentee ap-

<sup>113</sup> Margaret Meriwether Cordray & Richard Cordray, *The Solicitor General's Changing Role in Supreme Court Litigation*, 51 B.C. L. REV. 1323, 1323 (2010). See generally Schwartz, *supra* note 87.

<sup>114</sup> At the same time, there is no one to appeal the PTO's decision *in favor* of the inventor, a feature that, as some commentators have noted, has resulted in a “patent-inflationary” trend. See Masur, *supra* note 44 (describing PTO-Federal Circuit appeal dynamics as favoring expansion of patent rights because every time the PTO grants a patent, it does not have to worry about an appeal); Melissa F. Wasserman, *The PTO's Asymmetric Incentives: Pressure to Expand Substantive Patent Law*, 72 OHIO ST. L.J. 379, 402-05 (2011) (similar).

<sup>115</sup> See *supra* note 33 and accompanying text.

<sup>116</sup> 383 U.S. 519 (1966).

<sup>117</sup> 409 U.S. 63 (1972).

<sup>118</sup> 437 U.S. 584 (1978). Another example of a “Director-on-top” case that the PTO won at the Supreme Court is *Dann v. Johnston*, 425 U.S. 219 (1976).

<sup>119</sup> 561 U.S. 593 (2010). In this case, the PTO was “on the same side” as the Federal Circuit, though the Supreme Court affirmed the lower court on somewhat different grounds.

<sup>120</sup> 136 S. Ct. 2131 (2016). In this case, formally an affirmance, the Federal Circuit was divided 6-5 on one of the issues. See *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1297, 1299-1303 (Fed. Cir. 2015) (Prost, C.J., joined by Newman, Moore, O'Malley, and Reyna JJ., dissenting from the order denying rehearing en banc).

<sup>121</sup> 447 U.S. 303 (1980).

<sup>122</sup> 450 U.S. 175 (1981).

<sup>123</sup> 566 U.S. 431 (2012).



peals pending before the en banc Federal Circuit,<sup>124</sup> the PTO—consistent with the public choice model<sup>125</sup>—has taken a strong view of the power of the PTAB, the quasi-judicial arm of the agency, in ways that have tended to shift the law in the anti-patent direction.<sup>126</sup> It appears, therefore, that the PTO is currently unlikely to be captured by pro-patent interests, even if the Director were to show openness to switching sides in favor of the patent applicant every now and then.

And that brings me to the adversity point. These days, with the powerful, inter partes review, post-grant review, and covered business method proceedings at the PTO, patents can be challenged at the PTAB in various ways by third parties,<sup>127</sup> and the agency does not even have to defend its decisions denying (or confirming) patentability on appeal because the aggrieved private party typically, and expectedly, steps in to do so.<sup>128</sup> Thus, in PTAB trial (and most appeal) proceedings, there are private parties on both sides of the case. Notably, however, even in appeals of the PTAB's decisions, when there is usually someone there to defend the Board, the PTO has sometimes joined the appeal as an intervenor.<sup>129</sup> In some of these cases, one cannot help but wonder wheth-

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<sup>124</sup> See Timothy R. Holbrook, *The Federal Circuit's Acquiescence(?)*, 66 AM. U. L. REV. 1061, 1088-91 (2017) (discussing the *Aqua* and *Wi-Fi One* cases). Of course, the PTO also took such effectively anti-patent positions in defending the powers of the PTAB in numerous cases before three-judge panels.

<sup>125</sup> David B. Spence & Frank Cross, *A Public Choice Case for the Administrative State*, 89 GEO. L.J. 97, 113 (2000) (contending that “when an agency must make decisions about the reach of its own jurisdiction, self-interest propels the agency toward ever more expansive interpretations of the law”).

<sup>126</sup> Cf. Paul R. Gugliuzza, *(In)valid Patents*, 92 NOTRE DAME L. REV. 271, 284 (2016) (describing the results of these dynamics); see also *infra* note 129 and accompanying text.

<sup>127</sup> Cf. Amy L. Magas, *When Politics Interfere with Patent Reexamination*, 4 J. MARSHALL REV. INTELL. PROP. L. 160 (2004) (discussing the practice of Director-initiated reexaminations under the pre-AIA regime). Of course, even before the AIA, most post-issuance proceedings were initiated by private parties, and after the passage of the AIA, Director-initiated reviews of issued patents seemingly became even less common. *But see* Megan M. La Belle, *Public Enforcement of Patent Law*, 96 B.U. L. REV. 1865, 1921-25 (2016) (arguing that the PTO should “police” patent validity more aggressively than it does now via Director-ordered proceedings).

<sup>128</sup> But not always. Shortly before this Essay's publication, the Federal Circuit raised the issue at the heart of this Essay in a supplemental briefing order in a case in which a party that prevailed at invalidating a patent at the PTAB had opted not to defend the PTAB's decision on appeal—while the PTO intervened to do so. *See* Order at 2, *Knowles Elecs. LLC v. Matal*, No. 2016-1954 (Fed. Cir. June 30, 2017), ECF No. 61 (asking the parties whether “the Director [must] defend the Board's decision” and, if not, “what are the ramifications if the Director declines to defend the Board's decision?”).

<sup>129</sup> See 35 U.S.C. § 143 (2012) (giving the PTO the power to intervene in appeals of in-

er the agency has arrived at its views after a deliberative analysis as to the best interpretation of the relevant provision of the Patent Act,<sup>130</sup> or simply chose a stance that would increase the agency's power, as predicted by the public choice theory.<sup>131</sup>

If it is the latter, this is unfortunate. Fidelity to the law would seem to require a good-faith effort by the Executive Branch to come up with the best possible statutory interpretation and let the chips fall where they may.<sup>132</sup> Indeed, the post-grant review statute in particular calls upon the PTO to grant a petition if it involves "an unsettled legal question,"<sup>133</sup> a provision that seems to contemplate the PTAB's capacity as a law-interpreter rather than a body that simply seeks to expand its own power. Finally, some of the PTO's decisions under the AIA are unappealable,<sup>134</sup> a feature that suggests that the agency should be all the more careful to reach decisions entailing careful interpretations of the statutes and any relevant precedents, rather than reflexively follow-

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ter partes and post-grant review proceedings); see also Richard Torczon, *Sovereign Immunity: A Wake-Up Call For USPTO Director?*, LAW360 (Mar. 3, 2017), <https://www.law360.com/articles/897972/sovereign-immunity-a-wake-up-call-for-uspto-director> [<https://perma.cc/5BWP-VQHD>] ("The director has repeatedly intervened at the Federal Circuit and even appeared at the Supreme Court to oppose judicial review of institution decisions."). Given that the typical outcome of a post-issuance proceeding is patent invalidation, the PTO's participation in Federal Circuit appeals means that the agency will more or often than not argue against the patentee whenever it intervenes.

<sup>130</sup> See Golden, *Prime Mover*, *supra* note 6, at 1689-99 (explaining the significance of the PTO's adjudicatory rulings on questions of first impression involving the PTAB's powers, and on other legal issues).

<sup>131</sup> See Spence & Cross, *supra* note 125. For a recent high-profile example of a PTO statutory interpretation that increased the agency's power, see *SAS Inst., Inc. v. ComplementSoft, LLC*, 825 F.3d 1341 (Fed. Cir.), *reh'g en banc denied*, 842 F.3d 1223 (Fed. Cir. 2016), *cert. granted sub nom. SAS Inst., Inc. v. Lee*, 2017 WL 468440 (U.S. May 22, 2017) (No. 16-169) (upholding the PTO's dubious practice of issuing written decisions on only some, instead of all, of the claims challenged during inter partes review, thereby permitting such claims to be challenged again in district court proceedings rather than enabling a statutory estoppel to be triggered). To be sure, the cert petition in this case was filed by the challenger to a patent, not the patentee, and the patentee had actually dropped out of the suit at the cert stage. But this example illustrates that, in an appropriate case in which the patentee has initially prevailed, it might make sense for the PTO to take the *petitioner's* side in an appeal of a decision confirming patentability in a post-issuance proceeding—as long as the other side is adequately represented.

<sup>132</sup> Cf. Saiger, *supra* note 19 (arguing that agencies that receive *Chevron* deference must strive to come up with objectively most accurate interpretations of the statutes they administer).

<sup>133</sup> 35 U.S.C. § 324(b) (2012). I thank Professor Timothy Holbrook for suggesting that I make this point.

<sup>134</sup> See *Cuozzo v. Lee*, 136 S. Ct. 2131, 2134 (2016).

ing the path that increases its power under the public choice model.<sup>135</sup> This is all the more important given that the PTO has, whenever plausible, has in fact taken the position that its decisions are unappealable,<sup>136</sup> generating a self-reinforcing dynamic of expansion of the agency's power. Nor is it comforting that—putting to one side cases that present highly contested legal issues and dubious controlling rules—the PTO's lawyers have lately opted to defend the PTAB's decisions steadfastly even, it seems, in cases in which the Board got the issues clearly wrong under established and unquestioned precedent.<sup>137</sup>

In any case, adversity is not an issue in PTAB trial proceedings, and would therefore typically not be a barrier to the agency's taking the patentee's side during an appeal. But what about *ex parte* prosecution? At the outset, it is important to note that, as the cases discussed in Part III make clear, the case-or-controversy requirement of Article III would still be met if the PTO switches sides on appeal after the PTAB affirms the rejection of the applicant's claims. This is because, even if the PTO chooses not to defend its decision, the applicant continues to be without a patent (or otherwise aggrieved) as he or she files an appeal, and formal adversity between him or her and the agency is thus retained.<sup>138</sup>

Still, prudential and practical concerns remain: It would be challenging for the Federal Circuit or the Supreme Court to adjudicate an appeal if one side's position is not briefed. Nonetheless, in an important case, the courts should

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<sup>135</sup> See Saiger, *supra* note 19, at 1239-46.

<sup>136</sup> See, e.g., Petition for Rehearing En Banc, *Versata Dev. Grp., Inc. v. SAP Am. Inc.*, 793 F.3d 1306 (Fed. Cir. 2015) (No. 14-1194), ECF. No. 141; cf. *Holbrook*, *supra* note 124, at 1091 & nn.222-23 (discussing the PTO's position on appealability of the agency's determinations of timeliness of filings in post-issuance proceedings).

<sup>137</sup> See, e.g., *Personal Web Techs., LLC v. Apple, Inc.*, 848 F.3d 987, 983 (Fed. Cir. 2017) (vacating and remanding an "inadequate" PTAB decision in which the PTO argued in support of the decision as an intervenor); *In re Nuvasive, Inc.*, 842 F.3d 1376, 1382-85 (Fed. Cir. 2016) (similar); cf. *Byrum v. Office Pers. Mgmt.*, 618 F.3d 1323, 1333 (Fed. Cir. 2010) ("The Justice Department's defense of OPM's decision and of the Board's affirmance is simply inexplicable. It is not the duty of the Justice Department simply to try to win cases for the Government . . ."). While refusals to defend bad agency decisions present issues that are different from challenges to questionable but binding precedent in the context of joining the claimant's side, the two strategies have in common the fact that the goal of winning a case against a claimant might conflict with other responsibilities of government agencies and their attorneys. See *supra* notes 93-94 and accompanying text. I thank Andrew Michaels and Jonathan Stroud for discussions that helped me crystallize this point.

<sup>138</sup> See *supra* notes 71-76 and accompanying text (providing an example showing that the claimant has continued to suffer an injury even though the agency refused to defend its decision); cf. *Consumer Watchdog v. Wisconsin Alumni Research Found.*, 753 F.3d 1258, 1262-63 (Fed. Cir. 2014) (dismissing an appeal of the PTO's confirmation of patentability in reexamination based on the appellant's lack of standing).

have little trouble finding someone to argue against the applicant. In effect, then, the proposal described in this Essay simply shifts the adversarial, anti-patent role of the petitioner in a post-issuance proceeding to the time when the patent has not yet been allowed—in the rare case in which the agency refuses to defend the PTAB’s affirmance of an examiner’s rejection before the Federal Circuit or the Supreme Court. The third party would need to have a sufficient interest in the controversy to wish to intervene, but in many cases in which a patent is worth getting—enough to fight through several levels of appeal—there is usually a firm that might be in danger of a suit and would seek to join the case as an intervenor.<sup>139</sup> The case would need to be publicized and the third party, found, but the setting for this sort of a challenge does not seem very different from, for example, a post-grant review of an issued patent. In addition, the dynamics of such a case might resemble those—like *MedCo* or *Helsinn*—in which a patentee and an accused infringer are involved in litigation and the PTO signs an amicus brief in favor of the patentee-plaintiff.<sup>140</sup>

Perhaps, if a court can find no one willing to intervene in the appeal, it can appoint someone to defend the judgment below, as is often done in criminal cases in which the government confesses error.<sup>141</sup> In addition, the worry that the anti-patent side would not be adequately represented should be mitigated by the recently consistent practice of amicus participation on both sides of high-profile Federal Circuit and Supreme Court patent cases.<sup>142</sup> The amici, then, would help with the presentation of opposing views to the benefit of these courts, even when the PTO chooses not to defend its decision.

## V.

In the last Part of this Essay, I discuss a relatively narrow, but recurring issue exemplifying scenarios in which the PTO had to reject patent claims under a Federal Circuit precedent driven by questionable logic. And for the purposes

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<sup>139</sup> See *supra* notes 77-81 and accompanying text (providing an example of a case in which the Federal Circuit allowed an intervenor to argue a position that the government refused to defend). The decision to allow a party to intervene is generally within a court’s discretion. See *In re Opprecht*, 868 F.2d 1264, 1266 (Fed. Cir. 1989). In certain circumstances, however, interventions as of right are possible. See, e.g., FED. R. CIV. P. 24(a)(2); 35 U.S.C. § 143 (2012); see also *Town of Chester v. Laroe Estates, Inc.*, 137 S. Ct. 1645, 1651 (2017) (discussing Article III standing requirements for intervenors as of right when such intervenors pursue remedies differing from those sought by the plaintiff).

<sup>140</sup> See *supra* notes 20-47 and accompanying text.

<sup>141</sup> See Brian P. Goldman, Note, *Should the Supreme Court Stop Inviting Amici Curiae to Defend Abandoned Lower Court Decisions?*, 63 STAN. L. REV. 907 (2011) (describing this practice); see also *Days*, *supra* note 62, at 78.

<sup>142</sup> See generally Chien, *supra* note 35.

of this Essay, a notable feature of one of these cases is that the agency seemed poised to join the inventor in asking the Federal Circuit to overturn the precedent en banc.

The specific substantive problem may seem esoteric, but it is important. By statute, the patentee is entitled to “correct” its issued patents through a so-called “reissue” proceeding under 35 U.S.C. § 251, and it may even broaden the scope of the patent’s claims if the reissue is requested “within two years from the grant of the original patent.”<sup>143</sup> The statute, however, has been sensibly interpreted to allow only a correction of true “error[s],” not the undoing of deliberate strategic decisions made during prosecution.<sup>144</sup>

Now, the twist. Early in prosecution, a patent examiner may impose a so-called “restriction requirement” on the applicant.<sup>145</sup> This means the examiner could argue that the filed set of claims includes multiple inventions (say, A and B), and he or she would then ask the inventor to elect to prosecute only one of them in the initial application. The basic reason is that, if the applicant wishes to obtain rights to multiple inventions, he or she should pay for multiple patents.<sup>146</sup> If the inventor would like both sets of claims, the most straightforward way to deal with a restriction is to prosecute claims to, say, A in the original application, but withdraw claims to B and prosecute them in a separately filed application termed a “divisional.”<sup>147</sup> In a case called *In re Orita*,<sup>148</sup> the predecessor court to the Federal Circuit quite logically concluded that the decision to pursue claims to A instead of B, coupled with the failure to reserve one’s rights to invention B via a divisional, is not an “error” within the meaning of § 251. Instead, it was a deliberate choice—and the patentee could not fix this kind of

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<sup>143</sup> 35 U.S.C. § 251 (2011). Unlike adversarial post-issuance proceedings that I focus on throughout this Essay, reissues are normally requested by the patentee. *See* MPEP, *supra* note 26, § 1402. Case law holds that “a claim of a reissue application is broader in scope than the original claims if it contains within its scope any conceivable apparatus or process which would not have infringed the original patent. A reissue claim that is broader in any respect is considered to be broader than the original claims even though it may be narrower in other respects.” *Tillotson, Ltd. v. Walbro Corp.*, 831 F.2d 1033, 1037 n.2 (Fed. Cir. 1987) (citations omitted). As will become clear, attempted reissues discussed in this Part are broadening under this definition.

<sup>144</sup> 35 U.S.C. § 251; *see* *Mentor Corp. v. Coloplast Inc.*, 998 F.2d 992, 995 (Fed. Cir. 1993); *In re De Jarlais*, 233 F.2d 323, 327-28 (C.C.P.A. 1956) (citing *In re Byers*, 230 F.2d 451, 454 (C.C.P.A. 1956)); *cf. In re Rowand*, 526 F.2d 558 (C.C.P.A. 1975).

<sup>145</sup> 35 U.S.C. § 121 (2012) (“If two or more independent and distinct inventions are claimed in one application, the Director may require the application to be restricted to one of the inventions. . . .”); 37 C.F.R. § 1.142 (2009); *see also* MPEP, *supra* note 26, § 802.

<sup>146</sup> *See* Saurabh Vishnubhakat & Arti K. Rai, *When Biopharma Meets Software: Bioinformatics at the Patent Office*, 29 HARV. J. LAW & TECH. 205, 231 n.130 (2012).

<sup>147</sup> 35 U.S.C. § 121 (2012).

<sup>148</sup> 550 F.2d 1277 (C.C.P.A. 1977).

an error by ceding claims to A and substituting them with B in reissue.<sup>149</sup>

So far so good, but a Federal Circuit case called *In re Weiler* went a step further.<sup>150</sup> The court, essentially, said that if the applicant acquiesced to a restriction between inventions A and B, but eventually recognized a third invention C in the patent's specification, he or she could not substitute C for A in a reissue proceeding.<sup>151</sup> The court so held even though invention C had never been presented to the examiner in the form of claims, or even recognized by anyone until the reissue period.<sup>152</sup> Under these circumstances, the failure to claim C looks like a genuine, honest error as opposed to a deliberate choice, and therefore properly correctable under § 251.<sup>153</sup> Indeed, if there had been no restriction at all, there would be no barrier (besides the two-year limit and generally applicable requirements of patentability) to withdrawing A and claiming C in reissue.<sup>154</sup>

But the Federal Circuit in *Weiler* appeared to reason that a restriction between A and B somehow puts the applicant on notice that he or she must immediately look for all possible additional inventions like C in the patent, and file so-called "continuation" applications to such inventions.<sup>155</sup> Following this premise, *Weiler* thus prohibits the inventor from pursuing claims to C in reissue.<sup>156</sup> *Weiler* does not make a great deal of sense because, again, if the PTO had never issued a restriction requirement, the applicant could have obtained whatever claims he or she wanted in reissue so long as the request were made within the two-year broadening period, and other requirements of patentability are otherwise satisfied.<sup>157</sup> Furthermore, the "notice" reasoning of *Weiler* is also a stretch.<sup>158</sup> As noted, it is not clear how a failure to claim an invention that no one apparently recognized until after the time for filing continuations or divisionals had passed was a strategic choice of the sort that does not qualify for

<sup>149</sup> See generally Grace C.Y. Leung, *State Your (Linking) Claim: Assessing the Impact of In re Doyle on Patent Reissue*, 2 J. MARSHALL REV. INTELL. PROP. L. 360 (2003).

<sup>150</sup> 790 F.2d 1576 (Fed. Cir. 1986).

<sup>151</sup> *Id.* at 1582-83.

<sup>152</sup> *Id.*

<sup>153</sup> See *supra* note 144 and accompanying text.

<sup>154</sup> See, e.g., *In re Amos*, 953 F.2d 613 (Fed. Cir. 1991); *Scripps Clinic & Research Found. v. Genentech, Inc.*, 927 F.2d 1565, 1575-76 (Fed. Cir. 1991), *overruled on other grounds by Abbott Labs. v. Sandoz, Inc.*, 566 F.3d 1282 (Fed. Cir. 2009) (en banc in relevant part).

<sup>155</sup> 790 F.2d at 1582; see 35 U.S.C. § 120 (2012).

<sup>156</sup> 790 F.2d at 1582.

<sup>157</sup> See *supra* notes 143 & 154 and accompanying text. See generally *In re Wilder*, 736 F.2d 1516 (Fed. Cir. 1984).

<sup>158</sup> The *Weiler* rule is severely criticized in a leading patent treatise. See 4A-15 DONALD S. CHISUM, CHISUM ON PATENTS § 15.03[2][b][iv] (2017).

reissue.<sup>159</sup> More generally, *Weiler* seems inconsistent with the remedial purpose of the reissue statute.<sup>160</sup>

In a pair of cases decided in summary affirmance rulings earlier this decade,<sup>161</sup> Federal Circuit judges showed great discomfort with the logic of *Weiler* in oral argument, but had to follow this binding precedent.<sup>162</sup> More significantly for this Essay's purposes, the panels asked the PTO's arguing attorneys whether the rule made any sense, and whether it was needed to protect the public interest in any way. The PTO's support for the rule seemed less than enthusiastic, though the agency's counsel were understandably unwilling to concede at argument that *Weiler* was incorrectly decided, or to offer how this issue should be resolved on a clean slate.

In the second of these cases, *In re Morrison*,<sup>163</sup> the reissue applicant filed a petition for an en banc rehearing of the summary affirmance decision, and took the unusual step of appending the oral argument transcript to the petition.<sup>164</sup> The argument was intended to show the panel's discomfort with *Weiler* and, perhaps, the agency's lukewarm endorsement of the *Weiler* rule. The Director responded to the petition and contended that Morrison's reissue application had included other flaws, in addition to the *Weiler* problem, rendering the claims unpatentable.<sup>165</sup> But with respect to *Weiler*, the PTO's brief contained the following statement: "Director takes no position now on whether the en banc Court should reconsider *Weiler* in a case that turns on that distinction."<sup>166</sup> The PTO, therefore, at least seemed open to the idea of joining the applicant in asking the Federal Circuit to overturn an anti-patent precedent in an en banc

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<sup>159</sup> See *supra* note 153 and accompanying text.

<sup>160</sup> See CHISUM, *supra* note 158, at § 15.03[2][b][iv].

<sup>161</sup> *In re Morrison*, 563 F. App'x 775 (Fed. Cir. 2014) (mem.); *In re Solomon*, 528 F. App'x 994 (Fed. Cir. 2013) (mem.). For a recent article describing (and criticizing) the Federal Circuit's summary affirmance practice, see Dennis Crouch, *Wrongly Affirmed Without Opinion*, 52 WAKE FOREST L. REV. (forthcoming 2017), <https://papers.ssrn.com/abstract=2909007> [<https://perma.cc/LK8S-ZYCT>].

<sup>162</sup> *But cf.* Daniel Kazhdan, *The Federal Circuit Should Be More Tolerant of Intra-Circuit Splits*, 26 FED. CIRCUIT B.J. 105 (2016) (arguing that there are advantages to a system in which appellate courts disagree with prior panel decisions without the process of en banc overruling of panel precedent).

<sup>163</sup> 563 F. App'x 775.

<sup>164</sup> Appellants' Petition for Rehearing En Banc, *Morrison*, 563 F. App'x 775 (No. 14-1050), ECF No. 32.

<sup>165</sup> Response of Appellee—Director of the United States Patent and Trademark Office Opposing Rehearing En Banc at 1, *Morrison*, 563 F. App'x 775 (No. 14-1050), ECF No. 39 ("[T]he Board did not rely on *Weiler* as the primary basis for upholding the rejection of Morrison's claims under 35 U.S.C. § 251.").

<sup>166</sup> *Id.* at 5.

proceeding.<sup>167</sup>

Time will tell whether another case squarely presents the *Weiler* problem. And as questionable as *Weiler* seems to be, opposing settled Federal Circuit precedent is not a decision to be taken lightly. But if the new Director honestly believes that *Weiler* is contrary to the reissue statute, and leads to results that are not in the public interest, perhaps a PTO decision (in consultation with other Executive Branch players) to join the patentee in asking the Federal Circuit to reject this precedent would not be outlandish. After all, the government has done this before.

#### CONCLUSION

Over the years, the PTO Director has had reasonable disagreements with the Federal Circuit when challenging the court's reversals of the PTO's decisions in favor of patent applicants. Some of these disagreements played out at the Supreme Court and resulted in significant government victories, naturally leading to contraction of patent rights. These examples, among others, show that the PTO, in cooperation with other players in the Executive Branch, has the capacity to develop sophisticated legal positions and pursue them in litigation. I argue in this Essay that the PTO Director can sometimes make use of this expertise even when he or she believes that Federal Circuit precedent compelling the agency to rule *against* the patentee is wrong. As an initial matter, this approach seems tricky—after all, the government ends up in a position adverse to the applicant after the PTO has rejected the inventor's claims and its decision has been challenged on appeal. But, as I have explained in this Essay, the Executive Branch has, in other contexts, occasionally taken the side of a claimant against whom it had ruled, and the courts were satisfied that other entities with a sufficient stake in the outcome ensured an adversarial presentation of the issues. While sometimes controversial, such cases also reinforce the value that government lawyers have other responsibilities besides helping the agencies they represent win cases.<sup>168</sup>

The government has, in fact, taken pro-applicant or pro-patentee positions already—and even expressed disagreement with binding Federal Circuit law restricting patent rights—though only as an amicus patent infringement cases. I argue in this Essay that, even in the posture in which examiners must initially reject an inventor's claims, the PTO can still validly take such positions. I maintain that this approach can lead to salutary results in an appropriate case, and that it can be pursued without compromising other values. The PTO, after

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<sup>167</sup> Cf. Kazhdan, *supra* note 162, at 146 (noting the difficulty of getting the Federal Circuit to take a case en banc, which could presumably be surmounted much easier if both parties agree that en banc review is needed).

<sup>168</sup> See *supra* note 137 and accompanying text.



all, has an important role to play as a steward of the public interest. Unsurprisingly, that role might occasionally lead the Director to take the applicant's side in the interest of the law, rather than simply to focus on winning a case.