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17 **UNITED STATES DISTRICT COURT**
18 **DISTRICT OF NEVADA**

19 GILBERT P. HYATT and AMERICAN)
20 ASSOCIATION FOR EQUITABLE TREATMENT,)
21 INC.,)

22 Plaintiffs,)

23 v.)

24 UNITED STATES PATENT AND TRADEMARK)
25 OFFICE and MICHELLE K. LEE, in her official)
26 capacity as Under Secretary of Commerce for)
27 Intellectual Property and Director of the United States)
28 Patent and Trademark Office,)

29 Defendants.)

Case No: 2:16-cv-01490-RCJ-PAL

**DEFENDANTS' REPLY IN
SUPPORT OF THEIR MOTION
FOR SUMMARY JUDGMENT**

Defendants Michelle K. Lee and the United States Patent and Trademark Office (collectively "USPTO") submit this reply in support of their motion for summary judgment.

I. INTRODUCTION

Plaintiffs' complaint is a collateral attack on ongoing agency proceedings, so this court lacks jurisdiction over it. As the USPTO explained in its opening memorandum, plaintiffs' only alleged injury—the reopening in 2013 of prosecution in 80 of Mr. Hyatt's applications—must be redressed through the statutory scheme designed for review of each particular patent application,

1 not through a freestanding collateral attack on the agency’s ongoing proceedings via a petition
2 for rulemaking. And plaintiffs concede that they are collaterally attacking the proceedings in Mr.
3 Hyatt’s applications: They assert that if they win in this case, the USPTO “will not be able to
4 penalize Mr. Hyatt for any consequences flowing from [the 2013 reopening of prosecution in 80
5 of his applications] . . . including [by denying] his entitlement to issuance of patents.” Pls. Opp.
6 18. Meanwhile, the USPTO has been trying to get to a final action in Mr. Hyatt’s hundreds of
7 applications, issuing the Requirement—the action that reopened prosecution in 80 of them—to
8 remove barriers to effective examination across Mr. Hyatt’s applications collectively and
9 consistently. The USPTO has devoted fourteen full-time examiners to his applications alone and,
10 because it was able to coordinate its actions by issuing the Requirement, has issued approximately
11 1100 office actions since November 2013 on those approximately 400 applications. In other
12 words, reopening prosecution is what is allowing Mr. Hyatt’s applications, as a group, to come to
13 a final resolution. He does not have standing to collaterally attack the agency’s proceedings
14 simply because he does not like the action the USPTO has taken.

15 Furthermore, the particular collateral attack—that the USPTO was not allowed to reopen
16 prosecution by issuing the Requirements in 2013—has been resolved by a final court decision.
17 Plaintiffs assert that the two cases are different because Mr. Hyatt sought review in the first case
18 of his particular 80 applications, whereas here he seeks review of a decision on his freestanding
19 petition. But, for both cases, the only alleged injury is the reopening of prosecution in 2013 in his
20 80 applications. Because he seeks to redress the same injury, the two cases arise out of the same
21 set of facts, and he cannot be allowed two bites at the same apple.

22 Plaintiffs’ claims are also time-barred. The USPTO pointed out that the policy plaintiffs
23 challenge has been in effect for decades, and plaintiffs’ response is that they should be allowed
24 to litigate the policy anyway because Mr. Hyatt chose to petition the agency so late. That
25 argument, if it were correct, would allow any party to challenge any agency policy, regardless of
26 timeliness, simply by first petitioning the agency. That is not the law, and it is part of the reason
27 denials of petitions for rulemaking are reviewed with so much deference.

1 Even if this Court were to reach the merits of plaintiffs' claims, the agency's guidance is
2 lawful. As the USPTO explained, giving the examiner the ability to reopen prosecution while he
3 still has jurisdiction over the application to ensure that the application is in order for an appeal
4 simply restates the agency's inherent authority to reconsider its decisions; it does not impair the
5 applicant's right to take an appeal; it does not conflict with the USPTO's statutory and regulatory
6 authority; and it was lawfully adopted without notice and comment.

7 **II. ARGUMENT**

8 **A. This Court lacks jurisdiction**

9 **1. Plaintiffs lack standing**

10 Plaintiffs lack standing to collaterally attack the examination process in Mr. Hyatt's
11 applications pending at the USPTO through this suit. Plaintiffs concede that they allege an injury
12 based on the USPTO's reopening prosecution in 80 of Mr. Hyatt's applications in 2013. Pls. Mem.
13 1-2; Pls. Opp. 2, 16-18. Indeed, plaintiffs assert that, should they prevail, the USPTO "will not be
14 able to penalize Mr. Hyatt for any consequences flowing from [the USPTO's] applications of that
15 provision against him" in 2013. Pls. Opp. 18; *see id.* at 17 (asserting that the 2013 reopening of
16 prosecution using the Requirements "continue[s] to injure him to this day"). Even if plaintiffs
17 were correct that the reopening of prosecution in 2013 somehow injured Mr. Hyatt, that injury
18 would not confer standing because there is no final agency action from which to seek review. *See*
19 5 U.S.C. § 704 (Administrative Procedure Act authorizes review only of "final agency action for
20 which there is no other adequate remedy in a court"); *Automated Merch. Sys., Inc. v. Lee*, 782
21 F.3d 1376, 1380-81 (Fed. Cir. 2015); *Elm 3DS Innovations, LLC v. Lee*, No. 1:16-cv-1036, ECF
22 No. 61, slip op. at 8-9 (E.D.Va. Dec. 2, 2016). Rather, Congress has prescribed that an applicant
23 can seek judicial review in a particular application only *after* receiving final agency action.
24 35 U.S.C. §§ 141, 145. Thus, right now, Mr. Hyatt has no injury that can be redressed by a court.

25 Mr. Hyatt responds by arguing that the USPTO has denied him "final agency action that
26 he could challenge in court." Pls. Opp. 18, 9. But, as the USPTO explained (USPTO Mem. 11),
27 his route to make that argument was a suit for unreasonable delay—the equivalent of a mandamus
28 petition—which Mr. Hyatt brought and the Eastern District of Virginia court addressed,

1 determining that Mr. Hyatt “has no right to an examination free from . . . reopened prosecution.”
2 *Hyatt v. USPTO*, 146 F. Supp. 3d 771, 785 & n.33 (E.D.Va. 2015) (“*Hyatt Requirement Suit*”)
3 (citing MPEP § 1207.04); *see id.* at 783 (suit is “in the nature of mandamus”). That suit addressed
4 the same USPTO action—the 2013 Requirements—as Mr. Hyatt alleges injured him here.

5 And it makes sense that a mandamus petition or its equivalent would be the only way to
6 interfere with ongoing agency proceedings that are not yet final. Like in district court proceedings,
7 it takes extraordinary circumstances to intervene before the agency has come to a final decision.
8 Indeed, the district court agreed with the USPTO in the *Hyatt Requirement Suit* in part because it
9 understood that winding back the clock to get back to when the USPTO issued the Requirements
10 in 2013 would not remedy anything. As the court explained, “the administrative record reflects
11 that examinations [in the 80 applications] are currently underway, aided by the Requirements.”
12 146 F. Supp. 3d at 785 (also explaining that “the Requirements facilitate effective examination of
13 the relevant patent applications”). Thus, the USPTO’s issuance of the Requirements did not delay
14 but “aided” and “facilitate[d]” examination of Mr. Hyatt’s applications. *Id.* The district court’s
15 decision does not provide a reason to allow Mr. Hyatt to take another bite at the apple under a
16 different provision of the APA. *See* Pls. Opp. 19. Instead, it shows that the 2013 reopening of
17 prosecution was not a basis for interfering in the agency’s proceedings.

18 The only other possible injury that Mr. Hyatt asserts as a basis for standing is that the
19 USPTO might, in the future, take “additional actions” using the authority expressed in MPEP
20 § 1207.04, namely that an examiner might in the future reopen prosecution after an appeal brief
21 has been filed. Pls. Opp. 16. As the USPTO explained (USPTO Mem. 11), such “allegations of
22 possible future injury are not sufficient” to confer standing. *Clapper v. Amnesty Int’l USA*, 133 S.
23 Ct. 1138, 1147 (2013) (marks omitted). Thus, Mr. Hyatt cannot manufacture standing by showing
24 that he “is regularly subject to PTO policies” (Pls. Opp. 17). Indeed, in *Clapper*, the Supreme
25 Court held that the plaintiffs had no standing even though they had significant reason to believe
26 they had *already been subject* to government wiretapping and had incurred actual, personal
27 expense based on that belief. 133 S. Ct. at 1151; *id.* at 1156-60 (Breyer, J., dissenting) (explaining
28 high probability that plaintiffs had already been affected). Here, Mr. Hyatt’s fear of “additional

1 actions” in the future based on MPEP § 1207.04 is far more speculative than the *Clapper*
2 plaintiffs’ fear that they were already being subject to the government policy. *See* USPTO Mem.
3 11. And contrary to plaintiffs’ contention (Pls. Opp. 17), Mr. Hyatt cannot overcome the
4 speculative nature of any future injury by asserting that he is “the direct object of a regulatory
5 action.” In the case Mr. Hyatt cites for that proposition, the plaintiff was given a final agency
6 action—an individualized demand for repayment of over \$2.3 million. *Los Angeles Haven*
7 *Hospice, Inc. v. Sebelius*, 638 F.3d 644, 655 (9th Cir. 2011). That repayment demand made the
8 plaintiff in that case a direct object of the regulation that had been applied to calculate the demand.
9 That is completely different from Mr. Hyatt’s attempt to avoid the requirements for standing by
10 challenging broad agency guidance that applies to all examinations. Mr. Hyatt cannot avoid the
11 problem that his alleged possible future injury has not, and may never, come to pass. *See* USPTO
12 Mem. 11.

13 As a separate but related issue, the USPTO explained (USPTO Mem. 11) that Mr. Hyatt
14 cannot be injured by the MPEP. The MPEP did not reopen prosecution in Mr. Hyatt’s
15 applications; an examiner did, based on the agency’s inherent authority, reflected in the MPEP
16 provision. In other words, the MPEP provision is not itself a final agency action. Mr. Hyatt can
17 seek relief in court if and when he receives adverse final agency action.

18 Finally, as the USPTO explained, the other plaintiff, the American Association for
19 Equitable Treatment (AAET), has no standing because it alleges no injury at all. USPTO Mem.
20 10 & n.2. AAET bases its alleged injury entirely on the alleged injury to Mr. Hyatt (Pls. Opp. 19-
21 20), but an association has standing only if “neither the claim asserted nor the relief requested
22 requires the participation of individual members in the lawsuit.” *WildEarth Guardians v. USDA*,
23 795 F.3d 1148, 1154 (9th Cir. 2015). Absent Mr. Hyatt’s participation, it is unclear what claim
24 AAET would have left to assert.

25 **2. Plaintiffs’ claims are barred by res judicata**

26 Mr. Hyatt candidly explains that he is attempting through this suit to “shield him[self]
27 from further consequences flowing from” the USPTO’s reopening of prosecution in his 80
28 applications with the Requirement in 2013. Pls. Opp. 2, 16. But the *Hyatt Requirement Suit* arose

1 from precisely the same facts and sought the same relief.¹ In that suit, Mr. Hyatt asserted that the
2 2013 reopening of prosecution with the Requirement, and the USPTO’s ability to reopen
3 prosecution in the future, were in fact an attempt to “den[y] Mr. Hyatt a final determination on
4 the merits” and create “further interminable delays.” *Hyatt v. USPTO*, Case No. 2:14-cv-00311-
5 LDG, Dkt. No. 2-1 at 15 l. 19-17 l. 4 (D. Nev. Feb. 27, 2014). Similarly, here, Mr. Hyatt asserts
6 that he “has been denied Board action on his applications, and he continues to suffer delay and
7 faces procedural consequences, including the burdens of participating in the reopened
8 prosecutions and risk of default for failure to do so.”² Pls. Opp. 18. His prayer for relief in the
9 *Hyatt Requirement Suit* requested “the Court to order the PTO not to reopen prosecution on the
10 appeals or otherwise delay final resolution on the merits of the appeals as presented to the [Board]
11 in each of these 80 appealed patent applications.” *Hyatt v. USPTO*, Case No. 2:14-cv-00311-
12 LDG, Dkt. No. 2-1 at 18 ll. 10-18. Here too he seeks to “shield him[self] from further
13 consequences flowing from” the reopening of prosecution in the 80 applications in 2013. Pls.
14 Opp. 2, 16. Thus, this suit and the *Hyatt Requirement Suit* arise out of the same transactional
15 nucleus of facts.

16 Adding extra events to the description of the lawsuit—the 1953 adoption of the MPEP
17 reopening provision and the USPTO’s 2016 denial of Mr. Hyatt’s petition (Pls. Opp. 20-21)—
18 does not change that the only injury Mr. Hyatt alleges here is the same injury he asserted in the
19 *Hyatt Requirement Suit*. The Ninth Circuit addressed such a situation in *Tahoe-Sierra*
20 *Preservation Council, Inc. v. Tahoe Regional Planning Agency*, 322 F.3d 1064, 1077-1081 (9th
21 Cir. 2003). There, after a court decision arising out of an agency’s alleged failure to follow a plan,
22 the plaintiffs returned to court and emphasized another alleged failure that occurred after the first
23 court decision. *Id.* at 1078. The later alleged failure “gave the plaintiffs incrementally more

24 ¹ Plaintiffs characterize the USPTO’s recitation Mr. Hyatt’s lawsuits and the facts regarding his
25 applications (USPTO Mem. 2) as “attacking Mr. Hyatt personally.” Pls. Opp. 2. But the USPTO
26 simply described the facts of his prosecution and related lawsuits, which are germane to this
lawsuit; plaintiffs draw their own inferences from those facts.

27 ² If any of Mr. Hyatt’s applications become abandoned as consequence of his failure to respond
28 to a USPTO action, Mr. Hyatt can seek recourse in the courts for the abandonment itself. *See Star*
Fruits S.N.C. v. United States, 393 F.3d 1277 (Fed. Cir. 2005).

1 information about the extent of their alleged [earlier] injury.” *Id.* at 1079 n.12. But the Ninth
2 Circuit held that *res judicata* nevertheless barred the plaintiffs’ claim. As the Ninth Circuit held,
3 the plaintiffs’ “artful drafting . . . cannot disguise the crux of the controversy.” *Id.* at 1079.

4 The same is true here. Mr. Hyatt filed the underlying petition regarding MPEP § 1207.04
5 after the USPTO relied on that provision in reopening prosecution in 2013 in his 80 applications,
6 and Mr. Hyatt asserted that his petition was “related to issues pending” in the *Hyatt Requirement*
7 *Suit*. A52. And it does not matter that he had not yet received a final denial of his petition while
8 the *Hyatt Requirement Suit* was pending. Pls. Opp. 21. He had an obligation to raise any basis for
9 remedying his alleged 2013 injury in that suit, even if it meant, for example, seeking a stay of the
10 *Hyatt Requirement Suit*. *See, e.g., Palka v. City of Chicago*, 662 F.3d 428, 436-438 (7th Cir. 2011)
11 (claim preclusion applies even though agency had not yet issued right-to-sue letter at time of first
12 court decision because plaintiff could have taken steps to preserve the claim and combine the two
13 actions, such as by seeking a stay of the first action); *Tahoe-Sierra Preservation Council*, 322
14 F.3d at 1079; *Laurel Sand & Gravel, Inc. v. Wilson*, 519 F.3d 156, 162-163 (4th Cir. 2008) (earlier
15 facial challenge precluded later as-applied challenge, even though agency had not yet
16 promulgated regulations at the time of the earlier suit).

17 If Mr. Hyatt believed that MPEP § 1207.04, which supports the USPTO’s ability to reopen
18 prosecution in his 80 applications, was invalid, he should have raised it in the *Hyatt Requirement*
19 *Suit*. *See, e.g., Finch v. Hughes Aircraft Co.*, 926 F.2d 1574, 1577 (Fed. Cir. 1991); *Stewart v.*
20 *U.S. Bancorp*, 297 F.3d 953, 959 (9th Cir. 2002). Thus, Mr. Hyatt’s claim is barred by *res judicata*.
21 The same is true for AAET, as it bases its standing on Mr. Hyatt’s standing.

22 **3. Most of plaintiffs’ claims are time-barred**

23 Plaintiffs respond to the USPTO’s assertion of the time bar by arguing that the USPTO’s
24 2016 decision on Mr. Hyatt’s petition swept away any time-bar issues. But, as decisions of the
25 Ninth and D.C. Circuits explain, a recent denial of a petition to change a rule cannot excuse a
26 plaintiff’s delay in challenging the earlier rulemaking itself. USPTO Mem. 13-14. Although the
27 courts have jurisdiction to review an agency’s decision not to change a rule (under a “highly
28 deferential” standard, *see Massachusetts v. EPA*, 549 U.S. 497, 527 (2007)), that does not include

1 jurisdiction over the procedure used to adopt the rule in the first place. *Wind River Mining Corp.*
2 *v. United States*, 946 F.2d 710, 715 (9th Cir. 1991); *NLRB Union v. Fed. Labor Relations Auth.*,
3 834 F.2d 191, 196 (D.C. Cir. 1987). And *Northwest Environmental Advocates*, on which plaintiffs
4 rely (Pls. Opp. 21-22), says nothing different; it explicitly follows *Wind River* and simply holds
5 that the court can address, via a rulemaking petition, whether the agency's action adopting the
6 initial rule was *ultra vires*. *Northwest Environmental Advocates v. EPA*, 537 F.3d 1006, 1019,
7 1027 (9th Cir. 2008). Still, under *Wind River*, the controlling case, “[i]f a person wishes to
8 challenge a mere procedural violation in the adoption of a regulation or other agency action, the
9 challenge must be brought within six years of the decision [adopting the regulation].” 946 F.2d at
10 715. Such “procedural violations in the adoption” of an agency action include the USPTO's
11 choice to promulgate MPEP § 1207.04 without notice and comment.

12 The time bar also applies against plaintiffs' arguments that the MPEP provision conflicts
13 with various statutory and regulatory provisions (Pls. Mem 7-17, Complaint Counts II and IV).
14 In *Wind River*, the Court explained that the time bar to bring a facial challenge to a rule begins to
15 run from promulgation of the rule. 946 F.2d at 715 (“Similarly, if the person wishes to bring a
16 policy-based facial challenge to the government's decision, that too must be brought within six
17 years of the decision.”). And plaintiffs do not dispute that Mr. Hyatt has had actual notice of the
18 provision he challenges since at least 1983. USPTO Mem. 13 n.4.

19 Plaintiffs are also incorrect when they assert (Pls. Opp. 22-23) that they can challenge
20 MPEP § 1207.04 because the USPTO has amended it in recent years. Plaintiffs misunderstand
21 the concept of guidance; the entire MPEP is continually being edited and revised to account for
22 changes in the law. That process does not mean that the policies within the MPEP or even within
23 the revised section have all been revisited. Plaintiffs point to alleged revisions in 2011, 2013, and
24 2014. In fact, the MPEP was not revised in 2011 or 2013, and the 2012 version of the MPEP did
25 not edit section 1207.04. *See* MPEP, Blue Pages (Aug. 2012), [https://www.uspto.gov/web/
26 offices/pac/mpep/old/e8r9/mpep-0005-blue-page.pdf](https://www.uspto.gov/web/offices/pac/mpep/old/e8r9/mpep-0005-blue-page.pdf) (noting revisions only to sections 1214.06
27 and 1220 in that chapter). And the revision in 2014 had nothing to do with the issue plaintiffs
28 have with the provision. Indeed, the only earlier version of the MPEP provision that plaintiffs cite

1 in any of their briefs or petitions to the agency (other than to assert that the time bar cannot apply)
2 is a 2004 version that contained the statement that the applicant could “request reinstatement of
3 the appeal.” Pls. Opp. 11 & n.4; *see* A36-37. As discussed *infra*, the removal of that language was
4 not substantive, but regardless, it was removed by 2005, still preceding this action by eleven years.
5 *See* MPEP § 1207.04 (Aug. 2005), [https://www.uspto.gov/web/offices/pac/mpep/old/
6 E8R3_1200.pdf](https://www.uspto.gov/web/offices/pac/mpep/old/E8R3_1200.pdf). And plaintiffs’ reliance on changes to rules other than the MPEP provision at
7 issue in this case as a basis for this lawsuit’s timeliness is even more of a stretch.

8 The cases cited by plaintiffs all rely on *Public Citizen v. Nuclear Regulatory Comm’n*,
9 901 F.2d 147, 150 (D.C. Cir. 1990). Pls. Opp. 22. *Public Citizen* and the cases relying on it address
10 situations in which the particular part of the rule at issue in the suit had been reopened in a recent
11 rulemaking, thus restarting the clock. 901 F.2d at 150. And *Public Citizen* explains that an
12 agency’s explicitly declining to discuss provisions “other than those actually at issue” in the
13 rulemaking does not amount to revisiting those other provisions. *Id.*; *see, e.g., Rules of Practice
14 Before the Board of Patent Appeals and Interferences in Ex Parte Appeals*, 76 Fed. Reg. 72270,
15 72287 (Nov. 22, 2011) (final rule declining to adopt a suggested change regarding examiner’s
16 option “to reopen prosecution after filing of an appeal brief” because it was “outside the scope of
17 the proposed rules. The proposed rules do not address reopening of prosecution by the examiner
18 after filing of an appeal brief.”). The substance of the provision plaintiffs dislike has existed since
19 1953 (USPTO Mem. 6), and plaintiffs’ complaint about the provision is much too late.

20 **B. The guidance in MPEP § 1207.04 does not conflict with the Patent Act or
21 USPTO regulations**

22 Even if this Court had jurisdiction to hear plaintiffs’ claims regarding MPEP § 1207.04,
23 the provision was a lawful exercise of the agency’s discretion. As the USPTO explained, the
24 substance of MPEP § 1207.04 has existed since at least 1953—just after the 1952 Patent Act was
25 enacted—and 37 C.F.R. § 41.39 (Rule 39) was written with the already-existing MPEP provision
26 in mind. Indeed, MPEP § 1207.04 merely articulates the agency’s inherent authority to reconsider
27 its decisions, particularly in light of Congress’s statutory directive to issue only valid patents.
28 USPTO Mem. 18-19 and cited cases; *see also American Petroleum Inst. v. E.P.A.*, 661 F.2d 340,

1 355 (5th Cir. 1981) (“Nothing in the Administrative Procedure Act prohibits an agency from
2 changing its mind, if that change aids it in its appointed task.”).

3 As an initial matter, the guidance in the provision is entitled to deference. Plaintiffs assert
4 that the USPTO’s guidance is not entitled to deference because the agency was not exercising
5 formal rulemaking authority in promulgating the MPEP. Pls. Opp. 4. But agencies are entitled to
6 deference even with respect to informal guidance. *Auer v. Robbins*, 519 U.S. 452 (1997).
7 Furthermore, as the USPTO explained, the notice of proposed rulemaking proposing Rule 39
8 pointed out the consistency between Rule 39 and MPEP § 1207.04. USPTO Mem. 22-23; A4-9;
9 A13-16. As the Ninth Circuit has clarified, even if a discussion in a “notice of proposed
10 rulemaking” “lacks the force of law and does not merit *Chevron* deference, it is [the agency’s]
11 interpretation of [its] own regulation and is thus controlling unless plainly erroneous or
12 inconsistent with the regulation.” *Putnam Family Partnership v. City of Yucaipa, Cal.*, 673 F.3d
13 920, 928 n.4 (9th Cir. 2012) (quotation marks omitted; quoting *Auer*, 519 U.S. at 461). And
14 plaintiffs’ assertion that the USPTO’s guidance was substantively wrong cannot decide the
15 deference question.

16 **1. MPEP § 1207.04 is consistent with the Patent Act**

17 The provisions of the Patent Act that plaintiffs cite, 35 U.S.C. §§ 6(b)(1) and 134(a), do
18 not require the Patent Trial and Appeal Board (“Board”) to address an applicant’s appeal simply
19 because he has filed an initial appeal brief;³ in fact, jurisdiction does not even pass to the Board
20 until after the time for filing a reply brief has passed. 37 C.F.R. § 41.35(a). Plaintiffs do not

21 ³ As the USPTO explained, in addition to the points reiterated here, 35 U.S.C. § 6 does not create
22 any right, and plaintiffs forfeited the chance to assert a right under 35 U.S.C. § 134(a). USPTO
23 Mem. 16-17. Plaintiffs are wrong when they argue (Pls. Opp. 6) that *In re Leithem*, 661 F.3d 1316
24 (Fed. Cir. 2011), and *In re McDaniel*, 293 F.3d 1379 (Fed. Cir. 2002), hold or even suggest that
25 section 6 gives an applicant a right to have the Board reach the merits of an appeal once filed.
26 Both cases remanded decisions to the Board because the rejection that the Board addressed was
27 not the rejection made by the examiner; the Board’s reasoning had so deviated from the
28 examiner’s rejection that it was a “new ground of rejection.” The Federal Circuit cited section 6
as the basis for that error because section 6 limits the authority of the Board as an appellate body
to reviewing “adverse decisions of examiners”—if the rejection it gives is “new,” it is not the
“adverse decision[] of [the] examiner[].” Those cases are also entirely consistent with the
USPTO’s (and Federal Circuit’s) explanation that section 6 does not define any rights but only
defines the duties and authority of the Board. A9-10; USPTO Mem. 16.

1 challenge that rule. The examiner’s ability to reopen prosecution while the application is still
2 within his jurisdiction is not, as plaintiffs contend (Pls. Opp. 4-5), a way to prevent having an
3 appeal heard. It is simply a way for the examiner to avoid unnecessary delay in the processing of
4 an application before the appeal goes forward that is consistent with the examiner’s statutory duty
5 to evaluate patentability.

6 Plaintiffs’ argument that the examiner cannot exercise his inherent authority to reconsider
7 his decisions because that authority is contrary to a statute (Pls. Opp. 7) assumes the conclusion—
8 that reopening prosecution violates the statute. But as the USPTO has explained, the right to take
9 an appeal codified in 35 U.S.C. § 134(a) is not one that requires the Board to consider any appeal
10 brief that may be filed. Other provisions of the statute show the illogic of plaintiffs’ position. For
11 example, 35 U.S.C. § 131 requires the Director of the USPTO to “issue a patent” if, after
12 examination, “it appears that the applicant is entitled to a patent under the law.” Under plaintiffs’
13 view, if the examiner realizes upon reading the applicant’s appeal brief that he should withdraw
14 all rejections, he is *legally unable* to reopen prosecution to issue the patent. That cannot be correct.

15 And preventing the examiner from reopening prosecution would be inconsistent with
16 other portions of the statute. As the USPTO explained (USPTO Mem. 17-18 & n.7), the Board
17 cannot adjudicate an appeal unless the applicant has “once paid” the required fee. 35 U.S.C.
18 § 134(a). The statute’s recognition that an applicant must only “once pa[y] the fee” for an appeal
19 indicates that the applicant’s appeal might be reinstated later, after further action by the USPTO.
20 And plaintiffs do not dispute that section 134(a) long predates Rule 39, so having “once paid the
21 fee” for an appeal must apply to situations other than when the applicant chooses to reopen
22 prosecution under Rule 39. Plaintiffs also still do not address the three cases the USPTO cited, in
23 both its petition decision and its opening memorandum, which demonstrate that the Board may
24 adjudicate an appeal without “review[ing] adverse decisions of examiners.” USPTO Mem. 18.

25 As the USPTO has explained, the examiner may realize, before jurisdiction passes to the
26 Board, that something about an appealed rejection requires adjustment. Without the examiner’s
27 ability to reopen prosecution, the applicant would take an appeal, including the delay involved in
28 a Board proceeding and possibly a Federal Circuit appeal, only to have the application returned

1 to the examiner to issue a different office action. Indeed, in the patent-examination process, a
2 patent can only ever issue once the examiner has determined that it complies with the Patent Act.
3 The USPTO Director “has an obligation to refuse to grant a patent if [she] believes that doing so
4 would be contrary to law.” *In re Alappat*, 33 F.3d 1526, 1535 (Fed. Cir. 1994); *see* 37 C.F.R. §
5 1.104(a) (it is the examiner’s duty to perform a “complete” examination). Even after a Federal
6 Circuit decision on an application, “the Patent Office can always reopen prosecution and cite new
7 references, in which limited sense [the Federal Circuit’s] mandates amount to remands.” *In re*
8 *Gould*, 673 F.2d 1385, 1386 (C.C.P.A. 1982). Thus, the most efficient course, if the examiner
9 determines that a new or different rejection should be made or something else needs adjustment,
10 is to make it before the applicant, the USPTO, and possibly a court spend the time and expense
11 of an appeal that may no longer be relevant or necessary. An examiner may reopen prosecution
12 to issue new grounds of rejection, some of which could be made in an examiner’s answer instead,
13 but he also may reopen prosecution for other reasons. For example, in the Requirements issued
14 to Mr. Hyatt, the examiners reopened prosecution so the USPTO could treat Mr. Hyatt’s 115,000
15 claims in a coordinated and consistent manner. *Hyatt Requirement Suit*, 146 F. Supp. 3d at 778.

16 Allowing the examiner to reopen prosecution is similar to a process that sometimes occurs
17 on appeal in the Federal Circuit. When an applicant files an appeal brief in the Federal Circuit,
18 the USPTO may read the brief and realize that something that the Board did requires adjustment,
19 and the USPTO may request a remand. Contrary to plaintiffs’ contention (Pls. Opp. 6-7; Pls.
20 Mem. 11-12), the Federal Circuit routinely grants such remands, even when the applicant
21 opposes.⁴ *See, e.g., In re DiStefano*, 562 Fed. App’x 984 (Fed. Cir. June 4, 2014)
22 (nonprecedential) (remanding the appeal after the filing of appellant’s opening brief when the
23 USPTO conceded Board error, over the objection of the appellant); *In re Shield*, No. 2013-1562
24 (Fed. Cir. Apr. 16, 2014) (same); *In re Motorola Mobility LLC*, No. 2012-1470 (Fed. Cir. Mar. 5,
25 2013) (same); *In re Verdon*, No. 2011-1602 (Fed. Cir. Aug. 13, 2012) (same). And in a Federal
26 Circuit appeal, unlike a Board appeal (37 C.F.R. § 41.33), the applicant cannot file new evidence

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28 ⁴ No such request is necessary in a Board proceeding because the examiner is still the USPTO
official with jurisdiction over the application.

1 or take other actions after the notice of appeal has been filed. The issue is not that the applicant
2 does not get to choose when the appeal is heard or what issues are decided; the issue is that a
3 patent affects the public's rights as much as the applicant's, and the applicant must not be allowed
4 to play games with the process.⁵

5 The public's rights are central to Mr. Hyatt's applications. When the examiners issued
6 Requirements in Mr. Hyatt's approximately 400 patent applications in 2013, including reopening
7 prosecution in 80 of them, the examiners were taking stock of all of his applications collectively,
8 including, in each, "the degree of overlap in priority with other applications and with patents
9 already issued to the same specification . . . [and] the lack of clear demarcation between the claims
10 in applications sharing a common specification." *Hyatt Requirement Suit*, 146 F. Supp. 3d at 778.
11 Allowing appeals to go forward on some of those applications while treating the others in a
12 coordinated way would defeat the purpose of the exercise and delay action on the approximately
13 320 applications that had not had appeal briefs filed. It would also allow Mr. Hyatt to further
14 delay issuance of his patents, which are set to receive a 17-year term, regardless of when they
15 issue or how many people have independently invented the same things in the intervening decades
16 since he began this process. *Id.* at 775-76. Further, unwinding the Requirements in 80 of Mr.
17 Hyatt's applications would take even more time. The Board would hear the appeals, the Federal
18 Circuit might hear appeals after that, and ultimately (if any claims remained viable), the
19 applications would come back to the examiners to issue the Requirements. This is all part of the
20 reason the Eastern District of Virginia court determined that the reopening of prosecution "serves
21 a useful purpose. . . . By directing [Mr. Hyatt] to reduce the number of claims under review, the
22 Requirements facilitate effective examination of the relevant patent applications." *Id.* at 785.

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24
25 ⁵ Plaintiffs suggest that the USPTO is trying to play games with the process by "repeat[ing]" the
26 process of reopening prosecution "ad infinitum." Pls. Opp. 9. Frankly, if the USPTO's goal were
27 to keep Mr. Hyatt's applications in purgatory, the easier course would be to avoid issuing office
28 actions on the merits. But as the *Hyatt Requirement Suit* discussed, the USPTO is actively
examining Mr. Hyatt's applications and addressing them on the merits. 146 F. Supp. 3d at 779-
80, 785. And because the USPTO was able to coordinate its actions by issuing the Requirements,
it has issued approximately 1100 office actions since November 2013 on Mr. Hyatt's applications.

1 Plaintiffs assert that the USPTO’s reading of the statute must be wrong because it would
2 allow the agency to defeat an applicant’s appeal right. Pls. Opp. 8. But plaintiffs are ignoring the
3 point—the agency is ensuring that it is worth the time and expense for the Board to adjudicate an
4 appeal, as the appeal process is all part of the applicant’s attempt to ultimately get a patent.
5 Furthermore, the USPTO has “grant[ed] additional procedural rights in the exercise of [its]
6 discretion” in the context of Board appeals. Pls. Opp. 8 (quoting *Vermont Yankee Nuclear Power*
7 *Corp. v. NRDC*, 435 U.S. 519, 524 (1978)). For example, the USPTO created a pilot program in
8 2005 that remains in effect, allowing applicants to avoid the appeal process if they believe there
9 was a clearly improper rejection in the office action. MPEP § 1204.02. An applicant can, after
10 filing a notice of appeal, request a rehearing by a panel of three USPTO officials—the examiner
11 of the application, a supervisor, and another examiner. *Id.* (including notices cited therein). If that
12 panel determines that there was an error, it may reopen prosecution. *Id.* Like the other procedural
13 checks discussed in the USPTO’s opening memorandum (USPTO Mem. 21), this procedure,
14 which has been popular since its adoption (*see* [http://www.ipwatchdog.com/2017/01/12/pre-
15 appeal-brief-conference-winning-strategy/id=76897/](http://www.ipwatchdog.com/2017/01/12/pre-appeal-brief-conference-winning-strategy/id=76897/)), allows applicants to avoid the time
16 required to undertake unnecessary appeals. In other words, the USPTO has recognized that Board
17 appeals are a time-consuming additional stage in the examination process, and if the examiner
18 can clarify the issues before an appeal or avoid it altogether where unproductive, all the better.

19 **2. MPEP § 1207.04 is consistent with Rule 39**

20 MPEP § 1207.04 is also consistent with Rule 39, which was adopted to conform with the
21 MPEP provision. USPTO Mem. 22-25. Rule 39 does not address the examiner’s reopening
22 prosecution after an appeal brief, as the longstanding MPEP guidance already addressed that
23 situation. *Id.* Thus, the rulemaking implementing Rule 39 plainly explained that Rule 39 did
24 nothing to alter or otherwise abridge that preexisting guidance. *Id.* Plaintiffs’ only response to
25 that history is to assert that it is “not complete” because the MPEP guidance was revised in 2005,
26 after Rule 39 was enacted, removing the language stating that the applicant could “request
27 reinstatement of the appeal.” Pls. Opp. 11; *see* MPEP § 1208.02 (May 2004), [https://
28 www.uspto.gov/web/offices/pac/mpep/old/E8R0_1200.pdf](https://www.uspto.gov/web/offices/pac/mpep/old/E8R0_1200.pdf). That 2005 edit does not help

1 plaintiffs. It did not change the portion of the MPEP provision germane to the issues Plaintiffs
2 raise here, namely whether Rule 39 eliminated the ability of the examiner to reopen prosecution.
3 That option, long articulated in the MPEP, was unchanged in 2005. And, as the USPTO explained
4 (A6 n.2), the applicant can still effectively “request reinstatement of the appeal”; nothing
5 “defeat[ed] that right” (Pls. Opp. 11). Now, the applicant can file a new notice of appeal and
6 appeal brief without paying a new fee. In either case, the applicant has to address the examiner’s
7 new ground of rejection, either in a supplemental appeal brief or in a revised appeal brief.

8 The USPTO also pointed out (USPTO Mem. 21-22) that Rule 39 leaves room for
9 examiner actions other than filing an examiner’s answer because Rule 39 permissively states that
10 the examiner “*may . . .* furnish a written answer to the appeal brief.” Plaintiffs do not address the
11 self-evident language of Rule 39, instead contorting the USPTO’s argument into an assertion that
12 the USPTO thinks examiners are not bound by the USPTO’s regulations. Pls. Opp. 11. Nothing
13 could be further from the truth. Examiners follow the regulations. The point that plaintiffs fail to
14 grapple with is that Rule 39 does not mandate either that an answer be filed or that the examiner
15 take any particular action—and with good reason. Examiners encounter new situations regularly.
16 They are, after all, quasi-judicial officials making decisions on the individual cases appearing
17 before them. *United States v. American Bell Tel. Co.*, 128 U.S. 315, 363 (1888) (“The patent . . .
18 is the result of a course of proceeding quasi-judicial in its character.”); *Chamberlin v. Isen*, 779
19 F.2d 522, 524 (9th Cir.1985) (“[I]t has long been recognized that PTO employees perform a
20 ‘quasi-judicial’ function in examining patent applications.”); *Western Elec. Co. v. Piezo Tech.,*
21 *Inc.*, 860 F.2d 428, 431 (Fed. Cir. 1988). That is why the case the USPTO discussed (USPTO
22 Mem. 21-22), *Shalala v. Guernsey Mem’l Hosp.*, 514 U.S. 87 (1995), is particularly apt. That case
23 explains that the agency has no “duty to promulgate regulations that, either by default rule or by
24 specification, address every conceivable question in the process of” case-by-case adjudication,
25 like patent examination. *Id.* at 96. Rather, guidance can appropriately guide the adjudicators’
26 decisions in addressing a “question unaddressed by the otherwise comprehensive regulations on
27 this particular subject.” *Id.* at 97.

1 Rule 39 did not eliminate the preexisting guidance in the MPEP that examiners could
2 reopen prosecution to enter new grounds of rejection. It simply addressed a different situation—
3 separate from that addressed in MPEP § 1207.04—in which the examiner has deemed it advisable
4 to file an examiner’s answer in response to an applicant’s appeal brief. Rule 39 lays out the
5 contents of that answer if the examiner determines that filing an answer is the appropriate route
6 and defines the options available to the applicant to respond. USPTO Mem. 22.

7 **3. MPEP § 1207.04 is not subject to notice-and-comment requirements**
8 **because it falls into multiple exceptions: it constitutes at least one of a**
9 **rule of agency procedure, a policy statement, and an interpretive rule**

10 As explained above and in the USPTO’s opening memorandum, the time to challenge the
11 procedures the USPTO used to adopt MPEP § 1207.04 has long passed, and plaintiffs do not have
12 standing to challenge those procedures here. Plaintiffs do not even address this issue in their
13 opposition. But even if this Court had jurisdiction, plaintiffs’ challenge would fail because MPEP
14 § 1207.04 falls into at least one of multiple exceptions to the notice-and-comment requirements:
15 It is a rule of agency procedure, a policy statement, and an interpretive rule.

16 1. As the USPTO explained, MPEP § 1207.04 is a rule of agency procedure, exempting it
17 from notice-and-comment requirements under 5 U.S.C. § 553, because “it covers agency actions
18 that do not themselves alter the rights or interests of parties, although it may alter the manner in
19 which the parties present themselves or their viewpoints to the agency.” *JEM Broad. Co. v. FCC*,
20 22 F.3d 320, 326 (D.C. Cir. 1994) (quotation marks omitted). MPEP § 1207.04 does not alter the
21 substantive rules for patentability but merely affects the way in which an applicant presents his
22 viewpoint to the USPTO.

23 Plaintiffs reprise their argument that, even though MPEP § 1207.04 is a procedural rule,
24 35 U.S.C. § 2(b)(2) nevertheless mandates the use of notice and comment. Pls. Opp. 12-14. But
25 nothing in section 2(b)(2) requires the USPTO to establish all procedure as regulation; it states
26 that the USPTO “*may* establish regulations” that “govern the conduct of proceedings.”⁶ It is only

27 ⁶ Plaintiffs disagree (Pls. Opp. 13) that the Supreme Court has recently questioned whether section
28 2(b)(2)(a) limits the USPTO to making procedural rules, arguing that the Court commented on a
different statutory provision. But *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2142-43
(2016), states that skepticism explicitly. It says that the Federal Circuit “interpreted a grant of

1 if the agency chooses to establish regulations that section 2(b)(2) commands notice-and-comment
2 rulemaking. In general, Congress left it to the USPTO to decide when to install procedural rules
3 as regulations. This is in contrast to certain Board proceedings reviewing issued patents, in which
4 Congress stated that the agency “*shall* prescribe regulations . . . establishing procedures for the
5 submission of supplemental information”; “setting forth standards and procedures for discovery”;
6 and “setting forth standards and procedures for allowing the patent owner to move to amend the
7 patent.” 35 U.S.C. § 316(a) (emphasis added). In those cases, Congress showed its intent to
8 *require* notice and comment for rules, including procedural rules. In general, though, in section
9 2(b)(2), Congress showed its opposite intent.

10 Contrary to plaintiffs’ contention (Pls. Opp. 12), leaving the USPTO with a choice of
11 when to establish procedural rules as regulations does not deprive the statute of force and effect.
12 When the USPTO elects to establish procedure as regulation, it gains the benefit of the views of
13 its constituents—the applicants—via the associated notice-and-comment rulemaking. And, after
14 considering those views, notice-and-comment rulemaking allows the USPTO to then bind
15 applicants to the rules it establishes. Thus, for example, the USPTO typically proceeds through
16 notice-and-comment rulemaking to set or change fees. *See, e.g., Setting and Adjusting Patent*
17 *Fees*, 78 Fed. Reg. 4212, 4230-31 (Jan. 18, 2013). But when the USPTO changes the MPEP to,
18 for example, account for changes in the law from a Federal Circuit decision, there is no need to
19 undergo notice and comment. Nor should the USPTO have to—the courts have mandated those
20 changes. *See, e.g., MPEP* § 2248 (changing procedure for processing petitions in light of court
21 decision). At most, MPEP § 1207.04 imposes on the public “the incidental inconveniences of
22 complying with an enforcement scheme”; “such derivative burdens hardly dictate notice and
23 comment review.” *Am. Hosp. Ass’n v. Bowen*, 834 F.2d 1037, 1051 (D.C. Cir. 1987).

24 Furthermore, plaintiffs’ argument that the change to section 2 in 1999 must have affected
25 the rulemaking requirements is a red herring. Pls. Opp. 13-14. Congress added a reference to
26 5 U.S.C. § 553—including its exception for procedural rulemaking—to the Patent Act. In doing

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28 rulemaking authority in . . . § 2(b)(2)(A), as limited to *procedural* rules. . . . That statute does not
clearly contain the Circuit’s claimed limitation.” *Id.*

1 that, Congress never indicated any intent to do away with the longstanding MPEP or the way in
2 which the USPTO administers it. Indeed, as the USPTO pointed out, Congress changed that
3 amendment from earlier drafts, doing away with a statement that the USPTO “may establish
4 regulations, not inconsistent with law, which . . . shall be made after notice and opportunity for
5 full participation by interested public and private parties.” 21st Century Patent System
6 Improvement Act, H.R. 400, 105th Cong. § 112 (1997) (proposing amendment to 35 U.S.C. §
7 2(b)(5)(B)). The change to no longer require notice and comment (because section 553 includes
8 exceptions) implies a change in meaning. *Doe v. Chao*, 540 U.S. 614, 622-23 (2004).

9 And, if Congress in 1999 had changed the way the MPEP should be promulgated, every
10 change in the law since 1999, including the 2011 overhaul of the Patent Act, would require
11 corresponding provisions of the 2600-plus-page MPEP to undergo notice and comment. Plaintiffs
12 concede as much, arguing that any MPEP section that “prescribes detailed procedural
13 requirements and obligations that govern a phase of the patent application process”—in other
14 words, the entire MPEP—are “unquestionably” APA rules. Pls. Opp. 16. Undergoing notice and
15 comment for every change in the MPEP, which would have to be repeated frequently because of
16 frequent changes in the law, would make the USPTO more reluctant to update the way examiners
17 examine applications, and Congress never indicated that it meant to make such a change.

18 Even if the 1999 amendment to the Patent Act did somehow impose an absolute obligation
19 on the USPTO to promulgate all procedure as regulation using notice and comment, the 1999
20 amendment was long after the USPTO’s policy determination in 1953 that the examiner can
21 reopen prosecution. As plaintiffs recognize, “statutes presumptively apply only prospectively, and
22 Section 2(b)(2) contains no exception to that general rule.” Pls. Opp. 14. Thus, even if plaintiffs
23 were correct and the USPTO had to go back to the 1999 version of the MPEP, the operative
24 version of the MPEP would *still* allow the examiner to reopen prosecution after the applicant files
25 an appeal brief. *See* MPEP § 1208.02 (July 1998), [https://www.uspto.gov/web/offices/pac/mpep/
26 old/E7R0_1200.pdf](https://www.uspto.gov/web/offices/pac/mpep/old/E7R0_1200.pdf) (entitled “Reopening of Prosecution After Appeal”).

27 2. MPEP § 1207.04 also represents a “general statement of policy” exempted from notice-
28 and-comment rulemaking by 5 U.S.C. § 553(b)(A). Plaintiffs argue that this point “barely merits

1 a response” (Pls. Opp. 16), after plaintiffs waived a response to this reasoning of the agency (Pls.
2 Mem. 17-24). Plaintiffs then go on to argue that MPEP § 1207.04 is a “binding rule[],” so it
3 cannot be a general statement of policy. But MPEP §1207.04 does not “require anyone to do
4 anything or[] prohibit anyone from doing anything,” even examiners. *Nat’l Mining Assoc. v.*
5 *McCarthy*, 758 F.3d 243, 252 (D.C. Cir. 2014); A23-24. It simply states the option to take certain
6 actions under certain circumstances. Plaintiffs’ final contention on the matter is that the provision
7 cannot be a “general statement of policy” because it is a procedural rule. But the APA’s broad
8 categories of rules exempted from notice-and-comment rulemaking can overlap. A rule can be
9 both procedural and a general statement of policy. *See Lincoln v. Vigil*, 508 U.S. 182, 197 (1993)
10 (holding rule exempt from notice-and-comment requirements for the independent reasons that it
11 was *both* procedural *and* a general statement of policy).

12 3. Finally, MPEP § 1207.04 represents an interpretive rule, which is also exempted from
13 notice-and-comment procedures. Again, plaintiffs incorrectly assert foremost that the provision
14 cannot be interpretive because it is procedural (Pls. Opp. 15), but the categories can overlap. *See*
15 *Lincoln*, 508 U.S. at 197.

16 MPEP § 1207.04 is an interpretation: It clarifies the application of the examiner’s inherent
17 authority to reconsider his earlier decision while he still has jurisdiction over the application. *See*
18 *generally Refac Int’l, Ltd. v. Lotus Dev. Corp.*, 81 F.3d 1576, 1584 n.2 (Fed. Cir. 1996) (The
19 MPEP “is entitled to judicial notice as the agency’s official interpretation of statutes or
20 regulations, provided that it is not in conflict with the statutes or regulations.”). Plaintiffs cite only
21 one case for its facts, alleging that they are comparable to MPEP § 1207.04, where the Department
22 of Housing and Urban Development eliminated the due process right to a pre-eviction hearing
23 when tenants were evicted from their houses. *Yesler Terrace Cmty. Council v. Cisneros*, 37 F.3d
24 442, 449 (9th Cir. 1994). Due process—a constitutional requirement—obviously falls into a
25 different category from a provision that simply clarifies the examiner’s already existing authority.

26 C. The USPTO lawfully denied Mr. Hyatt’s petition

27 Finally, the USPTO lawfully denied Mr. Hyatt’s petition for rulemaking. It was too late,
28 improper, and denied for permissible, stated reasons. USPTO Mem. 29-30. Plaintiffs do not

1 dispute that review of a denial of a rulemaking request is “extremely limited” and “highly
2 deferential.” *Massachusetts v. EPA*, 549 U.S. at 527. Nor do plaintiffs dispute that review of a
3 rulemaking petition encompasses only the agency’s decision not to change or promulgate the
4 requested rule; it does not encompass, for example, alleged errors in promulgation of the original
5 rule. And, as the USPTO explained, Mr. Hyatt’s rulemaking petition is particularly untenable
6 because it is designed only to avoid the obligation that he seek redress in the context of his
7 individual applications. *Nader v. EPA*, 859 F.2d 747, 753 (9th Cir. 1988).

8 Furthermore, as plaintiffs recognize, even if the USPTO were to implement the rule Mr.
9 Hyatt seeks, it would have only prospective effect. Pls. Opp. 14. The relief plaintiffs primarily
10 seek—to “shield Mr. Hyatt from further consequences flowing from” the USPTO’s having
11 already reopened prosecution in 80 of his applications (Pls. Opp. 2, 16) and to prevent the USPTO
12 from “penaliz[ing] Mr. Hyatt from any consequences flowing from” those prior reopenings (*id.*
13 at 18)—cannot be redressed by such a rule.

14 **III. CONCLUSION**

15 For the reasons discussed above, in the USPTO’s opening memorandum, and the
16 USPTO’s petition decisions, the USPTO is entitled to summary judgment.

17 Dated: February 3, 2017

Respectfully submitted,

18 DANIEL G. BOGDEN
19 United States Attorney

20 /s/ Molly R. Silfen

21 MOLLY R. SILFEN
22 Special Assistant United States Attorney

23 **PROOF OF SERVICE**

24 I, Molly R. Silfen, certify that on February 3, 2017, the foregoing **DEFENDANTS’**
25 **REPLY IN SUPPORT OF THEIR MOTION FOR SUMMARY JUDGMENT** was served
on all counsel of record via CM/ECF.

26 /s/ Molly R. Silfen

27 MOLLY R. SILFEN
28 Special Assistant United States Attorney