United States Court of Appeals for the Federal Circuit

GILBERT P. HYATT,
Plaintiff-Appellant

v.

UNITED STATES PATENT AND TRADEMARK OFFICE, KATHERINE K. VIDAL, UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE,
Defendants-Appellees

2021-2324

Appeal from the United States District Court for the Eastern District of Virginia in No. 1:20-cv-00487-CMH-IDD, Senior Judge Claude M. Hilton.

Decided: September 8, 2022

ANDREW M. GROSSMAN, Baker & Hostetler LLP, Washington, DC, argued for plaintiff-appellant. Also represented by MARK W. DELAQUIL.

PETER JOHN SAWERT, Office of the Solicitor, United States Patent and Trademark Office, Alexandria, VA, argued for defendants-appellees. Also represented by

THOMAS W. KRAUSE, ROBERT MCBRIDE, AMY J. NELSON, FARHEENA YASMEEN RASHEED; JESSICA D. ABER, Office of the United States Attorney for the Eastern District of Virginia, United States Department of Justice, Alexandria, VA.

Before MOORE, *Chief Judge*, PROST and HUGHES, *Circuit Judges*.

PROST, *Circuit Judge*.

Following decades of patent-related litigation, patent applicant Gilbert P. Hyatt submitted significant claim amendments for his U.S. Patent Application No. 08/435,938 ("the '938 application") in August 2015. A Patent and Trademark Office ("PTO") examiner then issued a restriction requirement for seven of eight claims that Mr. Hyatt had selected for examination. Mr. Hyatt filed a complaint in the Eastern District of Virginia alleging, among other things, that the restriction requirement was improper, such that the PTO violated 5 U.S.C. § 706. The district court disagreed; it determined that 37 C.F.R. § 1.129 ("Rule 129") permitted the restriction requirement for Mr. Hyatt's '938 application. The district court accordingly granted the PTO's motion for summary judgment and denied Mr. Hyatt's competing motion. Mr. Hyatt appeals. We affirm.

BACKGROUND

I

Congress passed the Uruguay Round Agreements Act ("URAA") in part to amend the term of U.S. patent protection: now, as of June 8, 1995, patent terms are 20 years from the effective filing date instead of 17 years from the grant date. Pub. L. No. 103-465, 108 Stat. 4809, 4984 (1994) (codified at 35 U.S.C. § 154(a)(2)). The prior patent term, tied to the grant date, "incentivized certain patentees

to delay prosecuting their patents by abandoning applications and filing continuing applications in their place." *Hyatt v. Hirshfeld*, 998 F.3d 1347, 1351 (Fed. Cir. 2021). The URAA changed the incentives to promote timely disclosure of innovations by instead tying the patent term to the effective filing date. *See id.* at 1352.

But the change in law left a gap for so-called transitional applications—those filed but not yet granted before the URAA took effect. This "triggered a patent application gold rush in the spring of 1995" by applicants who wanted their patent claims to be governed under the pre-URAA patent term. *Id.* "For example, in the nine days leading to June 8, 1995, the PTO reported that it received and processed over 50,000 applications—one-quarter of the entire year's projected filings." *Id.* at 1353. This gold rush is "often referred to as the 'GATT Bubble.'" *Id.* at 1352.

URAA section 532 addresses those GATT Bubble transitional applications. For transitional applications that had been pending for two years or longer as of June 8, 1995,[1] it directs the PTO to "prescribe regulations to provide for further limited reexamination of" those applications. 108 Stat. at 4985. And for applications that had been pending for three years or longer as of June 8, 1995, it instructs the PTO to "prescribe regulations to provide for the examination of more than [one] independent and distinct invention." *Id.*

Congress further instructed that then-President Clinton's statement of administrative action ("SAA") "shall be regarded as an authoritative expression by the United States concerning the interpretation and application of the" URAA "in any judicial proceeding in which a question

---

[1] The URAA accounts for claims of priority to earlier-filed applications in determining how long a patent application has been "pending." *See* 108 Stat. at 4984–85.

arises concerning such interpretation or application." 19 U.S.C. § 3512(d); *see also* H.R. Doc. No. 103-316 (1994) (SAA).

The PTO promulgated Rule 129 pursuant to its authority provided by the URAA and informed by the SAA. In particular, Rule 129(b)(1)(ii) provides:

> (1) In an application . . . that has been pending for at least three years as of June 8, 1995 . . . , *no requirement for restriction . . . shall be made or maintained* in the application after June 8, 1995, *except where*:
>
> . . . .
>
> (ii) The examiner has not made a requirement for restriction in the present or parent application prior to April 8, 1995, *due to actions by the applicant* . . . .

37 C.F.R. § 1.129(b)(1)(ii) (emphasis added).

II

Mr. Hyatt filed the '938 application, which claims priority to applications filed as early as 1983, during the GATT Bubble on May 5, 1995. The PTO completed an initial examination of those claims in 2003, but from 2003 to 2012, "the PTO stayed the examination of many of [Mr.] Hyatt's applications pending litigation." *Hyatt*, 998 F.3d at 1354.

In October 2013, an examiner instructed Mr. Hyatt to select a number of claims from his '938 application for examination as part of the PTO's efforts to manage Mr. Hyatt's approximately 400 pending patent applications. Mr. Hyatt complied, under protest, and selected eight claims out of the approximately 200 in that application. The Examiner issued a non-final rejection of those claims in February 2015, and, in August of that year, Mr. Hyatt responded with significant claim amendments. By way of

example, Mr. Hyatt entirely rewrote one of the selected claims, sparing only the preambular terms "A" and "comprising."

The Examiner determined that these claim amendments shifted seven of the eight selected claims to a different species of computer systems and processes. As a result, the Examiner issued a restriction requirement between the originally selected claims and the amended claims, still allowing Mr. Hyatt to prosecute his amended claims but forcing him to do so in a new, separate application.[2]

Mr. Hyatt filed a complaint in the Eastern District of Virginia. He alleged in relevant part that the PTO's restriction requirement violated the Administrative Procedure Act ("APA") as arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law since restriction requirements are generally not permitted for transitional applications like the '938 application and no exception to that rule applied. *See* J.A. 41 (citing 5 U.S.C. § 706); *see also Hyatt v. U.S. Pat. & Trademark Off.*, 551 F. Supp. 3d 600, 605 (E.D. Va. 2021). Mr. Hyatt and the PTO filed competing motions for summary judgment. The district court granted the PTO's motion and denied Mr. Hyatt's motion. J.A. 14. As the district court explained,

> [Mr. Hyatt] failed to disclose claims to a separate invention and attempted to file them many years after 1995. Withholding these claims is an action by the applicant that falls within [Rule 129(b)(1)(ii)'s applicant-action] exception to the general rule prohibiting restriction

---

[2] This meant, at a minimum, that Mr. Hyatt's amended claims would be subject to the new patent term—20 years from the effective filing date. *See* Appellant's Br. 5 n.1.

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.