

No. _____

**In The
Supreme Court of the United States**

—◆—
GILBERT P. HYATT,

Petitioner,

v.

UNITED STATES PATENT AND TRADEMARK OFFICE,
AND KATHI VIDAL, UNDER SECRETARY OF
COMMERCE FOR INTELLECTUAL PROPERTY AND
DIRECTOR OF THE UNITED STATES PATENT AND
TRADEMARK OFFICE, IN HER OFFICIAL CAPACITY,

Respondents.

—◆—
**On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit**

—◆—
PETITION FOR WRIT OF CERTIORARI

—◆—
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QUESTIONS PRESENTED

Petitioner Gilbert Hyatt brought this action to challenge the Patent and Trademark Office’s secret rule, attested to by former agency officials and reflected in its official actions, to deny him further patents irrespective of the merit of his applications. After finding that Hyatt had plausibly alleged this rule’s existence, the district court *sua sponte* entered summary judgment against him, notwithstanding clear disputes of material fact as to the agency’s actions. Expressly holding that the ordinary summary judgment standard of Federal Rule of Civil Procedure 56 does not apply in agency cases, the district court drew inferences, made credibility determinations, and decided fact disputes in favor of the agency and against Hyatt. It also held that, because there was no basis to “compel agency action unlawfully withheld or unreasonably delayed,” 5 U.S.C. § 706(1), the agency’s rule could not be “h[e]ld unlawful and set aside” as “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law,” *id.* § 706(2). The Federal Circuit upheld the district court’s decision.

This Court should grant review to decide:

1. Whether the ordinary summary judgment standard of Rule 56 applies to review of agency action, as held by the First, Fifth, Ninth, and District of Columbia Circuits.
2. Whether the mandamus standard of *Norton v. S. Utah Wilderness Alliance*, 542 U.S. 55 (2004), applies to claims seeking to set aside agency action under 5 U.S.C. § 706(2).

PARTIES TO THE PROCEEDING

Petitioner is Gilbert P. Hyatt, who is the plaintiff in these proceedings.

Respondents are United States Patent and Trademark Office, and Kathi Vidal, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, in her official capacity.

RELATED CASES

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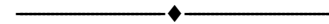
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PETITION FOR A WRIT OF CERTIORARI

Petitioner, Gilbert P. Hyatt, petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

**OPINIONS BELOW**

The opinion of the United States Court of Appeals for the Federal Circuit is unreported and is reproduced at the Appendix (App.) 1–2. The denial of rehearing and rehearing en banc is unreported and is reproduced at App. 3–4. The decision of the United States District Court for the Eastern District of Virginia is unreported and is reproduced at S.App. 1–42.

**JURISDICTION**

The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1). The United States Court of Appeals for the Federal Circuit denied rehearing and rehearing en banc on January 25, 2022. This petition is filed within 90 days of the Federal Circuit’s ruling and is therefore timely under Rule 13.1 and 29.2 of this Court.

**STATUTORY AND RULES PROVISIONS**

5 U.S.C. § 706. To the extent necessary to decision and when presented, the reviewing court shall decide

all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action. The reviewing court shall—

- (1) compel agency action unlawfully withheld or unreasonably delayed; and
- (2) hold unlawful and set aside agency action, findings, and conclusions found to be—
 - (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;
 - (B) contrary to constitutional right, power, privilege, or immunity;
 - (C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;
 - (D) without observance of procedure required by law;
 - (E) unsupported by substantial evidence in a case subject to sections 556 and 557 of this title or otherwise reviewed on the record of an agency hearing provided by statute; or
 - (F) unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court.

In making the foregoing determinations, the court shall review the whole record or those parts of it cited by a party, and due account shall be taken of the rule of prejudicial error.

Rule 56, Federal Rules of Civil Procedure. Summary Judgment. (a) Motion for Summary Judgment or Partial Summary Judgment. A party may move for summary judgment, identifying each claim or defense—or the part of each claim or defense—on which summary judgment is sought. The court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. The court should state on the record the reasons for granting or denying the motion.

(b) Time to File a Motion. Unless a different time is set by local rule or the court orders otherwise, a party may file a motion for summary judgment at any time until 30 days after the close of all discovery.

(c) Procedures.

(1) Supporting Factual Positions. A party asserting that a fact cannot be or is genuinely disputed must support the assertion by:

(A) citing to particular parts of materials in the record, including depositions, documents, electronically stored information, affidavits or declarations, stipulations (including those made for purposes of the motion only), admissions, interrogatory answers, or other materials; or

(B) showing that the materials cited do not establish the absence or presence of a genuine dispute, or that

an adverse party cannot produce admissible evidence to support the fact.

(2) *Objection That a Fact Is Not Supported by Admissible Evidence.* A party may object that the material cited to support or dispute a fact cannot be presented in a form that would be admissible in evidence.

(3) *Materials Not Cited.* The court need consider only the cited materials, but it may consider other materials in the record.

(4) *Affidavits or Declarations.* An affidavit or declaration used to support or oppose a motion must be made on personal knowledge, set out facts that would be admissible in evidence, and show that the affiant or declarant is competent to testify on the matters stated.

(d) *When Facts Are Unavailable to the Nonmovant.* If a nonmovant shows by affidavit or declaration that, for specified reasons, it cannot present facts essential to justify its opposition, the court may:

(1) defer considering the motion or deny it;

(2) allow time to obtain affidavits or declarations or to take discovery; or

(3) issue any other appropriate order.

(e) *Failing to Properly Support or Address a Fact.* If a party fails to properly support an assertion of fact or fails to properly address another party's assertion of fact as required by Rule 56(c), the court may:

(1) give an opportunity to properly support or address the fact;

(2) consider the fact undisputed for purposes of the motion;

(3) grant summary judgment if the motion and supporting materials—including the facts considered undisputed—show that the movant is entitled to it; or

(4) issue any other appropriate order.

(f) Judgment Independent of the Motion. After giving notice and a reasonable time to respond, the court may:

(1) grant summary judgment for a non-movant;

(2) grant the motion on grounds not raised by a party; or

(3) consider summary judgment on its own after identifying for the parties material facts that may not be genuinely in dispute.

(g) Failing to Grant All the Requested Relief. If the court does not grant all the relief requested by the motion, it may enter an order stating any material fact—including an item of damages or other relief—that is not genuinely in dispute and treating the fact as established in the case.

(h) Affidavit or Declaration Submitted in Bad Faith. If satisfied that an affidavit or declaration under this rule is submitted in bad faith or solely for delay, the court—after notice and a reasonable time to respond—may order the submitting party to pay the other party

the reasonable expenses, including attorney's fees, it incurred as a result. An offending party or attorney may also be held in contempt or subjected to other appropriate sanctions.



INTRODUCTION

Plaintiff–Appellant Gilbert P. Hyatt is a renowned inventor whose patent applications were deliberately left in limbo for decades by the Patent and Trademark Office (PTO). As the district court noted, “Plaintiff’s pending patent applications are some of the longest-pending patent applications at the PTO. Almost all of plaintiff’s applications were filed prior to June 8, 1995, the effective date of certain amendments to the patent laws.” S.App. at 6.

In support of his claims against the PTO under the Administrative Procedures Act §§ 706(1) & (2)(A), Hyatt introduced direct and circumstantial evidence establishing the PTO had adopted and enforced for decades a secret “no-patents-for-Hyatt” rule. This included declarations by former PTO officials swearing that they personally adopted and enforced such a secret agency policy to obstruct issuance of Hyatt’s applications as patents, regardless of the merits. However, the district court *sua sponte* granted summary judgment in PTO’s favor on two grounds.

First, in concluding that the USPTO does not have a “rule, order, or policy, *de facto* or otherwise, to refrain from issuing a patent to plaintiff or to prevent plaintiff

from obtaining judicial review of his patent applications,” the district court took all evidence in the light most favorable to PTO, made credibility determinations in PTO’s favor, and then proceeded to decide disputed questions of fact. However, under the familiar summary judgment standard, a “judge’s function” in evaluating a motion for summary judgment is not “to weigh the evidence and determine the truth of the matter but to determine whether there is a genuine issue for trial.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986); *see also First Nat. Bank of Ariz. v. Cities Service Co.*, 391 U.S. 253, 289 (1968) (the question at summary judgment is whether a jury should “resolve the parties’ differing versions of the truth at trial”). In doing so, the court must “view the facts and draw reasonable inferences ‘in the light most favorable to the party opposing the . . . motion.’” *Scott v. Harris*, 550 U.S. 372, 378 (2007).

Here, the non-movant was Hyatt. In justifying its deviation from normal summary judgment standards, the district court stated that “[t]he customary summary judgment standard under Rule 56(c), Fed. R. Civ. P., does not apply in the case of judicial review on the basis of an administrative record.” S.App. at 18. The district court’s deviation is erroneous: it conflicts not only with the applicable Federal Rules of Civil Procedure, but also with how they have been applied by the other Courts of Appeals.

Second, the court entered judgment on Hyatt’s APA § 706(2) claim to set aside the “no-patents-for-Hyatt” rule based on its finding that “the PTO is

currently acting on [Hyatt's] patent applications." In so doing, the court regarded that claim as subject to the same mandamus standard as Hyatt's APA § 706(1) claim to compel agency action, such that the agency's performance of its nondiscretionary duties was dispositive of the lawfulness of its actions. But APA § 706(2)(A) does not require a court to assess whether "an agency failed to take a discrete agency action that it is required to take," *Norton v. S. Utah Wilderness All.*, 542 U.S. 55, 64 (2004), but whether its action was "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law." The lower court's conflation of the §§ 706(1) & (2) standards conflicts with the APA, with *Norton*, and with how those standards have been applied by the other Courts of Appeals.

Although a panel of the Federal Circuit summarily affirmed, this Court should grant certiorari and remand to the Federal Circuit with instructions to clarify that the customary summary judgment standard applies equally in agency cases and that the *Norton* mandamus standard has no application to APA § 706(2) claims to set aside unlawful agency action.



STATEMENT OF THE CASE

A. Facts of the Case

1. Hyatt and the Origin of the "No-patents-for-Hyatt" Rule

As an accomplished engineer, scientist, and prolific inventor, Gilbert P. Hyatt has amassed over 70

patents, and he has numerous patent applications pending before the PTO. Although these pending patent applications were filed decades ago, they are still currently pending before the PTO or recently held abandoned by the PTO. This delay is the result not of any fault on Hyatt's part nor the PTO's incompetence, but of a deliberate secret policy at the PTO to never issue Hyatt another patent, regardless of the merits of his applications. Such a policy arose in connection to a mid-1990s movement against "submarine patents," which are patents with early filing dates covering technology that was widely adopted by the time of issuance. Appx. at 1411–1414; Appx. at 1442; Appx. at 1494. Then-Commissioner Bruce Lehman was a proponent of the movement and had testified in Congress that "submarine patents" were "pure and simple, an extortion game." Patent System and Modern Technology Needs: Meeting the Challenge of the 21st Century, Hearing Before the H. Subcomm. on Technology, 104th Cong. 2nd Sess. at 24 (June 6, 1996). As such, Lehman took aim at "submarine patents" by directing the PTO to put a stop to them.

Although the PTO and its crusade against "submarine patents" may have started with good intentions, the PTO made a mistake when it mistook Hyatt as a "submariner" and decided to categorically deny him the issuance of any more patents. Appx. at 1414–1418; Appx. at 1444–1445; Appx. at 1380. This misperception resulted in the birth of the "no-patents-for-Hyatt" rule. Starting in the late-1990s, Edward Kazenske, the then-Deputy Assistant Commissioner for Patents

and “Commissioner Lehman’s Chief conduit to the entire PTO,” personally “ordered the PTO policy not to issue Mr. Hyatt any more patents,” and he has filed a declaration of this fact in support of Hyatt’s claim. Appx. at 1419; *see also* Appx. at 1412; Appx. at 1414; Appx. at 1417; Appx. at 1419–1420. Consequently, the Office of Patent Publication determined that four of Hyatt’s patents had been approved by examiners for issuance and then notified PTO leadership, which subsequently withdrew them from issuance. Appx. at 1415. Likewise, to enforce the “no-patents-for-Hyatt” rule, Kazenske and other senior PTO officials also enacted several steps. First, they directed patent examiners to scan applications pending issuance for Hyatt’s name to ensure that no more patents would be issued to Hyatt. Appx. at 1376. Similarly, the officers directed the PTO to throw any pending patent applications by Hyatt into limbo by assigning them “shadow” or “phantom” art units that would never result in review of such applications because they existed solely on paper and had no patent examiners assigned to them. Appx. at 1417. Finally, the officers issued orders to stonewall Hyatt’s legal efforts. In particular, examiners were told not to take any action in cases where the Board of Patent Appeals and Interferences ruled in Hyatt’s favor by reversing the examiner’s rejections. Appx. at 1419–1420; Appx. at 1503.

Simply put, from 2003-2013, the PTO did nothing on Hyatt’s patent applications.

2. The Evolution of the “No-patents-for-Hyatt” Rule

Since its inception in the 1990s, the “no-patents-for-Hyatt” rule evolved further, through the 2000s, by becoming “even stricter.” Appx. at 1440; *see also* Appx. at 1444. A declaration by a former Supervisory Patent Examiner with personal knowledge of PTO’s policies concerning Hyatt’s applications stated that examinations of Hyatt’s applications were often put on hold for years at a time to prevent his resort to legal remedies. Appx. at 1440–1441. As such, the common theme of the PTO’s 2000s era strategy against Hyatt’s efforts was to block forward progress by delaying examination of the patent applications. In keeping with this strategy, the PTO began to delay progress on Hyatt’s applications either by issuing suspension of examinations in Hyatt’s applications or by simply failing to work on them. Appx. at 1440–1442; Appx. at 1484; Appx. at 1493. From 2007 to 2012, the PTO issued approximately 2,200 suspensions of examination in Hyatt’s applications. Appx. at 1484. Similarly, the PTO also ensured delay by assigning a large number of Hyatt’s patent applications to a single patent examiner. In addition to his normal workload of examining patent applications, this examiner was assigned nearly 100 of Hyatt’s applications and was forced to examine them during his personal time and without overtime pay. Appx. at 137; *Hyatt v. Hirshfeld*, 1:20-cv-990, ECF 90, at 55 (Jan. 11, 2021). Also, when Hyatt persisted in obtaining legal remedies via district court review of Board decisions, the PTO again delayed his efforts by refusing to file its

appeal briefs, known as “Examiner’s Answers,” in response to Hyatt’s appeal briefs. The result was that his appeals were stuck, unable to reach the Board. This strategy put 80 appeals in a state of limbo. Appx. at 1443; Appx. at 1486.

Lastly, the PTO also employed a “recycling” tactic which targeted for delay applications where Hyatt prevailed on administrative appeal. To “recycle” such an application, the examiner would evade the issuance of a patent by reopening the prosecution of the application. Appx. at 904–905; Appx. at 1990; Appx. at 1487; Appx. at 1501; Appx. at 1503–1505; Appx. at 1511. In addition to a declaration by a senior PTO official detailing the tactic, the “recycling” is also evidenced by at least two applications where Hyatt prevailed on administrative appeal in the mid-2000s. In both applications, the examiner took no action until 2019 despite Hyatt’s prevailing in large part on administrative appeal. Instead of issuing the patents as justified by the administrative appeal, the examiner rejected the applications based on the same reasoning that the administrative appeal had overturned and based on laches, which blamed Hyatt for the PTO’s manufactured delay of the application examination. Appx. at 889–890; Appx. at 11110–11111.

3. The “No-patents-for-Hyatt” Rule in 2012 and 2013: a “Hyatt Unit”

In further pursuit of its stonewalling of Hyatt’s patent applications, the PTO assembled, in 2012, Art

Unit 2615, which was colloquially known within the PTO as the “Hyatt Unit.” This unit was assembled to dedicate approximately a dozen patent examiners to deal almost exclusively with delaying Hyatt’s applications and treating them with extreme prejudice. Appx. at 869; Appx. at 1492. Led by Supervisory Patent Examiner Gregory Morse, the Hyatt Unit succeeded in stymying Hyatt’s legal efforts by preventing the Board from taking jurisdiction of Hyatt’s applications. Appx. at 920–921. To add insult to injury, in late 2013, the Hyatt Unit restarted from scratch the examination process on all of Hyatt’s pending patent applications, effectively tossing out all progress to date, and demanded that Hyatt respond in short order to (as Morse described them) a “boatload” of 400 burdensome requirements for information.

In addition to ordering the examiners to treat Hyatt’s applications and filings with extreme prejudice, Morse commanded the examiners to be uncompromising toward Hyatt by rejecting “more claims over more applications with less explanation” and insisting on rejections based on prior-art objections regardless of what Hyatt submitted in response to non-final office actions. Appx. at 2006; Appx. at 2008. Likewise, Morse instructed the Hyatt Unit examiners to increase the number of rejections for Hyatt’s petitions based on things such as typographical errors, which the PTO policy encourages examiners to fix on their own in the interest of expediting prosecution. Appx. at 952; Appx. at 2005; Appx. at 2008–2009. Additionally, Morse ordered the examiners to cause further delay

by withholding important information that Hyatt could utilize to avoid a forced abandonment of his patent applications and by sitting on his petitions without taking any actions. Appx. at 1501; Appx. at 1501; Appx. at 2005. Despite Hyatt's responses to the "requirements" and the meeting of any other procedural requirements, "the examiners let the cases sit" and in two cases, the Hyatt Unit delayed to the point that all possible patent terms had run out. Appx. at 1001; *see* Appx. at 6–7. When asked about those two applications, Morse testified that he "actually lost track" of these applications, even though Hyatt had repeatedly petitioned the PTO to act on them. Appx. at 876; Appx. at 1500.

4. The PTO's Enduring Bad Faith toward Hyatt

The PTO's bad faith endures to this day. In support of this fact, Hyatt introduced a declaration from Jessica Harrison, a PTO official who held a variety of roles from 1987 through 2012 at the PTO, including examination and managerial roles. In 2013, which is also the year that marked the PTO's 10th anniversary of blocking nearly all progress on Hyatt's applications, Harrison declared that Morse informed her that the PTO planned to reject all of Hyatt's patent applications on prosecution-laches grounds. Appx. at 1466. In 2018, after Harrison gave her declaration in a case between Hyatt and the PTO, she saw Morse in the lobby of PTO's Alexandria, VA, office, where Morse said to her: "I'm not talking to you; I hear you're working for the

enemy”—that is, Hyatt. Appx. at 1467. As evidenced by that statement and the PTO’s current enactment of the prosecution-laches arguments, the PTO’s bad faith toward Hyatt is enduring.

Likewise, the PTO’s bad faith toward Hyatt continues through the attitudes of the examiners on the “Hyatt Unit.” In addition to the PTO referring to Hyatt as a “submariner” in internal correspondence and in talking points for public dissemination, the examiners of the unit continue to refer to Hyatt as a “submariner” and use software called the “Submarine Detector,” which features an image of a submarine, to track Hyatt’s applications. Appx. at 797–798; Appx. at 1492; Appx. at 1498. The examiners’ daily emails and correspondence are also replete with “submariner” imagery. For example, an examiner, who is responsible for Hyatt’s applications, created and disseminated among the Hyatt Unit examiners an image labeled “THE SUBMARINE PROSECUTION CHOKEHOLD.” The image at issue superimposes Hyatt’s face and a dollar sign onto the body of a villainous professional wrestler who is choking an opponent whose shoulder bears the PTO’s seal:



Appx. 1751–1756.

The effects of this image were palpable. After the image was disseminated, the PTO office actions regarding Hyatt's applications began to include the phrase "prosecution chokehold." Appx. at 1502; Appx. at 959. Despite such an impact, the examiner was never disciplined and continued for years to examine Hyatt's applications. Appx. at 959. The members of the Hyatt unit regularly circulated among themselves articles and information regarding Hyatt and his personal life that are unrelated to the merits of his patent applications. Appx. at 1490; Appx. at 1502. Apparently to hide the existence of such a practice, Morse had repeatedly

reminded Hyatt Unit examiners not to comment on these materials over email. Nevertheless, the Hyatt Unit examiners exchanged emails disparaging Hyatt and referenced articles such as one detailing Hyatt's divorce. Appx. at 1489–1491; Appx. at 1496; Appx. at 1502. Indeed, when Hyatt obtained that email through FOIA litigation, the D.C. District Court noted the Hyatt Unit examiners' bad faith by observing that this correspondence provides "a plausible basis for Hyatt to suspect [PTO examiners'] personal opinions may have interfered with their work." *Hyatt v. USPTO*, 346 F. Supp. 3d 141, 152 (D.D.C. 2018).

B. Hyatt's Suit and the Lower Courts' Decisions

Subsequently, Hyatt brought suit to obtain relief from the PTO's no-patents-for-Hyatt rule. Relevant here are two claims. First, given that PTO had not issued final agency action in a single application during the six years since it established the Hyatt Unit, Hyatt sought to compel agency action pursuant to APA § 706(1). Second, Hyatt brought an APA § 706(2) claim to hold unlawful and set aside PTO's "no-patents-for-Hyatt" rule.

The district court rejected the PTO's motion to dismiss these claims. As to the "set aside" claim, it found that Hyatt plausibly alleged that the PTO had adopted a no-patents-for-Hyatt rule, which "would be illegal, at least a violation of the APA" and warrant discovery beyond the administrative record. Nonetheless, the

district court proceeded to preclude any document discovery and restricted Hyatt's counsel to about three-and-half hours of court-overseen depositions. The questioning was restricted and precluded questions that pertained to matters that occurred more than a couple years before the hearing date. *See, e.g.*, Appx. at 877–878; Appx. at 883. Despite its prior recognition that Hyatt had plausibly alleged that the PTO had adopted a no-patents-for-Hyatt rule, the district court simply asked the PTO's deponents whether the agency had adopted a no-patents-for-Hyatt rule. The court then accepted the deponents' denial of any knowledge regarding such rule as sufficient evidence that the rule did not exist. *See, e.g.*, Appx. at 887–888; Appx. at 899; Appx. at 915; Appx. at 920.

Then, the district court *sua sponte* entered summary judgment. It stated that a “mandamus” style of relief “is a ‘drastic’ remedy that is warranted ‘only in extraordinary situations.’” S.App. at 21–22 (citation omitted). The court concluded that the sole non-discretionary activity that could be ordered was the examination of Hyatt's patent applications. S.App. at 23. The court accepted the credibility of PTO officials' denial of a “no patents for Hyatt policy,” and dismissed Hyatt's arguments that the pattern of PTO actions represented circumstantial evidence of bad faith and the existence of the no-patents-for-Hyatt policy. Appx. at 33. In its view, all that mattered as to both APA claims was that the PTO was entering actions in Hyatt's applications. As the court put it: “the PTO's actions on

plaintiff's patent applications are the reason this suit must end."

Hyatt appealed, and a panel of the Federal Circuit Court summarily affirmed without explanation. App. at 1.

C. Background of the Patent Prosecution Process

The PTO is statutorily responsible for "the granting and issuing of patents." 35 U.S.C. § 2(a)(1). The process of examining a patent, called "patent prosecution," begins when an applicant files a patent application. 35 U.S.C. § 111. An application describes the invention sought to be patented and the process of making and using the invention. 35 U.S.C. § 112(1). After the PTO receives the application, the PTO is required to "cause an examination to be made of the application and the alleged new invention." 35 U.S.C. § 131.

The examination process begins with a patent examiner reviewing each proposed patent claim in the application to determine if the claimed invention meets the patentability requirements. 37 C.F.R. § 1.104(a)(1). After this examination, the examiner does one of three things. First, the examiner may send an "office action," allowing the patent claims, in which case a patent issues after the applicant pays a fee. 37 C.F.R. § 1.104.1.111(a). Finally, the examiner may send an "office action," rejecting the patent claims. 37 C.F.R. § 1.104.1.111(a). If the examiner rejects the application, the applicant may amend their application, "specifically

pointing out supposed errors in the examiner’s action.” 37 C.F.R. § 1.111(b).

If an applicant’s amendment is rejected, the applicant may appeal to the Patent Trial and Appeal Board (PTAB). 35 U.S.C. § 134. To appeal, an applicant files a notice of appeal with the PTAB. 37 C.F.R. §§ 41.31(a)(1), 41.37(a). The patent examiner, then files an “examiner’s answer.” 37 C.F.R. § 41.39(a). Importantly, there is no firm statutory or regulatory deadline for when this answer must be filed. After the examiner files an answer, the appellant may file a reply brief and jurisdiction passes to the PTAB. 37 C.F.R. § 41.35(a). Instead of filing an answer, the patent examiner may also reopen examination. 37 C.F.R. § 41.35(b). Here, the PTAB does not get jurisdiction. If the Board gets jurisdiction and affirms the examiner’s rejections, the appellant may appeal to the Federal Circuit or file a civil action to a federal district court. 35 U.S.C. §§ 141(a), 145.

Relevant here, statutes and PTO’s internal regulations allow the PTO to significantly delay an applicant’s ability to achieve review in the PTAB. For example, an examiner can flood the applicant with Requirements for Information. Similarly, an examiner can prevent jurisdiction passing to PTAB by delaying filing an examiner’s answer or reopening examination. Since only a PTAB decision is “final agency action,” and therefore the only agency action reviewable under the APA, an examiner’s efforts to delay jurisdiction passing to the PTAB also heads off judicial review.



ARGUMENT
REASONS FOR GRANTING
THE WRIT OF CERTIORARI

I. This Court Should Grant Certiorari to Resolve a Split Among the Circuits as to the Standard for Summary Judgment When a District Court is Reviewing the Decisions of a Federal Administrative Agency.

In analyzing Hyatt’s APA claims, the district court refused to apply the usual summary judgment standard under Rule 56 of the Federal Rules of Civil Procedure. The district court justified this by concluding that a different standard for summary judgment applies when there is review of an administrative record. The district court declared:

The customary summary judgment standard under Rule 56(c), Fed. R. Civ. P., does not apply in the case of judicial review on the basis of an administrative record. This is so because the administrative record sets forth the facts. The presence or absence of a genuine dispute of material fact is thus not at issue. Instead, summary judgment in an APA challenge based on the administrative record “serves as the mechanism for deciding, as a matter of law, whether the agency action is . . . consistent with the APA” and the applicable substantive law. App. at 18–19.

This deviation from Rule 56 is crucial. At the very least, there was a material dispute as to facts that should have precluded summary judgment. But by

deeming Rule 56 inapplicable, the district court then resolved the case on its own, drawing every inference in favor of Respondents.

But nothing in the Federal Rules of Civil Procedure or this Court's decisions provide any basis for district courts to depart from the usual standards for summary judgment in cases involving review under the Administrative Procedures Act. Decisions from the First, Eleventh, Fifth, Ninth, and D.C. Circuits directly conflict with the district court's ruling, and therefore the Federal Circuit's decision in this case.

A. The Federal Rules Mandate a Summary Judgment Standard for all Civil Cases, Which the District Court Expressly Refused to Apply.

The Federal Rules of Civil Procedure govern the procedure in "all civil actions and proceedings." Fed. R. Civ. P. 1. When a party moves for summary judgment in a civil case, the court is supposed to grant summary judgment if the movant "shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a). The procedures by which the court should determine whether there is a genuine dispute of fact are set out in 56(c). Fed. R. Civ. P. 56(c). Courts then judge whether a movant is entitled to judgment as a matter of law by looking at all of the evidence in the record and drawing all reasonable inferences in favor of the non-moving party, while not making credibility

determinations or weighing evidence. *Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 157 (1970).

The district court expressly refused to follow the procedure set out in the Rule 56(c), and did not apply the normal summary judgment standard. In concluding that the USPTO does not have a “rule, order, or policy, *de facto* or otherwise, to refrain from issuing a patent to plaintiff or to prevent plaintiff from obtaining judicial review of his patent applications,” the district court took all evidence in the light most favorable to PTO, made credibility determinations in PTO’s favor and proceeded to decide disputed questions of fact. Here, the non-moving party was Hyatt and the district court’s analysis deviates from the normal summary judgment standard which requires the district court to “view the evidence in a light most favorable to the non-movant and draw all reasonable inferences in its favor,” *McKay v. United States*, 199 F.3d 1376, 1380 (Fed. Cir. 1999), to refrain from credibility determinations, *TypeRight Keyboard Corp. v. Microsoft Corp.*, 374 F.3d 1151, 1157–58 (Fed. Cir. 2004), and to refrain from fact-finding, *Jay v. Sec’y of Dep’t of Health & Hum. Servs.*, 998 F.2d 979, 982 (Fed. Cir. 1993).

The district court acknowledged that it was acting inconsistently with the normal summary judgment standard and justified its deviation by stating that the “customary summary judgment standard under Rule 56” doesn’t apply for judicial review of an administrative record because the administrative record “sets forth the facts.” App. at 21–22. The district court’s ruling was affirmed by the Federal Circuit in a one-line

per curiam opinion. App. at 1. The district court's deviation from Rule 56 and the Federal Circuit's affirmation of that deviation are erroneous. They conflict not only with the applicable Federal Rules of Civil Procedure, but also with decisions of other Courts of Appeals. They raise a crucial issue for this Court to resolve: does Rule 56 apply in review of agency decisions pursuant to the Administrative Procedures Act?

B. A Split Among the Circuits Exists as to the Proper Application of Rule 56 in Cases Reviewing Administrative Agency Decisions.

Several Circuits have taken exactly the opposite approach of the district court and the Federal Circuit in this case. In *Rodway v. U.S. Dep't of Agric.*, 482 F.2d 722, 728 (D.C. Cir. 1973), the D.C. Circuit remanded a case back to the district court with instructions to use the normal summary judgment standard when reviewing agency actions. *Rodway* concerned a suit against the U.S. Department of Agriculture for refusing to establish coupon allotment levels reflecting the cost of a nutritionally adequate diet. Both parties filed motions for summary judgment. Then the district court granted the defendants' summary judgment motion, giving great deference to the agency and not following the usual procedures under Rule 56. The court of appeals reversed the district court's summary judgment decision for defendants because "an examination of the record in its entirety and giving [plaintiffs] the 'benefit of all favorable inferences that may be drawn from the

evidence', it is clear [defendants] are not entitled to summary judgment." *Id.* at 728. The court of appeals then remanded the case for the district court to consider the plaintiff's motion for summary judgment, specifically instructing the district court to give defendants (the non-moving party) the benefit of "all favorable inferences" from the evidence. *Id.*

In *Latecoere Int'l, Inc. v. U.S. Dep't of Navy*, 19 F.3d 1342, 1357 (11th Cir. 1994), the Eleventh Circuit applied the normal standard of summary judgment when reviewing an agency action. A prospective government contractor, Latecoere, unsuccessfully bid on a contract with the Navy for two gravitational force pilot training systems. The district court granted summary judgment and the Eleventh Circuit reversed. The Court of Appeal explicitly stated that the traditional rules of summary judgment had to be applied and under that standard, it would "review the evidence and all inferences from it in the light most favorable to Latecoere." *Id.* at 1344. The court concluded that the evidence supported two rational inferences that the agency decision was motivated by bad faith. *Id.*

In *Sabine River Auth. v. Department of Int.*, 951 F.2d 669, 678 (5th Cir. 1992), the Fifth Circuit also applied the traditional summary judgment standard in reviewing agency action. That case involved a non-development easement donated to the U.S. Fish and Wildlife Service (FWS). The Sabine River Authority and Texas Water Conservation Association brought a suit contending that the FWS failed to conduct a required Environmental Impact Statement (EIS) in connection

with the acquisition of the easement. The district court granted summary judgment, and the Fifth Circuit affirmed. In affirming the district court, the Fifth Circuit reiterated that “the district court’s review pursuant to a summary judgment motion cannot turn on credibility determinations.” *Id.* at 679. *Sabine*, though it ruled in favor of the agency, clearly applied the usual requirements of Rule 56. *See also Oberdorfer v. Jewkes*, 583 Fed.Appx. 770 (9th Cir. 2014) (applying traditional summary judgment standard in reviewing a challenge to an administrative agency decision).

In support of its reasoning, the district court cited *Boston Redev. Auth. v. Nat’l Park Serv.*, 838 F.3d 42, 47–48 (1st Cir. 2016). But *Boston Redev.* does not hold that the standard in 56(a) does not apply at all in administrative law cases, but rather that the procedure set out in 56(c) has a “special twist” in cases reviewing administrative agency decisions. *Id.* The court ruled that, on a motion for summary judgment in an agency case, the court does not review the administrative record *de novo* to determine whether a dispute of fact remains, but rather to determine whether an agency action is arbitrary or capricious or otherwise unlawful. In other words, summary judgment in a typical challenge to agency action presents only the legal question of whether the agency’s action was arbitrary, capricious, or otherwise contrary to law, and not any question of fact. *Boston Redev.* does not suggest that, in an APA case involving fact disputes over the agency’s actions—for example, as here, over whether the agency adopted and maintained a secret rule—the district court has

free reign at summary judgment to undertake its own weighing of the evidence or credibility determinations.

Simply put, there is an enormously important issue that arises with great frequency: does Rule 56 of the Federal Rules of Civil Procedure apply when a district court is reviewing the decision of a federal agency? This issue is important in all cases where there's a dispute over what the agency did and its process in doing it. What makes this case different from the ordinary APA action is the fact dispute over what the agency did, which was not contemporaneously memorialized in an administrative record. Usually, it will involve a claim of agency bad faith or the like, where the agency's protestations cannot be trusted. The plausibility standard and presumption of regularity make it difficult for a plaintiff to even get past a motion to dismiss on such a claim. But when one does, there is not guidance from this Court about what is supposed to happen next.

II. This Court Should Grant Certiorari to Resolve a Split Among the Circuits and Clarify the Relationship Between Sections 706(1) and 706(2) of the Administrative Procedures Act.

Hyatt brought claims under § 706 of the Administrative Procedure Act for review of the PTO's actions. The first claim, under § 706(1), sought to compel the USPTO to conduct a bona fide examination of his patent applications. The second claim, under § 706(2),

asked the Court to set aside the USPTO’s alleged “No Patents for Hyatt Rule” because it is “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.” In analyzing these claims, the district court conflated the governing standards by applying § 706(1)’s standard—whether or not an agency had “unlawfully withheld or unreasonably delayed” making a decision—to both claims. Specifically, the court rejected both of Hyatt’s claims for the same reason: that the USPTO had taken *some* action on his patent applications.

Section 706(1) empowers a court to “compel agency action unlawfully withheld or unreasonably delayed.” 5 U.S.C. § 706(1). To succeed on a § 706(1) claim, the plaintiff must “assert that an agency failed to take a *discrete* agency action that it is *required to take*.” *Norton v. S. Utah Wilderness Alliance*, 542 U.S. 55, 64 (2004) (emphasis in original). This standard is equivalent to the standard for a common law writ of mandamus.¹ *Id.* at 66. The discrete-action limitation prevents “broad programmatic attack[s]” on an agency’s regulatory schemes and prevents courts from interfering with agency discretion. *Id.* at 64–65. If the plaintiff succeeds under a § 706(1) claim, the court will compel

¹ A petition for a writ of mandamus is “a suit against a public officer to compel performance of some ministerial duty.” *Stern v. South Chester Tube Co.*, 390 U.S. 606, 608 (1968). A ministerial duty is a legally required action. *See Wilbur v. U.S. ex rel. Kadrie*, 281 U.S. 206, 218–19 (1930). “The writ of mandamus is an extraordinary remedy, to be reserved for extraordinary situations.” *Nat’l Ass’n of Crim. Def. Lawyers, Inc. v. U.S. Dept. of Justice*, 182 F.3d 981, 986 (D.C. Cir. 1999).

the agency at issue to act, but “without directing *how* it shall act.” *Id.* at 64 (quoting Attorney General’s Manual on the Administrative Procedure Act 108 (1947)) (emphasis in original).

By contrast, § 706(2) empowers a court to “hold unlawful and set aside agency action . . . found to be . . . not in accordance with law.” 5 U.S.C. § 706(2)(A). To succeed on a § 706(2) claim, a plaintiff must identify “agency action” and show that the agency action is not in accordance with law. *See Bowman Avoyelles Sportsmen’s League, Inc. v. Marsh*, 715 F.2d 897, 908 (5th Cir. 1983). *Transp., Inc. v. Arkansas-Best Freight Sys.*, 419 U.S. 281, 284 (1974). “Agency action” includes a “rule.” 5 U.S.C. § 701(b)(2). A “rule” is the “whole or part of an agency statement of general or particular applicability and future effect designed to,” *inter alia*, implement policy. 5 U.S.C. § 551(4). “Rule” is “defined broadly,” *Perez v. Mortgage Bankers Ass’n*, 575 U.S. 92, 95 (2015), and includes “virtually every statement an agency may make.”

This Court and every Circuit, other than the Federal Circuit, has recognized that § 706(1) and § 706(2) require different standards of review.² The main difference

² *See F.C.C. v. Fox Television Stations, Inc.*, 556 U.S. 502, 514–15 (2009) (“Treating failures to act and [discretionary actions] differently for purposes of the standard of review makes good sense, and has basis in the text of the statute, which likewise treats the two separately.”); *Nat’l Ass’n of Home Builders v. U.S. Army Corps of Eng’rs*, 417 F.3d 1272, 1280 (D.C. Cir. 2005) (“It is true that a party seeking to challenge an agency’s *failure to act* faces a different burden from that borne by a challenger of agency *action*.”) (emphasis in original); *Or. Nat. Desert Ass’n v. Bureau*

between the two standards is that, for a § 706(1) claim, a plaintiff must identify an action that the agency is legally required to take; § 706(1) cannot be used to compel action that is discretionary. *See Norton*, 542 U.S. at 64. By contrast, a plaintiff can use a § 706(2) to challenge *discretionary* agency action, like a legislative rule. *Id.* at 65; *see also, e.g., Department of Commerce v. New York*, 139 S.Ct. 2551 (2019) (setting aside a rule that the Commerce Department was not legally required to promulgate but nonetheless did using § 706(2)). *Norton*’s other major holding, that the agency action be “discrete,” is applicable in both § 706(1) and § 706(2) cases because only discrete action constitutes “agency action” under the APA. *See id.* at 62–63; 5 U.S.C. § 702 (establishing that only “agency action” is reviewable under the APA); *N.A.A.C.P.*, 945 F.3d at 189 (“Challenged action must be circumscribed and discrete [in a § 706(2) case].”); *contra Salazar v. King*, 822 F.3d 61, 82 n.13 (2d Cir. 2016) (“The requirement that the challenged agency action is ‘discrete’ is limited to claims under 5 U.S.C. § 706(1).”).

Here, Hyatt brought claims under both § 706(1) and § 706(2). On summary judgment, the district court rejected Hyatt’s § 706(1) claim because the PTO, subsequent to Hyatt filing suit, changed course and reached final agency action in several of Hyatt’s applications. Upon receiving an application, the USPTO is

of Land Mgmt., 625 F.3d 1092, 1119 (9th Cir. 2010) (finding *Norton* irrelevant because the plaintiffs challenged “agency action that *was* taken, not . . . demanding that the agency take some action that it has *not* taken”) (emphasis in original).

legally required only to “cause an examination to be made” of a patent application and issue a patent if warranted. 35 U.S.C. § 131. The district court found that the USPTO had begun completing review of Hyatt’s applications. *See also Hyatt v. United States Patent and Trademark Office*, 904 F.3d 1361, 1367 (Fed. Cir. 2018). Because the USPTO was performing its non-discretionary, statutory duty to examine Hyatt’s applications, there was no “legally required action for a reviewing court to compel” under § 706(1).

Hyatt’s § 706(2) claim asked the Court to set aside USPTO’s alleged “No Patents for Hyatt Rule.” The district court subjected this claim to the § 706(1) mandamus standard and the Federal Circuit affirmed. This approach conflicts with that taken in every other Circuit. Every Circuit recognizes that § 706(1) and § 706(2) claims are subject to different standards of review. *See N.A.A.C.P. v. Sec’y of Hous. and Urban Dev.*, 817 F.2d 149, 160 (1st Cir. 1987) (treating the two sections as distinct); *Benzman v. Whitman*, 523 F.3d 119, 131–132 (2d Cir. 2008) (same); *International Union v. Chao*, 361 F.3d 249, 253–56 (3d Cir. 2004) (same); *N.A.A.C.P. v. Bureau of the Census*, 945 F.3d 183, 189 (4th Cir. 2019) (same); *Bankers Life & Cas. Co. v. Callaway*, 530 F.2d 625, 629 (5th Cir. 1976) (same); *Garcia v. Dept. of Homeland Sec.*, 14 F.4th 462, 484 (6th Cir. 2021) (same); *Michigan v. U.S. Army Corps of Eng’rs*, 667 F.3d 765, 787 (7th Cir. 2011) (same); *Organization for Competitive Mkts. v. Dept. of Agriculture*, 912 F.3d 455, 459–63 (8th Cir. 2018) (same); *Nw. Env’t Def. Ctr. v. Bonneville Power Admin.*, 477 F.3d 668, 681 n.10

(9th Cir. 2007) (same); *Biodiversity Conservation All. v. Jiron*, 762 F.3d 1036, 1078 n.53 (10th Cir. 2014) (same); *Yuism v. Dept. of Labor*, 645 Fed.Appx. 967, 968 (11th Cir. 2016) (same).

But the district court in this case, and the Federal Circuit by affirming, took a totally different approach. Hyatt argued that the USPTO adopted a *sub rosa* rule or policy (hereinafter “No Patents for Hyatt”) to block him from obtaining further patents irrespective of the merit of his applications. Hyatt asked the district court to set aside this alleged rule under § 706(2). In denying the USPTO’s motion to dismiss, the district court concluded that “[s]uch a policy would be illegal, at least a violation of the APA.” Thus, if the rule existed, the district court would be required to set it aside under § 706(2). On summary judgment, though, the district court concluded that the “No Patents for Hyatt” Rule did not exist. But that determination turned on application of APA § 706(1)’s mandamus standard.

The district court began its analysis by correctly reciting the standards of review in § 706(1) and § 706(2) cases respectively. However, the district court did not analyze these two claims separately. The bulk of the district court’s analysis section recites all the actions USPTO has taken on Hyatt’s patents. The district court found that the USPTO had:

- Filed examiner’s answers.
- Filed office actions.

- Rejected applications due to undue multiplicity.
- Rejected applications due to obviousness.

From these actions, the district court concluded that the USPTO is performing its statutory duties to examine plaintiff's patent applications. This conclusion was dispositive of Hyatt's § 706(1) claim. However, the district court also concluded that these actions conclusively established that the USPTO does not have a rule to deny Hyatt patents or judicial review. S.App. at 42. ("The PTO's satisfaction of its legal obligations compels the denial of plaintiff's APA claims and request for mandamus."). The Court stated:

"By completing examiner's answers and other office actions that analyze plaintiff's patent applications, the PTO is clearly fulfilling its duty under § 131 to 'cause an examination to be made of' plaintiff's patent applications. Accordingly, there is no legally required action for a reviewing court to compel with respect to plaintiff's patent applications. The PTO's actions reflected in the Administrative Record thus do not support plaintiff's contention that the PTO has adopted a rule, order, or policy, de facto or otherwise, to reject plaintiff's applications without regard for their merit."

App. at 31.

By treating the USPTO's satisfaction of its legally required duties as conclusive proof positive of there not being a "No Patents for Hyatt" Rule, the district court imported § 706(1)'s requirement that a plaintiff

identify legally required action into § 706(2). This is inconsistent with every other Circuit.

It is also unresponsive to the harm that the alleged rule causes. Under the district court's approach, the government can forever deny Hyatt any patents. For example, the patent examiner can delay jurisdiction passing to the Patent and Trademark Appeals Board ("PTAB") by taking a long time to file office actions and reopening examinations after filing those actions. *See* 37 C.F.R. §§ 1.104, 1.111(a), 41.35. Even after the PTAB's jurisdiction vests, an examiner can head off a final patentability determination (which in turn heads off judicial review) by delaying filing their examiners' answer. *See* 37 C.F.R. 41.39(a) (establishing that there is no statutory deadline for an examiner to file their answer with the PTAB). All of this is to say that the USPTO can take *some* action on Hyatt's applications while still maintaining a rule to deny him patents and judicial review. Yet, the district court held that the "PTO's actions on plaintiff's patent applications are the reason this suit must end." S.App. at 33. This conclusion may be sufficient to deny mandamus under Rule § 706(1), but it should not be sufficient to deny relief § 706(2) on the ground that the agency action is arbitrary or capricious.

The conflation of these standards is especially troubling in a case, like this one, where there is a strong showing of agency animus and bad faith. Under the district court's reasoning, a spiteful agency could always insulate itself from judicial review under § 706 of the APA simply by fulfilling its statutory duties of

doing something. That is unjust and inconsistent with the APA’s purpose to allow meaningful judicial review of agency action. *See Shaughnessy v. Pedreiro*, 349 U.S. 48, 51 (1955) (describing the APA judicial review provisions as “generous”); *Motor Vehicle Mfrs. Ass’n of the United States, Inc. v. State Farm Mut. Auto Ins. Co.*, 463 U.S. 29, 42–43 (1983) (noting that judicial review is APA § 706(2) is not totally deferential). It is also inconsistent with other cases that closely scrutinized agency action when that agency allegedly was motivated by bad faith or pretext. *See, e.g., Citizens to Preserve Overton Park, Inc. v. Volpe*, 401 U.S. 402, 420 (1971) (endorsing more liberal discovery rules after a strong showing of bad faith); *Dept. of Commerce*, 139 S.Ct. at 2564–64 (closely scrutinizing an agency decision resting on a pretextual basis). Where, as here, there is a strong showing that the agency had a vendetta against a plaintiff, a Court should more closely scrutinize an agency’s actions. *Hyatt v. U.S.P.T.O.*, 346 F. Supp.3d 141, 152 (D.D.C. 2018) (arguing that the evidence Hyatt received creates “a plausible basis for Hyatt to suspect [PTO examiners’] personal opinions may have interfered with their work”).

The district court said that since the same facts underlie both of Hyatt’s claims under the Administrative Procedures Act, both could be dealt with together.

The same assertion underpins plaintiff’s § 706(2)(A) claim, § 706(1) claim, and request for mandamus, namely that the [US]PTO is violating its legal obligations by implementing a de facto rule, order, or policy to refrain

from issuing plaintiff any patents based on his currently existing applications and to prevent plaintiff from obtaining judicial review of his currently existing applications regardless of the merits of his patent applications.

App. at 22.

But this conflates the standard under the two different provisions of the Administrative Procedures Act.

This Court should grant review to clarify an important issue concerning the standard for judicial review under these two provisions of the Administrative Procedures Act.



CONCLUSION

For these reasons, the petition for a writ of certiorari should be granted.

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