October 2004

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ARTICLES

SHIFTING THE BURDEN OF PROVING PATENTABILITY VEL NON IN VIEW OF DICKINSON V. ZURKO

Dawn-Marie Bey*

This Article addresses the Patent Office’s misinterpretation of the Supreme Court’s ruling in Dickinson v. Zurko1 regarding the applicability of the factual review standards of the Administrative Procedure Act2 (APA) to Patent Office findings. In accordance with this misinterpretation, recent guidelines promulgated by the Patent Office violate the APA and controlling precedent.

To date, the proper procedures for prosecuting a patent application have been carefully honed through myriad statutes, rules, and controlling legal opinions. The resulting procedures are set forth in exemplary prose in the Manual of Patent Examining Procedure (MPEP), which is issued and revised periodically by the United States Patent and Trademark Office (Patent Office).3 Though the MPEP is not citable as controlling authority, patent examiners and practitioners alike rely heavily on the interpretations and examples set forth therein when partaking in

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the patent prosecution process. These interpretations and examples are revised periodically to reflect changes in the controlling precedent.

In the February 2003 revision to the eighth edition of the MPEP, the authors made a critical revision to section 2144.03. This change, in essence, allows the Patent Office to shift the burden of proof, in some cases, to the Applicant without properly establishing a prima facie case of unpatentability with the required objective evidence. Interestingly, included in the revised section is the flawed explanation for the Patent Office's revised interpretation. The Patent Office reasons that (1) the Supreme Court's decision in *Dickinson v. Zurko*, holding that the Court of Appeals for the Federal Circuit (Federal Circuit), must apply one of the review standards set forth in the APA, and (2) the Federal Circuit's adoption of the APA's "substantial evidence test" in accordance therewith, reduces the evidentiary requirement for proving a prima facie case of unpatentability. More particularly, the MPEP now states that in some cases, an Examiner may shift to the Applicant the burden to prove patentability through the administrative device of "official notice," without first establishing a prima facie case of unpatentability with objective evidence. This interpretation clearly flies in the face of current, long-standing, controlling Supreme Court precedent.

I. BACKGROUND

A. PATENT OFFICE POWERS AND PROCEEDINGS

Established in accordance with the Constitution, Congress codified the patent laws via the 1952 Patent Act, thereby defining, inter alia, the types of subject matter available for patent protection and the statutory requirements which must be met in order to be granted patent protection. The Patent Office was established as an agency within the Department of Commerce; its responsibilities and functions are to make and implement decisions and operations for granting and issuing patents, and facilitating the registration of trademarks. Patent Office proceedings are governed by the applicable statutes and rules established in accordance with 35 U.S.C. § 2, which authorizes the Commissioner of Patents and Trademarks, subject to the policy direction of the Secretary of Commerce, to
establish regulations, not inconsistent with law, for the conduct of proceedings
in the U.S. Patent and Trademark Office. As with other agencies established
by Congress, the Patent Office is also subject to the general administrative provisions
of the APA.

The process for granting and issuing patents has evolved into an adversarial
examination process defined by the statutes and rules, interpreted by the case law
and explained through the MPEP. The parties to this process include the Patent
Office, e.g., a patent Examiner (Examiner) and the Applicant for the patent or,
most often, the Applicant’s representative who is a member of the patent bar. In
cases where the requirements for patentability are met, the Examiner will indicate
allowance of the application for patent and the Patent Office will grant a patent
on the application. However, as with any adversarial proceeding, in many cases
the Examiner refuses to allow the application for patent. The Applicant then has
numerous options, one of which is to appeal the decision of the Examiner. This
initial appeal is heard by the Board of Patent Appeals and Interferences (BPAI),
which is still within the purview of the agency. All BPAI decisions are
subsequently subject to court review by either the U.S. District Court for the
District of Columbia or the Court of Appeals for the Federal Circuit.

B. PATENT OFFICE BEARS THE INITIAL BURDEN

The Examiner bears the initial burden of proving a prima facie case of
unpatentability. When an Applicant files a patent application, including the
requisite claims, the claims are allowable unless the Examiner can establish a
prima facie case of unpatentability. “Only if this burden is met does the burden
of coming forward with rebuttal argument or evidence shift to the applicant.”
Among other formal requirements for patentability, the claims of a patent
application must: (a) constitute patentable subject matter and thus have utility in accordance with 35 U.S.C. § 101, (b) meet the disclosure requirements of 35 U.S.C. § 112, (3) be novel in accordance with 35 U.S.C. § 102 and (4) be non-obvious in accordance with 35 U.S.C. § 103.  

It is with respect to the non-obvious determination where the concept of a prima facie case of unpatentability is most readily exemplified. In *Application of Warner*, the Court of Customs and Patent Appeals placed the "burden of proof on the Patent Office which requires it to produce the factual basis for its rejection of an application under section 102 and 103." The basic factual inquiries that the Patent Office must undertake in establishing the burden of proof with respect to section 103 are as follows: “the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved.” The Supreme Court requires the Patent Office to perform this analysis for each patent application, stating: “we believe that strict observance of the requirements laid down here will result in that uniformity and definiteness which Congress called for in the 1952 Act.” When the references cited by the examiner fail to establish a prima facie case of obviousness, the rejection is improper and will be overturned. The MPEP dedicates a considerable number of pages to addressing these basic factual inquiries and summarizing the procedures that are to be applied and followed by the Patent Office in order to establish a prima facie case of unpatentability. Section 2142 of the MPEP, entitled “Legal Concept of Prima Facie Obviousness,” provides guidance to Examiners for establishing a prima facie case of obviousness pursuant to the controlling case law. Section 2142 states clearly:

The legal concept of prima facie obviousness is a procedural tool of examination which applies broadly to all arts. It allocates who has the burden of going forward with production of evidence in each step of the examination process. The examiner bears the initial burden of factually supporting any prima facie conclusion of obviousness. If the examiner does not produce a prima facie case, the applicant is under no obligation to submit evidence of nonobviousness. If, however, the examiner does produce a prima facie

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18 35 U.S.C. §§ 101-103, 112 (2002); see also MPEP, supra note 3, § 2100.
22 *Id.* at 18.
The burden of coming forward with evidence or arguments shifts to the applicant who may submit additional evidence of nonobviousness, such as comparative test data showing that the claimed invention possesses improved properties not expected by the prior art. Consequently, there must be prior art that suggests the claimed invention in order for a prima facie case of obviousness to be established. In the absence of such a showing, and assuming all other requirements for patentability have been met, the claims are allowable.

C. SUPPORTING A PRIMA FACIE CASE OF UNPATENTABILITY

"The patent examination process centers on prior art and the analysis thereof." The "prior art" must be in the form of a reference (a document) or some other tangibly embodied description. Further, a document relied upon as a printed publication must have traversed into the public domain, meaning it must have been accessible to the public. The burden of establishing that a document was publicly accessible rests upon the Examiner as part of his burden of establishing a prima facie basis for denying patentability. Prior art might also be in the form of an affidavit, signed by the Examiner, setting forth specific factual information.

24 MPEP, supra note 3, § 2142 (citations omitted). Moreover, In re Rinehart, 531 F.2d 1048, 1051, 189 U.S.P.Q. (BNA) 143, 147 (C.C.P.A. 1976) states:

A prima facie case of obviousness is established when the teachings from the prior art itself would appear to have suggested the claimed subject matter to a person of ordinary skill in the art. Once such a case is established, it is incumbent upon appellant to go forward with objective evidence of unobviousness.

In re Linter, 458 F.2d 1013, 1016, 173 U.S.P.Q. (BNA) 560, 562 (C.C.P.A. 1972) also held:

In determining the propriety of the Patent Office case for obviousness in the first instance, it is necessary to ascertain whether or not the reference teachings would appear to be sufficient for one of ordinary skill in the relevant art having the references before him to make the proposed substitution, combination or other modification.

25 Inventions must meet the requirements of utility, novelty, and non-obviousness and, further, must be described so as to meet written description, enablement and best mode requirements for patentability. See 35 U.S.C. §§ 101-103, 112 (2002); MPEP, supra note 3, § 2100.


27 See MPEP, supra note 3, § 901.


statements and explanations to support the Examiner’s reliance on personal knowledge to support a finding of what is known in the art.30

As stated previously, “the examiner bears the initial burden of factually supporting any prima facie conclusion of obviousness.”31 There are three basic criteria for establishing a prima facie case of obviousness as set forth in the section 2143 of the MPEP:

First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations.32

Though these criteria are presented in the MPEP in the order set forth above, the final criterion is the threshold criterion. The teachings must teach or suggest the claim limitations, before those references can be combined to reject the claim. In order to establish a prima facie case of obviousness, each of these criteria must be met. Of particular importance to this Article is this threshold requirement that all claim limitations must be taught or suggested by the prior art.33

The criterion requiring that all claim limitations be taught by the prior art, when read in view of 35 U.S.C. § 103, implies that one or more references are necessary to cover the claimed limitations.34 By way of example, referring to Table 1, given claim 1 containing limitations A, B, C and D, in order to establish a prima facie case of obviousness, each of limitations A, B, C and D must be taught or suggested by the prior art. So for example, assuming the remaining two criteria for establishing a prima facie case are met (i.e., motivation and reasonable expectation of success) if reference X teaches or suggests limitations A and B, reference Y teaches or suggests at least limitation C, and reference Z teaches or suggests limitation D, the Patent Office has established a prima facie case of obviousness. To the contrary, a prima facie case of obviousness cannot be established in this situation with fewer than all three references, as the Patent

31 MPEP, supra note 3, § 2142.
32 Id. § 2143.
34 As an aside, one should be reminded that if all of the claim limitations were taught or suggested by a single piece of prior art, the claim would be anticipated under the appropriate part of 35 U.S.C. § 102. See MPEP, supra note 3, § 2131 (citing Verdegaal Bros. v. Union Oil Co. of Calif., 814 F.2d 628, 631, 2 U.S.P.Q.2d (BNA) 1051, 1053 (Fed. Cir. 1987)).
Office would fail to meet at least the required criterion that all claims limitations are taught or suggested by the prior art.

### TABLE 1: PRIMA FACIE CASE ESTABLISHED

<table>
<thead>
<tr>
<th>Claim 1</th>
<th>Reference X</th>
<th>Reference Y</th>
<th>Reference Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limitation A</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limitation B</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limitation C</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Limitation D</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

But continuing with the example above, there are special cases wherein one of the limitations (D, for example) is asserted by the Patent Office to be so notoriously well known that it would be a waste of all parties' resources to require the Patent Office to search for a reference that teaches limitation D prior to completing and sending an Office Action containing a rejection of claim 1 under 35 U.S.C. § 103. Referring to Table 2, in such an Office Action the Patent Office would reject claim 1 as being obvious over reference X in view of reference Y and take official notice that limitation D is notoriously well known. First, this type of rejection should be used sparingly and in rare circumstances. Second, in this example the Patent Office has not established a prima facie case of obviousness such that the burden to present evidence of non-obviousness necessarily shifts to the Applicant.

Unlike factual arguments for unpatentability made by the Patent Office based on references or even case law, when an Examiner takes official notice it does not meet the necessary factual basis for supporting a prima facie case of unpatentability. Instead, in the interest of efficiency and resource preservation, the Patent Office has presented the Applicant with what it believes to be a reasonable rejection of claim 1. At this point in the prosecution, the rejection cannot rise to the level of a prima facie showing of obviousness because the Patent Office has failed to meet at least the requirement that all limitations of claim 1 are taught or suggested by the prior art. The prior art, more particularly references, constitute the evidence required to support a proffered prima facie case of obviousness. This evidentiary requirement has been reiterated time and again by the Federal Circuit, which recently held in *In re Sang-Su Lee*.

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35 See MPEP, supra note 3, § 2144.
36 See supra Part I.A.
As applied to the determination of patentability *vel non* when the issue is obviousness, "it is fundamental that rejections under 35 U.S.C. § 103 must be based on evidence comprehended by the language of that section." The essential factual evidence on the issue of obviousness is set forth in *Graham v. John Deere Company* and extensive ensuing precedent.\(^\text{37}\)

Accordingly, an Office Action setting forth an obviousness rejection based on Table 2 does not, without more, establish a prima facie case of obviousness.

**Table 2: Prima Facie Case Not Established**

<table>
<thead>
<tr>
<th>Claim</th>
<th>Reference X</th>
<th>Reference Y</th>
<th>Official Notice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limitation A</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limitation B</td>
<td></td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Limitation C</td>
<td></td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Limitation D</td>
<td></td>
<td></td>
<td>✔</td>
</tr>
</tbody>
</table>

Further, even if the threshold requirement that each limitation of a claim be taught or suggested is met, there must additionally be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings in order to establish a prima facie case of unpatentability.\(^\text{38}\) The Federal Circuit recently addressed this requirement specifically in *In re Sang-Su Lee*, finding that "[t]he factual inquiry whether to combine references must be thorough and searching. It must be based on objective evidence of record. This precedent has been reinforced in myriad decisions, and cannot be dispensed with."\(^\text{39}\) In this case, the Examiner found and cited references showing each of

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\(^{37}\) *In re Sang-Su Lee*, 277 F.3d at 1342 (citations omitted).

\(^{38}\) MPEP, supra note 3, § 2143.

\(^{39}\) *In re Sang-Su Lee*, 277 F.3d at 1343 (quoting McGinley v. Franklin Sports, Inc., 262 F.3d 1339, 1351-52, 60 U.S.P.Q.2d (BNA) 1001, 1008 (Fed. Cir. 2001) ("[T]he central question is whether there is reason to combine [the] references, a question of fact drawing on the Graham factors."); see also Brown & Williamson Tobacco Corp. v. Philip Morris Inc., 229 F.3d 1120, 1124-25, 56 U.S.P.Q.2d (BNA) 1456, 1459 (Fed. Cir. 2000) ("[A] showing of a suggestion, teaching, or motivation to combine the prior art references is an essential component of an obviousness holding."); *In re Dembiczak*, 175 F.3d 994, 999, 50 U.S.P.Q.2d (BNA) 1614, 1617 (Fed. Cir. 1999) ("Our case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references."); *In re Dance*, 160 F.3d 1339, 1343, 48 U.S.P.Q.2d (BNA) 1635, 1637 (Fed. Cir. 1998) ("[T]here must be some teaching, suggestion or motivation in
the claimed limitations but offered no evidence in support of the conclusory statements made regarding the motivation to combine the references.\textsuperscript{40} Citing earlier authority, the Federal Circuit held that particular findings must be made on the record as to why one skilled in the art would have been motivated to combine the references.\textsuperscript{41} Further,

The patent examiner and the Board are deemed to have experience in the field of the invention; however, this experience, insofar as applied to the determination of patentability, must be applied from the viewpoint of "the person having ordinary skill in the art to which said subject matter pertains," the words of section 103. In finding the relevant facts, in assessing the significance of the prior art, and in making the ultimate determination of the issue of obviousness, the examiner and the Board are presumed to act from this viewpoint. Thus when they rely on what they assert to be general knowledge to negate patentability, that knowledge must be articulated and placed on the record. The failure to do so is not consistent with either effective administrative procedure or effective

\begin{quote}
In re Fine, 837 F.2d 1071, 1075, 5 U.S.P.Q.2d (BNA) 1596, 1600 (Fed. Cir. 1988) ("[T]eachings of references can be combined only if there is some suggestion or incentive to do so.") (citations omitted).
\end{quote}

\begin{quote}
\textsuperscript{40} Id. at 1343-44. The court stated:

The examiner's conclusory statements that "the demonstration mode is just a programmable feature which can be used in many different device[s] for providing automatic introduction by adding the proper programming software" and that "another motivation would be that the automatic demonstration mode is user friendly and it functions as a tutorial" do not adequately address the issue of motivation to combine. This factual question of motivation is material to patentability, and could not be resolved on subjective belief and unknown authority.

\textsuperscript{41} Id. at 1343 (citing In re Kotzab, 217 F.3d 1365, 1371, 55 U.S.P.Q.2d (BNA) 1313, 1317 (Fed. Cir. 2000) ("[P]articular findings must be made as to the reason the skilled artisan, with no knowledge of the claimed invention, would have selected these components for combination in the manner claimed."); In re Rouffet, 149 F.3d 1350, 1359, 47 U.S.P.Q.2d (BNA) 1453, 1459 (Fed. Cir. 1998) [E]ven when the level of skill in the art is high, the Board must identify specifically the principle, known to one of ordinary skill, that suggests the claimed combination. In other words, the Board must explain the reasons one of ordinary skill in the art would have been motivated to select the references and to combine them to render the claimed invention obvious.

In re Fritch, 972 F.2d 1260, 1265, 23 U.S.P.Q.2d (BNA) 1780, 1783 (Fed. Cir. 1992) (stating that the burden of showing obviousness can be satisfied "only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references").

\end{quote}
judicial review. The board cannot rely on conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies.\textsuperscript{42}

Accordingly, in order to establish a prima facie case of unpatentability, the Examiner must provide, inter alia, a prior art reference or references teaching or suggesting each of the claimed limitations and objective evidence supporting a motivation to combine the cited prior art references.

D. THE PATENT OFFICE’S EVIDENTIARY REQUIREMENT

1. The Standard of Review for Patent Office Decisions. Until 1999, administrative decisions by the Patent Office were not subject to any of the standards explicitly defined in the APA when being reviewed by the courts. Per the en banc holding of the Federal Circuit, the standard of review for factual findings made by the Patent Office up to 1999 was the clearly erroneous standard.\textsuperscript{43} In the Supreme Court’s decision in Dickinson v. Zurko, the highest Court reversed the Federal Circuit and held that the Federal Circuit must apply one of the standards defined by the APA.\textsuperscript{44} Following the holding of the Supreme Court, the Federal Circuit selected the substantial evidence standard from the APA’s sanctioned review standards, stating that, “because our review of the Board’s decision is confined to the factual record compiled by the Board, we accordingly conclude that the ‘substantial evidence’ standard is appropriate for our review of Board factfindings.”\textsuperscript{45}

In support of this standard, the Federal Circuit reasoned that review of PTO Board proceedings falls within section 706(2)(E) of the APA, particularly, that the Board proceedings are “otherwise reviewed on the record of an agency hearing provided by statute.”\textsuperscript{46} The court found that:

\textsuperscript{42} Id. at 1345.


\textsuperscript{44} Dickinson, 527 U.S. at 152; see also Administrative Procedure Act, 5 U.S.C. § 706 (2002) (containing directions and standards of review for courts reviewing agency actions).

\textsuperscript{45} In re Gartside, 203 F.3d 1305, 1315, 53 U.S.P.Q.2d (BNA) 1769, 1775 (Fed. Cir. 2000); see also Thomas Leonard Stoll, A Clearly Erroneous Standard of Review, 79 J. PAT. & TRADEMARK OFF. SOC’Y 100, 106 (1997) (arguing in favor of “substantial evidence” review based on 35 U.S.C. §§ 7(b) and 144).

\textsuperscript{46} In re Gartside, 203 F.3d at 1313 (citing Administration Procedure Act, 5 U.S.C. § 706(2)(E) (1994 (current version 2002)).
Section 706(2)(E) provides that "substantial evidence" review is afforded to agency factfinding performed during an adjudication in two circumstances: (1) factfinding performed in "a case subject to sections 556 and 557 of this title," and (2) factfinding performed in a case "reviewed on the record of an agency hearing provided by statute." \(^\text{47}\)

Importantly, the court held that "[f]actfinding by the Board does not fall within the first category, as § 554 excludes PTO adjudication from the trial-type procedures set forth in 5 U.S.C. §§ 556 and 557." \(^\text{48}\) The court made a distinction between section 554 "adjudications" to which the "trial-type procedures" of 5 U.S.C. §§ 556 and 557 are applicable and cases such as PTO Board adjudications, finding:

Specifically, section § [sic] 554(a)(1) excludes agency adjudication from these requirements when the subject matter of that adjudication is subject to a subsequent trial de novo, as in the case of Board adjudication. Accordingly, these interrelated statutes dictate that Board factfinding does not fall within the first category of § 706(2)(E). \(^\text{49}\)

Instead, the Federal Circuit found support for the hearing from which the Board’s record is built from outside of the APA, citing 35 U.S.C. § 144, which states:

The United States Court of Appeals for the Federal Circuit shall review the decision from which an appeal is taken on the record before the Patent and Trademark Office. Upon its determination the court shall issue to the Director its mandate and opinion, which shall be entered of record in the Patent and Trademark Office and shall govern the further proceedings in the case. \(^\text{50}\)

\(^{47}\) Id.
\(^{48}\) Id.; see also 5 U.S.C. § 544(a)(1) (2002) (excluding matters "subject to a subsequent trial of the law and the facts de novo in a court").
\(^{49}\) In re Gartside, 203 F.3d at 1313 (citations omitted).
The court also cited 35 U.S.C. § 7(b), which states:

The Board of Patent Appeals and Interferences shall, on written appeal of an applicant, review adverse decisions of examiners upon applications for patents and shall determine priority and patentability of invention in interferences declared under section 135(a) of this title. Each appeal and interference shall be heard by at least three members of the Board of Patent Appeals and Interferences, who shall be designated by the Commissioner. Only the Board of Patent Appeals and Interferences has the authority to grant rehearings. 51

The Federal Circuit reasoned that the alternative and highly deferential “arbitrary, capricious” standard was not applicable because this standard only applies when the “substantial evidence” standard is deemed inapplicable. 52

Though both parties presented many arguments in Dickinson v. Zurko stressing the deferential differences between the “clearly erroneous” court/court review standard and the “substantial evidence” court/agency standard (the latter being arguably more deferential than the former), the Supreme Court’s decision clearly downplayed any deferential difference. The Court reasoned:

The court/agency standard, as we have said, is somewhat less strict than the court/court standard. But the difference is a subtle one—so fine that (apart from the present case) we have failed to uncover a single instance in which a reviewing court conceded that use of one standard rather than the other would in fact have produced a different outcome. 53

And in response to the Federal Circuit’s concerns with the application of a more deferential standard of factual review, the Court stated: “we believe the [Federal] Circuit overstates the difference that a change of standard will mean in practice.” 54

The Supreme Court went on to state:

These features of review underline the importance of the fact that, when a Federal Circuit judge reviews PTO factfinding, he or she often will examine that finding through the lens of patent-related experience—and properly so, for the Federal Circuit is a specialized

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52 In re Gartside, 203 F.3d at 1313.
53 Dickinson, 527 U.S. at 163 (citations omitted) (emphasis added).
54 Id. at 162.
court. That comparative expertise, by enabling the Circuit better to understand the basis for the PTO's finding of fact, may play a more important role in assuring proper review than would a *theoretically somewhat stricter standard*. Moreover, if the Circuit means to suggest that a change of standard could somehow immunize the PTO's fact-related "reasoning" from review, we disagree. A reviewing court reviews an agency's reasoning to determine whether it is "arbitrary" or "capricious," or, if bound up with a record-based factual conclusion, to determine whether it is supported by "substantial evidence."55

Clearly, in its effort to facilitate the proper application of the agency/court APA standards to the Patent Office (as opposed to the judicial court/court standards), the Supreme Court envisioned that the change in applicable standard is in essence a change in form, not substance. The Court stressed that the "substantial evidence test," or indeed any test applicable under the APA, should not result in simply "rubber-stamping agency factfinding."56 Like court/court fact finding review, "the APA requires meaningful review; and its enactment meant stricter judicial review of agency factfinding than Congress believed some courts had previously conducted."57 Commensurate with this idea of form over substance, the Federal Circuit found in a post-*Dickinson* case that, "Deferential judicial review under the [APA] does not relieve the agency of its obligation to develop an evidentiary basis for its findings. To the contrary, the [APA] reinforces this obligation."58

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55 Id. at 163-64 (citations omitted) (emphasis added).
56 Id. at 162 (citing Universal Camera Corp. v. NLRB, 340 U.S. 474, 490 (1951)). In *Universal Camera*, the Court stated:

Reviewing courts must be influenced by a feeling that they are not to abdicate the conventional judicial function. Congress has imposed on them responsibility for assuring that the Board keeps within reasonable grounds. That responsibility is not less real because it is limited to enforcing the requirement that evidence appear substantial when viewed, on the record as a whole, by courts invested with the authority and enjoying the prestige of the Courts of Appeals. The Board's findings are entitled to respect; but they must nonetheless be set aside when the record before a Court of Appeals clearly precludes the Board's decision from being justified by a fair estimate of the worth of the testimony of witnesses or its informed judgment on matters within its special competence or both.

57 Id.
58 *In re Sang-Su Lee*, 277 F.3d 1338, 1344, 61 U.S.P.Q.2d (BNA) 1430, 1434 (Fed. Cir. 2002) (citing Motor Vehicle Mfrs. Ass'n of the United States v. State Farm Mut. Auto. Ins., 463 U.S. 29, 43 (1983) ("[T]he agency must examine the relevant data and articulate a satisfactory explanation for its action including a rational connection between the facts found and the choice made."). (citations omitted); SEC v. Chenery Corp., 318 U.S. 80, 94 (1943) ("The orderly function of the process of review requires that the grounds upon which the administrative agency acted are clearly disclosed
2. "Official Notice" Under the Administrative Procedures Act. The phrase "official notice" is a term of art in the administrative and evidentiary areas of the law. Broadly, "official notice" is the administrative law device for entering into the record information which has not been proved through the hearing methods. The referenced information consists of facts, both adjudicative and legislative. The applicable section of the APA with respect to "official notice" is section 556 which states in relevant part:

(a) This section applies, according to the provisions thereof, to hearings required by section 553 or 554 of this title to be conducted in accordance with this section.

(e) The transcript of testimony and exhibits, together with all papers and requests filed in the proceeding, constitutes the exclusive record for decision in accordance with section 557 of this title and, on payment of lawfully prescribed costs, shall be made available to the parties. When an agency decision rests on official notice of a material fact not appearing in the evidence in the record, a party is entitled, on timely request, to an opportunity to show the contrary.

As emphasized, section 556 is applicable to hearings required by sections 553, "Rule Making," and section 554. And as described above, the Federal Circuit has determined that Patent Office adjudications are not "adjudications" within the meaning of section 554. Thus, it would seem that any "official notice" requirements stemming from section 556 may not necessarily be applicable to Patent Office adjudications. Setting this question aside, section 556 does little to

and adequately sustained.

60 Kenneth Davis, An Approach to Problems of Evidence in the Administrative Process, 55 Harv. L. Rev. 364, 402 (1942). Mr. Davis states:

When a court or an agency finds facts concerning the immediate parties—what did, where, when, how, and with what motive or intent—[it] is performing an adjudicative function, and the facts are conveniently called adjudicative facts. When a court or an agency develops law or policy, it is acting legislatively; the courts have created the common law through judicial legislation, and the facts which inform the tribunals' legislative judgment are called legislative facts . . . . Legislative facts are ordinarily general and do not concern the immediate parties.

62 Id.
63 See supra Part I.D.
define with any particularity the metes and bounds of "official notice." Instead, section 556 focuses on the right of rebuttal when "official notice" has been relied upon in an agency decision. Consequently, courts have undertaken to define when agencies may take official notice, and more particularly, what facts and factual contexts are conducive to takings of official notice.

Clearly, an administrative agency's discretion to take official notice "depends on the particular case before it." A basic prerequisite for the use of official evidence is that the information noticed must be appropriate for official notice. In the Supreme Court's pre-APA, 1937 Ohio Bell case, the agency party de-valued a utility company's property for ratemaking purposes to reflect the Great Depression. While the Court found no difficulty with the agency's taking notice of the depression as such, or of the general decline in market values as "one of its concomitants," it objected to the agency's use of the data, for the general decline did not show "[h]ow great the decline has been for this industry or that, for one material or another, in this year or the next." More importantly, the Court found that the agency perpetrated a greater wrong by never disclosing the particular evidence on which it relied:

There has been more than an expansion of the concept of notoriety beyond reasonable limits. From the standpoint of due process—the protection of the individual against arbitrary action—a deeper vice is this, that even now we do not know the particular or evidential facts of which the Commission took judicial notice and on which it rested its conclusion. Not only are the facts unknown; there is no way to find them out. When price lists or trade journals or even government reports are put in evidence upon a trial, the party against whom they are offered may see the evidence or hear it and parry its effect.

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64 See 5 U.S.C. § 556.
65 Kowalczyk v. INS, 245 F.3d 1143, 1147 (10th Cir. 2001) (citing de la Llana-Castellon v. INS, 16 F.3d 1093, 1097 (10th Cir. 1994); Castillo-Villagra v. INS, 972 F.2d 1017, 1027 (9th Cir. 1992) ("[T]he administrative desirability of notice as a substitute for evidence cannot be allowed to outweigh fairness to individual litigants.").
66 Id.
68 Id. at 301.
69 Id. at 302 (emphasis added). The Court went on to state, id. at 300 (emphasis added), that: The fundamentals of a trial were denied to the appellant when rates previously collected were ordered to be refunded upon the strength of evidential facts not spread upon the record. The Commission had given notice that the value of the property would be fixed as of a date certain. Evidence directed to the value at that time had been
Thus, the party against which the officially noticed facts were used had no opportunity to "see the evidence or hear it and parry its effect." Elaborating, the Supreme Court noted the broad discretion given to administrative agencies in conducting quasi-judicial proceedings and stressed the paramount importance of ensuring the integrity of such proceedings.

Similarly, in 1989, the Court of Appeals for the District of Columbia, citing Ohio Bell, found that the Federal Energy Regulatory Commission ("FERC") had violated section 556 of the APA when the FERC used treasury interest rates for inferences on the cost of equity, without providing evidence to support such inferences. Apparently reading these requirements into the APA, the court interpreted the Supreme Court's holding in Ohio Bell "as establishing two prerequisites for use of official evidence. First, the information noticed must be appropriate for official notice. Second, the agency must follow proper procedures in using the information, disclosing it to the parties and affording them a suitable opportunity to contradict it or 'parry its effect.'" Consequently, though it was perfectly acceptable for the FERC to take notice of the interest rates on treasury bonds for ratemaking purposes since "such information is not typically subject to dispute," under the APA, the FERC must provide rebuttable evidence for the

laid before the triers of the facts in thousands of printed pages. To make the picture more complete, evidence had been given as to the value at cost of additions and retirements. Without warning or even the hint of warning that the case would be considered or determined upon any other basis than the evidence submitted, the Commission cut down the values for the years after the date certain upon the strength of information secretly collected and never yet disclosed.

70 Id. at 302.
71 Id. at 304. Further, the Court provided, id. at 304 (citations omitted), that:
Regulatory commissions have been invested with broad powers within the sphere of duty assigned to them by law. Even in quasi-judicial proceedings their informed and expert judgment exacts and receives a proper deference from courts when it has been reached with due submission to constitutional restraints. Indeed, much that they do within the realm of administrative discretion is exempt from supervision if those restraints have been obeyed. All the more insistant is the need, when power has been bestowed so freely, that the 'inexorabile safeguard' of a fair and open hearing be maintained in its integrity.
The Commission's procedures in using the Treasury interest rates for inferences on the cost of equity, however, did not adequately protect Union's right to "parry [their] effect," i.e., to challenge the Commission's inference. In Ohio Bell, the Court had no difficulty with the Ohio commission's taking notice of the Great Depression, but invalidated its use of that fact (plus undisclosed additional material) for inferences about the value of Ohio Bell's assets.
73 Id. at 1202.
inferences drawn therefrom in order to afford the opposite party their "right to 'parry [their] effect' by challenging the Commission's inference." 74

More recently still, in *Dayco Corporation v. FTC*, the Sixth Circuit aptly noted that a party need not invoke the APA's right to rebuttal of an officially noticed fact until official notice has been properly employed.75 In *Dayco*, the FTC took official notice of numerous facts and presumptions in support if its prima facie case that Dayco was in violation of section 2(a) of the Clayton Act.76 The court determined that the officially noticed facts were critical to the FTC's finding that Dayco was in violation of the statute and that the facts were adjudicative facts because "they relate[d] to, and were determinative of, one individual situation or course of conduct." 77 The burden of proof in *Dayco* rested squarely with the FTC.78 And although the court recognized that "properly employed official notice may assist an agency in meeting its burden,"79 the court employed the following rationale of a well-known treatise to support its reasoning that the FTC's burden was not met in this case:

*It needs no argument to demonstrate that agencies may not take notice of the 'litigation facts' involved in a particular case; to do so would be to shift the burden of proof and make a mockery of the hearing procedure. The doctrine of notice should be limited to facts of a general nature, representing generalizations distilled from repeated demonstrations.* 80

The court held:

*To us the procedural imprropriety of the Commission's use of official notice as a substitute for proof is plain. It requires vacation of the order finding Dayco guilty of violation of Section 2(a) of the Robinson-Patman Act, vacation of its cease and desist order entered pursuant thereto. It is so ordered.* 81

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74 *Id.* at 1203 (citing Ms. Indus. v. Fed. Energy Regulatory Comm'n, 808 F.2d 1525, 1568 (D.C. Cir. 1987)).
75 *Dayco Corp. v. FTC*, 362 F.2d 180, 185 (6th Cir. 1966).
76 *Id.* at 184.
77 *Id.* at 186.
78 *Id.* (citing 16 C.F.R. § 3.14 (1966)).
79 *Id.*
80 *Id.* (citing FRANK E. COOPER, STATE ADMINISTRATIVE LAW 413 (vol. 1 1965)) (emphasis added).
81 *Id.* at 187 (emphasis added).

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A fair interpretation of the combined holdings of Ohio Bell, Union Electric and Dayco is that under the APA, (1) official notice is not appropriate in all circumstances, (2) an agency's findings with respect to adjudicative facts (facts determinative of an individual situation) must be supported by rebuttable evidence in order to establish a prima facie case in support of an agency finding and shift the burden of proving otherwise to the opposing party, and (3) the party against whom such facts are officially noticed with the requisite rebuttable evidence must be afforded a suitable opportunity to contradict such facts. As the case law supports no exception, this interpretation appears to apply to all agency proceedings, including quasi-judicial proceedings, irrespective of the explicit applicability of section 556.

This Article addresses how the Patent Office rejections that rely at least in part on official notice have been addressed by the Patent Office and the courts, including a comparison and analysis between long-standing practice and recent changes to the MPEP in light of Dickinson v. Zurko. Recent changes to the MPEP appear to facilitate the inequitable shifting of the Patent Office's burden to prove obviousness in violation of the APA, thus requiring the Applicant to rebut rejections without the requisite evidence.

II. ESTABLISHING A PRIMA FACIE CASE WITH "OFFICIAL NOTICE"

A. PRE-DICKINSON V. ZURKO

There is no question that even prior to the Supreme Court's holding in Dickinson v. Zurko, the Patent Office was clearly recognized as an "agency" as defined in the APA and thus generally subject to the provisions thereof. The sole, albeit important decision made in Dickinson was the conformance of the judicial standard of factual review to one of those enumerated in the APA. As discussed in detail above, this decision was ultimately one of form, in that it focused on theory over substance. Prior to the Supreme Court's decision in Dickinson, the MPEP did provide for the taking of official notice of facts outside of the record by an Examiner to support a rejection under 35 U.S.C. § 103.

[Notes and references follow]
More particularly, section 2144 of the unrevised 8th edition of the MPEP, dated August 2001 (Unrevised MPEP), stated that “[t]he examiner may take official notice of facts outside of the record which are capable of instant and unquestionable demonstration as being ‘well-known’ in the art.” The Unrevised MPEP reasoned that, “[i]f justified, the examiner should not be obliged to spend time to produce documentary proof. If the knowledge is of such notorious character that official notice can be taken, it is sufficient so to state.” But this action by the Examiner was tempered by the requirement that if the Applicant seasonably traversed the taking of official notice, then the Examiner was required to cite a reference in support of the noticed fact.

This reasoning and course of action was commensurate with the requirements of the APA for taking, supporting, and rebutting official notice. According to the Unrevised MPEP, all officially noticed facts were subject to a seasonable challenge by the Applicant. If the Applicant does not seasonably challenge the official notice, or does challenge the notice and is provided with objective evidence in support thereof, then the Examiner has established a prima facie case and has succeeded in shifting the full burden of rebutting an obviousness determination to the Applicant. The Applicant’s burden of challenging official notice required no evidence or argument, it merely required a seasonable demand for objective evidence from the Examiner. Further, if the noticed fact was seasonably challenged by the Applicant and the Examiner failed to provide the requisite evidence while maintaining the rejection, the Examiner’s failure to provide evidence constituted clear and reversible error.

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87 Id. (citing In re Ahlert, 424 F.2d 1088, 1091, 165 U.S.P.Q. (BNA) 418, 420 (C.C.P.A. 1970) (concerning proper judicial notice that “it is common practice to postheat a weld after the welding operation is completed” and “it is old to adjust the intensity of a flame in accordance with the heat requirements”)); see also In re Eynde, 480 F.2d 1364, 1370, 178 U.S.P.Q. (BNA) 470, 474 (C.C.P.A. 1973) (“The facts constituting the state of the art are normally subject to the possibility of rational disagreement among reasonable men and are not amenable to the taking of [judicial] notice.”); In re Seifreid, 407 F.2d 897, 900, 160 U.S.P.Q. (BNA) 804, 806 (C.C.P.A. 1969) (“The reference of record support examiner’s statement that polyethylene terephthalate films are commonly known to be shrinkable.”).

88 UNREVISED MPEP, supra note 87, § 2144 (citing In re Malcolm, 129 F.2d 529, 54 U.S.P.Q. (BNA) 235 (C.C.P.A. 1942)).

89 Id.

90 Id.

91 2 FED. PROC., L. ED. § 2:201 (2004) (“Furthermore, an opportunity to rebut may be waived, and the facts officially noticed may be deemed to be true, if a party does not timely object to the use of officially noticed facts.”).

92 In re Chevenard, 139 F.2d 711, 713, 60 U.S.P.Q. (BNA) 239, 240 (C.C.P.A. 1943).

In *Ex parte Natale*, the Examiner rejected certain claims as being unpatentable under 35 U.S.C. § 103, and in lieu of citing prior art that taught or suggested each of the claimed limitations, “the examiner [took] notice of the fact that ventilation flaps in a tent system are normally understood to be capable of sealing the openings they control when they are closed.”94

Furthermore, although this noticed fact was challenged by the appellant “[n]otwithstanding appellant’s challenge for evidentiary support, the examiner maintained his position.”95 The Board found that “the examiner’s failure to provide objective evidence to support the challenged officially-noticed fact constituted clear and reversible error.”96 Similarly, in *In re Sang-Su Lee*, the Federal Circuit found that the “common knowledge and common sense” on which the Examiner and ultimately the Board relied in rejecting the appellant’s claims amounted to conclusory statements which could not substitute for the required authority (factual findings).97 Importantly, the court held that “[t]he Board’s findings must extend to all material facts and must be documented in the record, lest the ‘haze of so-called expertise’ acquire insulation from accountability.”98

The procedures set forth in the Unrevised MPEP correctly identified that substantive facts (adjudicative facts) were not the proper subject matter for taking official notice such that an Examiner established a prima facie case of unpatentability.99 This is clear from the fact that an Applicant needed only seasonably challenge the taking, or simply request the requisite evidence.100 If it were enough to establish a prima facie case of unpatentability by merely taking official notice of substantive facts, i.e., the presence of a claim limitation or motivation to combine in the prior art, then a mere challenge without more would not have been sufficient to shift the burden back to the Examiner. As such, this procedural sequence can only be interpreted as stating that the elements of a prima facie case can only be established with official notice if the Applicant does not seasonably challenge the taking. But the Unrevised MPEP did recognize and encourage Examiners to take official notice of facts that in the Examiner’s view clearly should not be subject to controversy and, assuming no seasonable...
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challenge by the Applicant, would be taken as evidenced. Consequently, the Unrevised MPEP put procedures in place whereby the truly non-substantive facts (notoriously well known claim limitations or motivations) need not be proved with a reference, thus facilitating narrower issues and expeditious prosecution. This procedure benefited both the Examiner, the Applicant, and the public, assuming agreement of the notoriety of the noticed facts.

B. AFTER DICKINSON V. ZURKO

In view of Dickinson v. Zurko, and more particularly In re Gartside, the Patent Office has revised section 2144 of the eighth edition of the MPEP (Revised MPEP). Citing the new factual evidentiary review standard (substantial evidence) as the impetus for the revisions, the Patent Office now supports taking official notice without the further requirement that objective evidence be provided when challenged.

Specifically, the Revised MPEP states:

In light of recent Federal Circuit decisions as discussed below and the substantial evidence standard of review now applied to USPTO Board decisions, the following guidance is provided in order to assist the examiners in determining when it is appropriate to take official notice of facts without supporting documentary evidence or to rely on common knowledge in the art in making a rejection, and if such official notice is

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101 Id.


Administrative efficiency is one rationale for official notice. Like its courtroom counterpart judicial notice, official notice derives from the legal maxim manifesta [or notoria] non indigent probatione, i.e., “what is known need not be proved.” The maxim may be traced so far back in civil and canon law that it is probably coeval with legal procedure itself. Back in 1875, for example, the United States Supreme Court observed that to require proof of every fact “would be utterly and absolutely absurd.” Where a fact is known, the process of proving it is “time-consuming and unduly formal.” When a fact has been proven already, further proof becomes “tiresome, redundant, and lacking in common sense.” At times, moreover, even an obvious fact can be difficult or time-consuming to prove, without affecting a result that was never in doubt.

(citations omitted).

In part A of section 2144, the Revised MPEP attempts to aid the Examiner in determining when it is appropriate to take official notice without documentary evidence to support the Examiner’s conclusion, stating that “official notice without documentary evidence to support an examiner’s conclusion is permissible only in some circumstances.”105 The Revised MPEP, like the Unrevised MPEP, correctly recites the language from the multitude of previous Board and court opinions which holds that “official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known.”106

Further, the Revised MPEP cites to pertinent sections of In re Zurko stating that “it is never appropriate to rely solely on ‘common knowledge’ in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based.”107 Further, the Revised MPEP states that although the “court explained that, ‘as an administrative tribunal the Board clearly has expertise in the subject matter over which it exercises jurisdiction,’ it made clear that such ‘expertise may provide sufficient support for conclusions [only] as to peripheral issues.’”108 To this point, the Revised MPEP sets forth the same procedure for taking official notice as that of the Unrevised MPEP, a procedure which allows for the possibility of establishing a prima facie case of patentability with official notice.109 Turning to part B of section 2144 of the Revised MPEP, the drafters begin to veer from accepted practice.

Part B of section 2144 of the Revised MPEP is entitled “If Official Notice Is Taken of a Fact, Unsupported by Documentary Evidence, the Technical Line Of Reasoning Underlying a Decision To Take Such Notice Must Be Clear and Unmistakable.”110 This part of the Revised MPEP appears to condone the use of clear and unmistakable technical reasoning by the Examiner in place of the

104 Id. § 2144 (emphasis added).
105 Id.
106 Compare id., with UNREVISED MPEP, supra note 87, § 2144.
107 Id. (citing In re Zurko, 258 F.3d 1379, 1386, 59 U.S.P.Q.2d (BNA) 1693, 1697 (Fed. Cir. 2001) ("[T]he Board cannot simply reach conclusions based on its own understanding or experience—or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.")).
108 Id. (citing In re Zurko, 258 F.3d at 1385-86).
109 Compare UNREVISED MPEP, supra note 87, § 2144, with REVISED MPEP, supra note 103, § 2144.
110 REVISED MPEP, supra note 103, § 2144.
requisite documentary evidence to prove facts and establish a prima facie case of unpatentability. Said another way, part B of section 2144 suggests that if the Examiner provides "specific factual findings predicated on sound technical and scientific reasoning to support his or her conclusion of common knowledge," then the Examiner has succeeded in establishing a prima facie case of unpatentability, irrespective of a seasonable challenge for documentary evidence by the Applicant.\footnote{Id. (citing In re Chevenard, 139 F.2d 711, 713, 60 U.S.P.Q. (BNA) 239, 241 (C.C.P.A. 1943)) (emphasis added).}

Importantly, in both "older cases" cited in Part B in support of this condoned procedure, the appellant did not seasonably challenge the taking of official notice during prosecution. For example, in \textit{In re Chevenard}, the court accepted the Examiner taking official notice with regard to the "finding that a brief heating at a higher temperature was the equivalent of a longer heating at a lower temperature where there was nothing in the record to indicate the contrary and where the applicant never demanded that the examiner produce evidence to support his statement."\footnote{Id. at 1293-94.}

Similarly, in \textit{In re Soli} the court noted that the Examiner's officially noticed fact was unchallenged by the Applicant.\footnote{Id. The court, \textit{id. at 1293} (citations omitted), remembered: This court has long held that wherever possible, issues should be crystallized before appeal to this court. It is neither the function of oral arguments nor briefs before this court to question for the first time the propriety of actions of the examiner or the board to which a response conveniently could have been made before the Patent Office.} The court stated, in dicta, that even if the Applicant's rebuttal that the cited references did not teach the limitation at issue and rose to the level of a seasonable challenge pursuant to \textit{Chevenard}, the court would have nonetheless sustained the taking of official notice.\footnote{Graham v. John Deere, 383 U.S. 1, 148 U.S.P.Q. (BNA) 459 (1966). \textit{See supra Part I.B} (describing the Patent Office's burden of proof with respect to a prima facie case of obviousness).} But this is dicta. The holding of the case, in following \textit{Chevenard}, is that the officially noticed fact was taken as evidenced by virtue of the lack of seasonable challenge.\footnote{See supra Part I.} Further, at the time of the \textit{In re Soli} decision, the Supreme Court's seminal examination case, \textit{Graham v. John Deere}, was not yet decided.\footnote{Id.} Accordingly, the explicit factual requirements and proofs for establishing a prima facie case of unpatentability had yet to be defined by the Court.\footnote{See supra Part I.}

As reflected in the language of \textit{In re Soli}, the United States Court of Customs and Patent Appeals (CCPA) was using the pre-\textit{Graham} definition of obviousness,
e.g., "of no patentable significance." Whereas *Graham*, interpreting Congress's 1952 Patent Act, defined the steps for determining obviousness to include, inter alia, a comparison between the claims of the application and the pertinent prior art and a determination as to whether a person reasonably skilled in the art would have found the differences therebetween, if any, to be obvious.

Clearly, the cases since *Graham* have reiterated time and again that the factual underpinnings of a prima facie case of unpatentability must be supported by documentary evidence (prior art). Consequently, the Revised MPEP's reliance on these "older cases" to support the variance from the requirement for documentary evidence, allowing for an Examiner's statements of logic and sound scientific principles to take the place thereof, is misguided and contrary to established case law.

In recent debates regarding the now infamous "business method" patents, other older opinions have been cited in support of commentators' opinions that would encourage more frequent use of official notice in rejecting applications for such patents. Notably, in the 1968 CCPA case of *In re Howard*, the majority held that "[i]t is our opinion that appellants' method is old and well known in the prior art (of) which we have taken judicial notice." More particularly, in this case the majority took judicial notice of the existence of numerous claim limitations in upholding the Patent Office's rejection. For example, the court stated:

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118 *In re Soli*, 317 F.2d at 945. The Patent Office position relating to the patentable significance of a control was set forth by the examiner. He said:

Applicant states that Taggart has no such control like applicant's. There is no issue taken with this view, but when one is attempting to determine the number of bacterial cells that have come to be since a certain time lapse, how can that determination possibly be made without a control? Such a control is standard procedure throughout the entire field of bacteriology.

119 *Graham*, 383 U.S. at 17.

120 Revised MPEP, supra note 103, § 2144.


The combination of *Howard and Boon* suggests not only the lenient use of official notice in business method patent cases, but substantial staying power for rejections founded upon official notice. Pushed to its outer limits, the court's statement in *Boon* could be seen to require that a challenge to official notice must all but disprove the noticed fact. This combination appears to provide the USPTO with powerful tools for addressing applications claiming methods of doing business.

122 *In re Howard*, 394 F.2d at 871.
It is a matter of common practice of wide notoriety, well within the ambit of judicial cognizance, for retail outlets to list by code or otherwise various items stocked for sale, together with the price assigned to each item, so as to enable the clerk or sales person to ascertain the charge to the customer.

... We take judicial notice of the fact that when a sale is made of an item, as for instance, an appliance part, it in [sic] common practice to record the manufacturer’s code number for the particular part on the sales slip; to compare the code number with code number in the parts catalog (memory) in order to obtain the corresponding prices of the items; and to print or write the corresponding price of each item sold as a sales slip for the items sold. It is our opinion that appellants’ method is old and well known in the prior art (of) which we have taken judicial notice.\textsuperscript{123}

But a careful review of the concurrence in the opinion and the opinion’s current citation history seems to support the implication that this case should be held to its facts, and its holding as related to judicial notice kept in a vacuum. Judge Kirkpatrick states in his concurrence:

The majority opinion reaches its conclusion solely upon judicial notice of a “common practice of wide notoriety . . . for retail outlets to list by code or otherwise various items stocked for sale, together with the price assigned to each item, so as to enable the clerk or sales person to ascertain the charge to the customer.” I am aware of the fact that the limits of judicial notice, particularly in patent cases, are expanding and the field of notice is now pretty broad. However, I think that the majority goes beyond today’s limits in placing its decision solely upon judicial notice of the above quoted practice. Of course, everyone knows that large department stores and supermarkets must have some system of recording prices of the various articles which they have for sale and keeping their sales people informed of such prices and of changes in them made from time to time. \textit{There may be any number of different ways of doing this, and, any number of different systems and I do not see how, without any evidence, we can used [sic] the

\textsuperscript{123} \textit{Id.} at 870-71.
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Doctrine of judicial notice to find that a system exists which anticipates that of the application or is so nearly like it as to make the application an obvious variation. That, it seems to me, is what we would have to do in order to sustain the conclusion reached by the majority. Without some concrete evidence of the prior art (of which there is none) I do not think that it is possible to find that the system of this application is old or that it is obvious under Section 103.124

Indeed, though never explicitly overruled, the CCPA and its successor court, the Federal Circuit, have never again used judicial notice in such an overreaching fashion. Further, the CCPA specifically differentiates judicial notice from the official notice tool that is available to the Patent Office. In In re Pardo, the Solicitor cited In re Howard in support of the Patent Office’s rejection of the claims as obvious in view of the Board’s own logic, wherein no references were cited.125 The CCPA distinguished In re Howard, because that case “dealt with taking judicial notice of ‘common practice of wide notoriety, well within the ambit of judicial cognizance.’”126

Clearly, the CCPA does not equate judicial notice with official notice and is unwilling—rightly so—to step into the shoes of fact-finder and take judicial notice. The CCPA holds:

In making the obviousness rejection, the board failed to follow the three-pronged analysis required by Graham v. John Deere, whenever the obviousness of patent claims is in issue. The board did not determine the scope and content of the prior art or even indicate that there was any prior art; it did not determine the differences between the prior art and the claimed invention; and it did not ascertain the level of ordinary skill in the art at the time the invention was made.127

Further still, in accordance with the suggested variance in part B, part C of section 2144 of the Revised MPEP requires that the Examiner need support a taking of official notice with adequate evidence only if the Applicant adequately challenges the factual assertion as not properly officially notice or not properly based on common knowledge.128 Part C states that, “[t]o adequately traverse such a finding, an applicant must specifically point out the supposed errors in the

124 Id. at 872.
126 Id. at 917 (citing In re Howard, 394 F.2d 869).
127 Id. (emphasis added) (citations omitted).
128 REVISED MPEP, supra note 103, § 2144 (emphasis added).
examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art.” Consequentley, according to the Revised MPEP a seasonable traversal, without more, is no longer enough to require the Examiner to provide evidentiary support for the notice fact. Further, it is within the purview of the Examiner to determine what is or is not an “adequate traversal.” Specifically, part C states,

If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate.

This procedure impermissibly allows an Examiner to shift the burden of proof to the Applicant without the requisite factual evidence, and begs the question: How does an Applicant rebut a statement that a fact (a claim limitation as part of a claim) is common knowledge without having the requisite documentary evidence to rebut? By facilitating this process, section 2144 of the Revised MPEP has relegated the examination process at the whim of the Examiner to a childish game of “yes it is; no its not.” Interestingly, there is no case law cited in part C to support the requirement for an “adequate traversal” of officially noticed facts before requiring the Examiner to provide documentary evidence.

The drafters of the Revised MPEP are misguided in relying on the “substantial evidence” review standard resulting from Zurko and ultimately Gartside to support the departure from the accepted and proper official notice practice set forth in previous versions of the MPEP. The adoption of this standard was merely a matter of form, not substance. The evidence required to build and support the factual record in Patent Office prosecution proceedings is documentary evidence, which did not change with the re-naming of the review standard. Indeed, the APA requires that a burden shifting prima facie case be supported by rebuttable evidence. Such evidence in the case of proving unpatentability must be documentary evidence. As stated in part E of section 2144, “[i]t is never appropriate to rely solely on common knowledge in the art without evidentiary support in the record as the principal evidence upon which a rejection was based.”

129 Id. (emphasis added).
130 Id (emphasis added).
131 REVISED MPEP, supra note 103, § 2144.
III. CONCLUSION

In the context of Patent Office proceedings, a taking of official notice with respect to a substantive claim rejection without more is merely a subjective statement made by the Examiner. Consequently, these statements alone do not initially rise to the level of establishing the required prima facie case of unpatentability such that rebuttal argument or evidence is necessary to overcome the rejection. The relevant authority clearly does not require the Applicant for a patent to prove patentability. Referring to the reasoning and holdings of the numerous cases cited herein, to allow subjective statements without evidentiary support to take the place of proof required for setting forth a prima facie case of unpatentability would violate the APA and make a mockery of the patent system.