
Applicants’ invention claimed a method to use an “underwater circuit that generates an acoustic wave signal of such magnitude and frequency as to vibrate the shell of the zebra mussel until it breaks, thereby killing the animal.” The PTO examiner found the claims anticipated and obvious, while the Board only sustained the obviousness rejection. The applicants appealed under 35 U.S.C. § 145 to the U.S. District Court for the District of Columbia. The district court agreed with the Board and also found the anticipation rejection valid. The Federal Circuit affirmed, holding that the district court should follow the dictate of Dickinson v. Zurko, 527 U.S. 150 (1999), and apply the Administrative Procedure Act’s (APA) “substantial evidence” standard of review to the PTO Board’s findings of fact.

The applicants are smelt fisherman “concerned with the zebra mussel infestation of Lake Michigan” and therefore developed the claimed method. They unsuccessfully sought to prove an actual reduction to practice before the date of the anticipating reference, and before the date of one of the two references upon which the examiner based its obviousness rejection. The Board did not sustain the anticipation rejection due to uncertainty about that reference’s publication date.

The Federal Circuit noted the implications of the applicants’ choice to appeal under § 145:

A section 145 review is distinct from a section 141 appeal in that it affords the applicant an opportunity to present additional evidence or argue the previous evidence afresh, either by simply relying upon the record below or by reintroducing the same evidence through alternative means such as live testimony. . . . If new evidence, or evidence that was previously submitted is supplemented or introduced through live testimony, the district court takes on the role of fact-finder and may need to make factual findings.

In the § 145 appeal to the district court, the PTO submitted new evidence about the publication date of the anticipating reference.

The court noted that its pre-Zurko case law specified that the district court review the Board’s findings for clear error. However, in Zurko the Supreme Court held that the PTO is an agency subject to the [APA’s] constraints and a reviewing court must apply the APA’s court/agency review standards [as they arise from] Section 706 of the APA.” Under this regime, a “decision by the PTO is reviewed on the administrative record of an agency hearing provided for by statute.”

As a result of two factors, the Zurko standard of review, and the possibility of new evidence in the district court, a dual-standard might apply when § 145 appeals are further appealed to the Federal Circuit:

[A] reviewing court, whether this court or the district court, applies the “substantial evidence” standard of review to findings of fact made by the board.

If the parties choose to present additional evidence to the district court, as they did here, the district court would make de novo factual findings if the evidence is conflicting. We then would review the district court’s legal conclusions without deference and its de novo factual findings under the traditional court/court standard of review, clear error.

In the present case, however, the district court ruling on appeal was a grant of summary judgment in favor of the PTO. However, even taking all facts in the light most favorable to the applicants, the court easily sustained the summary judgment grant both for obviousness and anticipation. The anticipating reference was accessible to the public before the applicants’ earliest date. Further, a second anticipating reference was presented to the district court, providing a second basis for anticipation. As to obviousness, the cited references clearly taught the applicants’ method.