

## **Chet's Shoes; Ex parte Chan: Rule 36/Per Curiam Affirmance Practice**

Yesterday in *Kastner v. Chet's Shoes, Inc.*, \_\_\_ U.S. \_\_\_ (2012)(Order denying certiorari), and *Ex parte Chan*, \_\_\_ Westlaw \_\_\_ (PTO Bd. App. & Int. 2012)(per curiam), the Supreme Court and the Board of Patent Appeals and Interferences each issued instructive decisions dealing with the pet peeve of many patent practitioners who complain about an affirmance that doesn't explain the rationale for the decision: "I have a *right* to have a decision that *explains why* I've lost my case."

*Kastner v. Chet's Shoes* was a routine denial of *certiorari* in a challenge to Federal Circuit local Rule 36: The *Question Presented* was "[w]hether the [ ] Federal Circuit can properly affirm an obviously incorrect district court holding with the single word, Affirmed [as part of an Order under Local Rule 36], thereby leaving the appellant completely without knowledge as to the basis for the affirmance."

In the *Chan* case, the Board departed from its time consuming, usual lengthy opinion; the panel issued a simple *per curiam* affirmance that offered a one paragraph explanation as to why the decision below was affirmed.

**The Three Functions of an Appellate Decision:** Perhaps in an ideal world every appellate case would have a detailed opinion.

Before reflexively endorsing such an objective as something that should be implemented, it is useful to understand the competing priorities of an appellate panel:

The *first* and paramount objective is that the appellate tribunal reach the **correct decision**: Should the decision below be reversed or affirmed. This aspect of the appellate function should never be short-changed.

The *second* objective is speedy justice: The parties deserve an opinion as soon as possible consistent with a correct decision.

The *third* objective is to *educate* the profession by writing opinions on matters of general importance or to clarify (or modify) the case law.

## **Chet's Shoes; Ex parte Chan: Rule 36/Per Curiam Affirmance Practice**

Clearly, the number of detailed legal opinions under this third objective must give way to the first two objectives. Indeed, if less time is spent on writing opinions, this provides more time for the thinking process involved in reaching the *correct decision*.

### **The “Right” of Every Appellant to a decision explaining an affirmance:**

Among the general patent practitioner population there is a widely held belief that if a party spends the time and effort to take what it considers to be an important appeal, the appellate tribunal has an *obligation* to explain any affirmance. This would add a *fourth* objective which would clearly be subservient to the three existing objectives of the appellate process.

To the extent that society were to decide that this fourth objective is important, in a democracy we are free to legislate additional resources to provide the manpower to deal with this fourth objective. But, the reality is that without Rule 36 at the Federal Circuit the current rate of prompt appellate dispositions would soon disappear.

The current 25,000-plus backlog of appeals at the Board is in part due to the absence of any procedure akin to Rule 36 and to the contrary a practice of writing very detailed opinions in each case: The new *per curiam* practice should be at least a partial solution to the backlog.

**Many Appellants Deserve no More than Per Curiam Decisions:** One of the great abuses of the patent system is an appeal in a case without any possibility of reversal. Critical “limitations” to distinguish the prior art are argued on appeal while no such limitation is part of the *claims*. Or, the law is simply misunderstood. Does appellant really want a one paragraph tutorial saying, in essence: “You’ve taken a frivolous appeal?”

Many appeals are taken at all levels which reflect essentially no legal research. *Kastner v. Chet's Shoes* is a prime example of such a case. Imagine filing a *certiorari* petition to the Supreme Court, without spending the fifteen or so minutes to discover that there were more than a *dozen* petitions raising the identical issue; reading only one or two of the oppositions to recent petitions in this group would have taught Petitioner why it had zero point zero chance for grant of review.

**Chet's Shoes; Ex parte Chan: Rule 36/Per Curiam Affirmance Practice**

Both Federal Circuit and Board *per curiam* practice are directed *precisely* to this subset of appeals that *deserve* no detailed explanation to the parties.

Attached are the opinion in *Ex parte Chan* and a list of Supreme Court denials of *certiorari* in the *Chet's Shoes* line of cases.

Regards,

Hal

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* VICTOR CHAN, MARK W. HUBBARD, AALIM LAKHANI,  
DAISY TAN and FEN WANG

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Appeal 2010-011752  
Application 11/428,607  
Technology Center 3600

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*Before:* ANTON W. FETTING, JOSEPH A. FISCHETTI, and  
MICHAEL W. KIM, *Administrative Patent Judges.*

PER CURIAM.

DECISION ON APPEAL

## STATEMENT OF THE CASE

This is an appeal from the final rejection of claims 1-16. We have jurisdiction to review the case under 35 U.S.C. §§ 134 and 6 (2002).

The claimed invention is directed to inventory management in an e-commerce system (Spec., para. [0001]). Claim 1, reproduced below, is further illustrative of the claimed subject matter.

1. A multi-tier inventory management data processing system comprising:

an inventory management system coupled to one or more e-commerce applications over an enterprise bus; and,

a plurality of instances of a tier inventory component, each of the instances corresponding to a local inventory cache from amongst a plurality of local inventory caches, each instance of the tier inventory component comprising program code enabled to manage the local inventory cache, each instance further comprising an inventory management application programming interface (API) exposing inventory operations on the local inventory cache to other instances of the tier inventory component.

Claims 1-16 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Wadawadigi (US 7,376,600 B1, iss. May 20, 2008) in view of Heinrichs (US 2003/0208417 A1, pub. Nov. 6, 2003).

We AFFIRM.

## ANALYSIS

We have carefully considered Appellants' arguments on pages 4-9 of the Appeal Brief, and agree with the Examiner's findings of fact, responses, and rationales set forth on pages 10-13 of the Examiner's Answer.

Accordingly, we adopt them as our own in sustaining the Examiner's rejection of claims 1-16. While Appellants couch much of their arguments

Appeal 2010-011752  
Application 11/428,607

as those of claim construction, which is a matter of law, we find the Examiner has shown the construction applied is both reasonable and is in light of the Specification, and so we adopt the Examiner's claim construction from Answer 10-13.

#### DECISION

The decision of the Examiner to reject claims 1-16 is AFFIRMED.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

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## Supreme Court Denial of Review of Federal Circuit Rule 36 Practice

***Kastner v. Chet's Shoes, Inc.***, \_\_ U.S. \_\_ (February 21, 2012)( Order denying certiorari)

***Question Presented:*** “Whether the U.S. Court of Appeals for the Federal Circuit can properly affirm an obviously incorrect district court holding with the single word, Affirmed [as part of an Order under Local Rule 36], thereby leaving the appellant completely without knowledge as to the basis for the affirmance.”

### *Previous Supreme Court Certiorari Denials Since 1992*

***In re Bucknam***, 502 U.S. 1060 (1992)(Order denying certiorari) (*Third Question Presented*): “Can the United States Court of Appeals for the Federal Circuit properly disregard the requirement of 35 U.S.C. 144 that an opinion shall be rendered on appeals from the Patent and Trademark Office?”)

***Astronics Corp. v. Patecell***, 506 U.S. 967 (1992)(Order denying certiorari)(*Question Presented:* “In an appeal raising independently dispositive grounds ( e.g., insufficient evidence; legal error in instructions), does a court impermissibly curtail the scope of appellate review by affirming without opinion where it finds the evidence sufficient to support a jury verdict, while not addressing dispositive legal error in jury instructions?”)

***Intermedics, Inc. v. Ventritex Co., Inc.***, 513 U.S. 876 (1994) (Order denying certiorari)(*First and Second Questions Presented:* “1. Whether a Court of Appeals errs when, in a case presenting a ‘difficult and significant’ issue of ‘first impression,’ it affirms without explanation or opinion a published District Court decision. 2. Whether the Court of Appeals for the Federal Circuit improperly departs from the accepted and usual course of appellate judicial proceedings in its use of its Local Rule of Practice 36, which provides for no-opinion affirmance.”

## Supreme Court Denial of Review of Federal Circuit Rule 36 Practice

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***U.S. Surgical Corp. v. Ethicon, Inc. Johnson & Johnson***, 517 U.S. 1164 (1996)(GVR on a different *Question Presented* in light of *Markman v. Westview Instruments*, 517 U.S. 370 (1996))(Question Presented: “Whether the Court of Appeals for the Federal Circuit, when it summarily affirmed the judgment so as not to apply a soon-to-be-issued *en banc* ruling that would require a new trial in this case, so far departed from the usual and accepted course of judicial proceedings as to call for the exercise of this Court's power of supervision?”)

***Pirkle Therm-Omega-Tech v. Ogontz Controls Co.***, 516 U.S. 863 (1995)(Order denying certiorari)(Third Question Presented: “Whether a Court of Appeals panel's summary affirmance of an appeal, so as to avoid application of a rule of law of the Court in banc with which that panel disagrees, denies the appellants their statutorily granted right of appeal?”)

***Schoonover v. Wild Injun Products***, 516 U.S. 960 (1995)(Order denying certiorari)(First Question Presented: “Whether the Federal Circuit's continued improper use of Federal Circuit Rule 36 is contrary to appropriate appellate judicial procedure to warrant invocation of this Court's supervisory power.”)

***Donaldson Co., Inc. v. Nelson Industries, Inc.***, 516 U.S. 1072 (1996)(Order denying certiorari)(Second Question Presented: “Whether an Appeals Court may summarily affirm a district court judgment so as to effectively extend prior precedent to dramatically different facts, without rendering an opinion to provide guidance regarding its reasoning.”)

***Bowen v. Board of Patent Appeals and Interferences***, 530 U.S. 1263 (2000)(Order denying certiorari)(First Question Presented: “Has the Federal Circuit Erred By Issuing A Rule 36 Affirmance Without Opinion For A Question Of Law Requiring a *De Novo* Review Due To A Misinterpretation of *Dickinson v. Zurko*?”)

***Laberge v. Department of the Navy***, 541 U.S. 935(2004)(Order denying certiorari)(First Question Presented: “ Whether the Federal Circuit erred in issuing a Rule 36 decision in this case..., given that Merit Systems Protection Board [ ] Member Slavet's concurrence ... raised a significant question regarding the Federal Circuit precedence.”)



## Supreme Court Denial of Review of Federal Circuit Rule 36 Practice

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*Bivings v. Department of Army*, 541 U.S. 935 (2004)(Order denying certiorari)(*First Question Presented*: “Whether the Federal Circuit erred in issuing a Rule 36 decision in *Bivings v. Dep't of the Army*, given that Board Member Slavet's concurrence in *Laberge v. Dep't of the Navy* raised a significant question regarding the Federal Circuit precedence.”)

*DePalma v. Nike, Inc.*, 549 U.S. 811 (2006)(Order denying certiorari)(*Fifth Question Presented*: “Whether Rule 36 of the United States Court of Appeals for the Federal Circuit, which permits in certain circumstances the entry of judgment affirming without opinion, and Rule 47.6(b) of that court, which prohibits citation of unpublished opinions but has now been overruled by the new F.R.A.P. 32.1, improperly facilitate the rendering of inconsistent decisions among its panels and deprive parties of judgment according to *stare decisis*, as a matter of expediency, so as to call for an exercise of this Court's supervisory power?”).

*Hancock v. Department of Interior*, 549 U.S. 885(2006)(Order denying certiorari)(*Third and Fourth Questions Presented*: “[3.] Whether the Court of Appeals' clear restatement of [petitioner]'s procedural due process issues during oral argument obliged the Court of Appeals to address those issues in a written Opinion? [4.] Under the circumstances of this case, whether the Court of Appeals' invoking of Federal Circuit Rule 36 amounts to avoiding or neglecting the Court of Appeals' responsibility to provide a reasonable basis for its ultimate decision?”

*City of Gettysburg, South Dakota v. United States*, 549 U.S. 955 (2006)(Order denying certiorari)(*Question Presented*: “Whether this Court should exercise its supervisory authority to require that federal courts of appeals articulate some explanation or rationale for the disposition of appeals taken as a matter of statutory right.”)

## Supreme Court Denial of Review of Federal Circuit Rule 36 Practice

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***Tehrani v. Polar Electro***, 129 S.Ct. 2384 (2009)(Order denying certiorari)(*Third Question Presented*: “Whether the Court of Appeals for the Federal Circuit erred by affirming the district court's ruling, holding that numerous embodiments of [the patent] were dedicated to the public without providing any opinion or justification.”)

***Wayne-Dalton Corp. v. Amarr Co.***, 130 S.Ct. 503, (2009) (Order denying certiorari)(*Second Question Presented*: “ Does the Federal Circuit's practice of disposing of appeals with one-word judgments of affirmance and designating them as ‘non-precedential’ violate one or more of the following articles or amendments of the Constitution: Article III, Amendment I, and Amendment V?”).

***Romala Stone, Inc. v. Home Depot U.S.A., Inc.***, 131 S.Ct. 1055 (2011)(Order denying certiorari) (*First and Second Questions Presented*: “1. Did the Federal Circuit's use of Rule 36 in *this* case effectively deprive Romala of its statutory right of appeal? 2. Does Rule 36 when it is used by the Federal Circuit in *any* case effectively deprive appellants of their statutory right of appeal?”)

***White v. Hitachi, Ltd.***, 132 S.Ct. 115 (2011)(Order denying certiorari) (*Question Presented*: “At a minimum, the Supreme Court should grant certiorari, vacate the Federal Circuit's summary affirmance, and remand with instructions to issue a written opinion that informs the Court and the parties of the Federal Circuit's reasons for affirming the district court's summary judgment.”)

***Max Rack, Inc. v. Hoist Fitness Systems, Inc.***, 132 S.Ct. 54 (2011)(dismissing petition under Rule 46.1 following stipulation of the parties to dismiss)(*Question Presented*: “ Whether it is a denial of due process in violation of the Fifth Amendment to the United States Constitution for the Federal Circuit Court of Appeals to merely affirm a decision of the District Court on the scope of a patent property right with no expressed independent analysis of issues for which *de novo* review is required.”).