JAPANESE FOUNDATION FOR CANCER RESEARCH v. LEE, Appeal Nos. 2013-1678, 2014-1014 (Fed. Cir. December 9, 2014). Before Prost, Dyk and Taranto. Appealed from E.D. Va. (Judge Trenga).

Background:

The appellant received a patent, which was licensed to another entity. Thereafter, the patent's licensee inquired about the requirements and forms for disclaiming the remaining term of the patent.

Several months following the licensee's inquiries but without authorization from the licensee, the appellant filed a terminal disclaimer. When the appellant reported the filing of the terminal disclaimer to the licensee, the licensee immediately told the appellant that such filing was not authorized and requested that the terminal disclaimer be withdrawn.

After the PTO denied the appellant's request for withdrawal of the terminal disclaimer, the appellant appealed to the district court, which granted a summary judgment motion that the PTO abused its discretion when it refused to withdraw the terminal disclaimer. The PTO appealed.

Issue/Holding:

Did the district court err in granting summary judgment? Yes, reversed.

Discussion:

On appeal, the appellant argued that because the filing of the terminal disclaimer was a "clerical or typographical error," the PTO has authority under 35 U.S.C. § 255 to issue a certificate of correction for withdrawing the terminal disclaimer. In support of this argument, the appellant relied on *Carnegie Mellon Univ. v. Schwartz*, 105 F.3d 863 (3d Cir. 1997). However, the Federal Circuit disagreed, finding that the appellant's circumstances did not line up with the facts in *Carnegie*. In particular, the Federal Circuit found that, in *Carnegie*, the PTO issued a certificate of correction because there was a typographical error in the terminal disclaimer (e.g., the target patent was misidentified), and thus, the Federal Circuit reasoned that such an error is obvious on its face. Thus, the Federal Circuit held that *Carnegie* does not apply because the appellant's asserted error is not based on mis-identifying a target patent but based on the filing of the terminal disclaimer, *itself*, and such an error is not obvious.

The appellant also argued that since the terminal disclaimer was filed due to the mistake of a paralegal, the mistaken filing constitutes a "clerical error" because the paralegal was a clerical employee. The Federal Circuit dismissed this argument finding that such an interpretation of "clerical error" lacks support in case law and further, that "clerical or typographical error" generally includes simple mistakes that are obvious and immediately apparent, such as misspellings or transposed numbers.

The appellant further argued that the PTO has the inherent authority to withdraw a mistakenly-filed terminal disclaimer and should have exercised its discretion to do so. The Federal Circuit, deferring to the interpretations of the PTO, held that the PTO did not abuse its discretion in declining to use its inherent authority to withdraw the terminal disclaimer. Accordingly, the Federal Circuit reversed the district court.