HYATT v. LEE, Appeal No. 2014-1596 (Fed. Cir. August 20, 2015). Before Moore, Mayer and Linn. Appealed from E.D. Va. (Judge Hilton).

Background:

Hyatt was the named inventor on over 400 pending patent applications having on average 300 claims each (resulting in about 120,000 pending claims) based on only 12 distinct specifications (claiming priority back to the 1970's). The USPTO issued "Requirements" for Hyatt to limit each application to certain selected claims for prosecution. The Requirements included a number of examples of how Hyatt applications have overlapping claim scope (including specific claim text of Hyatt's otherwise confidential applications). Further, the USPTO indicated that it would place the Requirements in the file histories of all of Hyatt's pending applications, some of which were public. In response, Hyatt sought to enjoin the USPTO (and acting director Lee) from disclosing the Requirements, which included the confidential information from non-public applications, as a violation of 35 U.S.C. §122(a). However, the district court dismissed the case and held that the extraordinary nature of Hyatt's situation created "special circumstances" that allowed for the publication. Hyatt appealed.

Issue/Holding:

Did the trial court err in dismissing Hyatt's injunction motion? No, affirmed.

Discussion:

Although §122(a) provides the USPTO with authority to determine when to disclose confidential information ("special circumstances as determined by the director"), the Federal Circuit found that the USPTO's power is both narrow and reviewable. In particular, the Federal Circuit held that the USPTO must find "special circumstances," which must be sufficient and particular enough to "justify the specific content to be disclosed." However, the Federal Circuit agreed with the district court that Lee did not abuse her discretion in finding special circumstances justifying the USPTO's disclosure of confidential information in the disclosure. The Federal Circuit based this finding on the fact that Hyatt had an "unusually large number of duplicative and overlapping applications, with such a large number of redundant claims." Thus, the Federal Circuit found that the USPTO, which has a duty to "cause examination to be made," was justified in issuing the Requirements to enforce compliance with Patent Rule §1.75(b). In other words, the USPTO's actions were within its discretion given Hyatt's unique and special status among patent applicants.

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