

Source: USPQ, 2d Series (1986 - Present) > U.S. Patent and Trademark Office, Board of Patent Appeals and Interferences > Ex parte The Successor In Interest Of Robert S. McGaughey, 6 USPQ2d 1334 (Bd. Pat. App. & Int. 1988)

**6 USPQ2d 1334****Ex parte The Successor In Interest Of Robert S. McGaughey  
U.S. Patent and Trademark Office, Board of Patent Appeals and  
Interferences**

No. 87-3396

Released March 4, 1988

**Headnotes****PATENTS****[1] Practice and procedure in U.S. Patent and Trademark Office -- Re-examination -- Prior art considered (► 110.1505)**

Consideration of request for re-examination made pursuant to 35 USC 302 is limited to review of prior patents and printed publications, which must be construed in light of record to determine whether substantial new question of patentability has been raised.

**[2] Practice and procedure in U.S. Patent and Trademark Office -- Re-examination -- Prior art considered (► 110.1505)**

Any unequivocal admission, defined as acknowledged, declared, conceded, or recognized fact or truth, which would be considered in initial examination under 35 USC 132 and 133 should also be considered, pursuant to 35 USC 305, in re-examination proceedings, and thus prior art admissions established in record are to be considered during re-examination.

**[3] Patentability/Validity -- Obviousness -- Relevant prior art (► 115.0903)****Patentability/Validity -- Obviousness -- Evidence of (► 115.0906)**

Decision of examiner holding claims 1 through 26 of invention unpatentable under 35 USC 103 upon re-examination is *affirmed*, since review of record, including prior art admissions, shows that subject matter of invention as whole would have been obvious to person having ordinary skill in art at time invention was made.

**Particular Patents -- General and Mechanical -- Composite Structural Materials**

3,646,651, McGaughey, abrasion and corrosion resistant composite structural materials and the like, decision on re-examination holding all 26 claims unpatentable *affirmed*.

**Case History and Disposition**

Appeal from decision of Mark Rosenbaum, primary examiner.

Request for re-examination filed March 10, 1986, control no. 90/000,965, for re-examination of patent no. 3,646,651, issued March 7, 1972, based on application serial no. 505,692, filed October 29, 1965. From decision holding claims 1 through 26 unpatentable, appellants appeal. Affirmed, with dissenting opinion by Henon, Stahl, Craig and Pendegrass, examiners-in-chief.

**Attorneys**

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<sup>1</sup> Hereafter appellant.

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**Judge**

Before Quigg, commissioner of patents and trademarks; Peterson, deputy commissioner; Tegtmeyer, assistant commissioner; Serota, chairman; Calvert, vice chairman;

and Henon, Torchin, Stahl, Craig, Steiner, Pendegrass, Lynch, and W. Smith, examiners-in-chief.

## Opinion Text

### Opinion By:

Lynch, Examiner-in-Chief.

This is an appeal from the holding of the examiner that claims 1 to 26 are unpatentable under 35 USC §103. There are no other claims pending in this reexamination. The panel considering this appeal has been expanded in view of the importance of the legal issues involved. A definitive ruling on these issues is necessary for the orderly administration of reexamination cases within the PTO.

The patent upon which this reexamination proceeding is conducted is directed to a corrosion resistant structure and, in particular, to a corrosion resistant roll such as used in a steel mill. A resin containing a mat or cloth of fibers is applied to a metal roll and then an elastomer cover is bonded to the resin. The choice of materials to be used as the resin and mat are set forth in the patent in column 2, lines 22-39. The materials for the elastomer are set forth in column 2, lines 61-76.

The request for reexamination was directed solely to claims 12, 22 and 26. That is, the requestor, S.W. Industries, Inc. (Stowe Woodward), cited prior art patents and printed publications that raised a new question of patentability with regard to claims 12, 22 and 26. However, all claims now stand rejected. Important legal issues have arisen due to the nature of that rejection. During prosecution of this reexamination application, claims 12 and 22 were amended. All other claims, including claim 26, remain unchanged from the corresponding patent claims.

Claims 12, 22 and 26, are representative of the claimed subject matter at issue and read as follows:

12. A composite abrasion and corrosion resistant structure comprising a base member, a relatively hard acid-resistant resin layer selected from the group consisting of polyester, phenolic and epoxy resins adhered to said base member, a substantially coextensive mat of fibrous material adhered to and embedded in said layer selected from the group consisting of fiber glass and fibers of polyvinyl chloride copolymer, polyacrylonitrile, polyester, polyamide, asbestos, and crocidilite, and an erosion-resistant elastomeric material covering adhered to said resin layer.

22. A composite abrasion and corrosion resistant structure comprising a base member, a relatively hard acid-resistant resin layer adhered to said base member, a coextensive reinforcing mat of fibrous material adhered to and partially embedded in said resin layer, a second resin layer bonded to said reinforcing mat and to said first-mentioned resin layer, and an erosion-resistant elastomeric material bonded to said second resin layer.

26. A polyurethane rubber covered roll, comprising a metal roll core, a fiber layer impregnated with a thermosetting resin and wrapped on and united to the periphery of said core, and a polyurethane rubber layer encircling and united to said fiber layer.

We note that claims 24 and 25 are claims copied from U.S. Patent No. 3,451,112, issuing June 24, 1969, to Karmell et al. and appellant was awarded priority in interference proceedings (Interference No. 97,088). Claim 26, copied from U.S. Patent No. 3,490,119, issuing January 20, 1970, to Fukuyama et al. was the count of another interference proceeding in which appellant was awarded priority (Interference No. 97,504).<sup>2</sup>

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<sup>2</sup> The issue of patentability now before us could not have been raised at final hearing in either of these interference proceedings because, prior to the amendment of 35 USC §135 (Pub.L. 98-6222, §202, effective February 8, 1985), the question of patentability was not "ancillary to priority." *Glass v. DeRoo*, 239 F.2d 402, 112 USPQ 62 (CCPA 1956).

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The patent involved herein is also involved in litigation in the United States District Court for the District of Massachusetts (Civil Action No. 85-3750-S) and in the United States District Court for the Western District of Virginia (Civil Action No. 85-0149-H). Reference is made to pages 6 and 7 of the brief for further details regarding those litigations.<sup>3</sup> The United States District Court for the Western District of Virginia has granted a stay of three months, beginning October 8, 1987, in order that this Board may render a decision on the examiner's final rejection.

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<sup>3</sup> Other litigations in the United States District Court for the District of South Carolina (Civil Action Nos. 84-1379-6 & 83-1735-6) have been settled.

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The references of record relied on by the examiner are:

Pigott et al. (Pigott) 3,352,955 November 14, 1967

Dunn, "Epoxy Resins In Anti-Corrosive Applications," *Corrosion Technology*, August, 1959, pages 223 to 226.

The examiner further relies on an admission of prior art<sup>4</sup> set forth in the patent under reexamination. The examiner refers to column 1, line 37 through column 2, line 13 of the patent as setting forth the admission of prior art.

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<sup>4</sup> The examiner refers to the admitted prior art by the acronym APA.

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Additional evidence of record:

The affidavit of Borge Wahlstrom, submitted under 37 CFR 1.132 on December 22, 1986.

The affidavit of Brendan W. Kelly, submitted under 37 CFR 1.132 on December 22, 1986.

Birkin 3,042,995 July 10, 1962 (cited during the original prosecution of the McGaughey patent)

Claims 1 to 26 stand rejected as being unpatentable under 35 USC §103 in view of prior art. With respect to all of the claims, the examiner cites the admitted prior art in view of Dunn as evidence of obviousness. Alternatively, with respect to claim 26 only, the examiner cites the admitted prior art in view of Dunn and further in view of Pigott as evidence of obviousness.

### **QUESTIONS RAISED**

The legal questions which have arisen in this appeal are: (1) What materials can be relied upon in rejecting claims once a reexamination proceeding has been ordered? (2) With specific regard to this appeal, can an admission established in the record (such as the description of the prior art given in appellant's patent at column 1, line 37 to column 2, line 13), be relied upon by the examiner?

The dissent argues that a fair reading of the reexamination statute, 35 USC §§301-307, clearly limits the evidence which may be considered in the rejection of claims in a reexamination proceeding only to prior patents and printed publications. The dissent further implies that 37 CFR 1.106(c), 1.550(a) and 1.552(a) as well as M.P.E.P. §§2209, 2254 and 2258 are confusing and may be in conflict with the statute. Finally, the dissent maintains that the legal issues in this case have already been decided in the previous expanded panel decision in *Ex parte Horton*, 226 USPQ 697 (BPAI 1985).

Initially we point out that we are not reviewing a request for reexamination. We are reviewing a rejection which has arisen in a reexamination proceeding after a request for reexamination was ordered based on prior patents and printed publications. It appears that the decision in *Ex parte Horton*, *supra*, and the dissent have confused the requirements followed when a request for reexamination is under consideration with the requirements to be followed after the request has been made and granted.<sup>5</sup>

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<sup>5</sup> To the extent *Horton* held an admission is not prior art which can be used in a reexamination, the holding is dicta. In point of fact, the panel held that the examiner failed to establish that the photographic evidence relied upon was prior art at all! See 226 USPQ at 700.

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The reexamination statute is remedial in nature since its function is to correct longstanding problems in the existing statute.<sup>6</sup> A basic purpose of the statute is to provide a

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more efficient resolution of validity issues without recourse to the expensive and time consuming patent litigation which was often necessary under the existing provisions of the patent statute.<sup>7</sup> A further purpose was to provide an aid to the courts and to the public by providing the examiner's input as to patentability in light of new information on preexisting technology which has arisen since the particular patent under reexamination issued.<sup>8</sup> It is axiomatic that statutes which are remedial in nature are to be construed liberally. *Tcherepnin v. Knight*, 389 U.S. 332 (1967); *Rettig v. Pension Benefit Guaranty Corp.*, 744 F.2d 133 (D.C. Cir. 1984); and *International Union, U.A.W. v. Marshall*, 584 F.2d 390 (D.C. Cir. 1978). Consequently, a narrow interpretation of the reexamination statute which would frustrate the basic purposes of the statute is to be avoided.

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<sup>6</sup> As Commissioner Diamond testified--

Reexamination is a long-overdue improvement for a patent system struggling to promote innovation and entrepreneurship in a nation facing economic problems that technology must help solve.

Under the present law, only the patent owner can obtain a reevaluation of patent validity by the PTO on the basis of newly discovered prior art. The PTO has a special reissue procedure for this purpose, but it cannot be initiated by a member of the public or even by the PTO itself.

Members of the public today have only two ways of contesting patent validity, no matter how affected or concerned they may be about the validity of a particular patent. A person may either wait to be sued for patent infringement and then raise the defense of invalidity or, if a business interest is directly threatened, bring a declaratory judgment suit.

Both of these remedies must be sought in a Federal court, and they are almost always expensive, protracted, and uncertain as to outcome. They place special hardships on small businesses and individual inventors, those least able to finance and await the outcome of litigation. Reexamination would provide a simpler, far less expensive, and prompt administrative procedure for evaluating the effect of newly discovered patents and publications on patent validity.

It would allow patent claims to be tested in the same way they were originally tested for patentability; that is, through examination by an expert patent examiner. All of the Office's procedures available to patent applicants would be available in reexamination cases.

*Industrial Innovation and Patent and Copyright Law Amendments: Hearings Before The Subcommittee On Courts, Civil Liberties, And The Administration Of Justice Of The House Comm. On The Judiciary*, 96 Cong., 2nd Sess., pages 590-606, at pages 591-593 (1980) (Statement of the Honorable Sidney A. Diamond, Commissioner of Patents and Trademarks).

<sup>7</sup> Legislative History, P.L. 96-517, 1980 U.S. Code Congressional & Administrative News, pages 6460-6467, at 6462-6463.

<sup>8</sup> *Id.* at page 6462.

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### A. The Reexamination Request

[ 1 ] Turning to the specific provisions of the statute, we note that section 302 states that a request for reexamination may be filed on the basis of any prior art cited under section 301 of Title 35. Section 301 states that the prior art “. . . consist[s] of”<sup>9</sup> patents or printed publications --.” Thus, it is clear, on the basis of section 302, that a consideration of a request for reexamination is limited to prior patents and printed publications which are then construed in light of the record<sup>10</sup> to determine whether a substantial new question of patentability has been raised. This is consistent with the further intent of the statute that a reexamination proceeding is to be ordered under prescribed conditions to prevent the undue expense and harassment experienced with similar foreign reexamination and protest proceedings.<sup>11</sup>

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<sup>9</sup> The question of whether the language “consist[s] of” constitutes a closed term, as such language is construed in the patent sense, is irrelevant to the issues in-involved in this appeal, since section 301 limits the requestor's submission, not the reexamination proceeding, which is controlled by section 305 as will be explained below.

<sup>10</sup> This is not to say that a requestor can effectively ask the PTO to relitigate issues already decided by a court. See *In re Pearne*, 212 USPQ 466 (Comm'r PTO 1981); *In re Hunter*, 213 USPQ 211 (Comm'r. PTO 1982); and *In re Wechterle*, 213 USPQ 868 (Comm'r PTO 1982). Thus, the PTO should also be made aware of prior litigation along with prior patents and printed publications so that the full record may be accurately considered.

<sup>11</sup> Commissioner's statement, *supra*, note 5, at page 594.

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### B. The Reexamination Proceeding

[ 2 ] After the Commissioner has determined that a substantial new question of patentability has been established by the requestor under section 303(a) and a reexamination order has been issued pursuant to section 304, the actual conduct of the reexamination proceedings is dictated by section 305 of the statute. Section 305 specifically provides that “-- reexamination will be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133 of this title.” Section 305 does not narrowly limit the Commissioner to the same restrictions recited in sections 301 and 302. Contrary to the position taken by the dissent, section 132 of Title 35 is not wholly procedural.<sup>12</sup> This section provides that “[w]henver -- any claim -- is rejected -- the Commissioner shall notify the applicant thereof, stating the reasons for such rejection -- together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application --.” We hold that it would be contrary to sections 132 and 305 and that it would frustrate the intent of the reexamination statute if we were to rule that the examiner cannot state

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valid reasons for a rejection based upon information established in the record together with other references as may be useful to the reexamination patentee in determining how to proceed further.

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<sup>12</sup> The dissent relies on certain dicta in *In re Etter*, 765 F.2d 852, 225 USPQ 1 (Fed.Cir. 1985) in support of its position that section 305 is procedural. No issue as to section 305 arose in that case. The evidence in that case was restricted solely to prior patents. The issue in that case was whether the presumption of validity of 35 USC §282 was applicable to a reexamination proceeding. Therefore, the Court's comments regarding reexamination, as quoted by the dissent, merely represent a generalized summary of what the reexamination process is, and do not address the issue of what evidence the examiner may consider under section 305.

The dissent's reliance on *In re Lanham*, 1 USPQ2d 1877 (Comm'r. PTO 1986) is also misplaced. Much of the commentary in *Lanham* is merely dicta which is irrelevant to the issue therein, and again appears to confuse the requirements followed when a request for reexamination is under consideration with that to be followed after the request has been granted. The real issue of *Lanham* was simply whether the PTO may consider further submissions by a requestor after the patentee's reply to the request for reexamination has been filed.

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This is not to say that the Office has been willing to open reexamination to any type of evidence that is available to the examiner during initial examination. The Commissioner has construed section 305 conservatively. Facts, including admissions which have already been established in the record, have been authorized for use in reexamination proceedings. See 37 CFR 1.106(c) and M.P.E.P. §2258.<sup>13</sup> The PTO has not authorized other types of evidence such as on-sale bars, public use issues or issues relating to fraud. Thus, the implication by the dissent that this decision will result in such issues being authorized is unfounded. For purposes of this appeal, we need not and do not consider whether other facts besides admissions established in the record are authorized under section 305.

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<sup>13</sup> *Ex parte Horton, supra*, has taken an unduly narrow interpretation of the reexamination statute which we find is incompatible with section 305. Curiously the *Horton* opinion never even mentions section 305. As noted above, it appears that the opinion confused the requirements for a request for reexamination with the requirements necessary after a reexamination proceeding has been instituted. Thus, the opinion relies solely on a narrow interpretation of the rules and the M.P.E.P. rather than considering section 305 to support a holding that admissions cannot be utilized in a reexamination proceeding. For example, the opinion states:

While the examiner did not cite this rule [37 CFR 1.106(c)] in support of his position, we raise the point here because it appears to open reexamination proceedings to any and all issues affecting patentability so long as there is a related admission. However, we are compelled to construe the rule in light of the statute and other implementing rules which, as we discussed hereinabove, specifically restrict reexamination to a consideration of patents and printed publications. Thus, for an admission to form some or all of the basis for a prior art rejection in reexamination proceedings, such admission must necessarily relate to patents or printed publications. Otherwise, patentees or patent owners would be able to circumvent the restrictive nature of the statute by making admissions relating to prior public use, sale, abandonment, etc. issues which, as we have seen were never intended to be resolved by way of reexamination. ( 226 USPQ at 702)

We do not agree. 37 CFR 1.106(c) is fully supported by section 305 of the statute. There is no basis in the reexamination statute for the narrow interpretation of 37 CFR 1.106(c) given in *Horton*.

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In the initial examination of patent applications, admissions by the applicant are considered for any purpose including evidence of obviousness under section 103. See *In re Nomiya*, 549 F.2d 566, 184 USPQ 607 (CCPA 1975); *In re Hellsund*, 474 F.2d 1307, 177 USPQ 170 (CCPA 1973); and *In re Garfinkel*, 437 F.2d 1000, 168 USPQ 659 (CCPA 1971). Those holdings are clearly in accord with sections 132 and 133 and we hold that they are incorporated into section 305. Moreover, in at least one prior decision admissions in the specification of the patent being reexamined were considered as part of the prior art under section 305. See *Ex parte Seiko Koko Kabushiki Kaisha Co.*, 225 USPQ 1260, 1262 (Bd. App. 1984).

An admission is defined as an acknowledged, declared, conceded or recognized fact or truth.<sup>14</sup> Thus, admissions are simply facts. In this case the admission is an uncontroverted fact. Moreover, as pointed out in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), "the scope and content of the prior art are to be determined" as a preliminary factual finding prior to deciding a question of patentability under 35 USC §103. We hold that an admission relating to prior art is a fact which is part of the scope and content of the prior art which every examiner is required to consider whether in an initial examination or in a reexamination proceeding. To ignore such admitted facts would constitute an unwarranted restriction on the scope and content of the prior art. Rejections based on such a standard would be meaningless. However, as stated in *Stratoflex Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1538, 218 USPQ 871, 879 (Fed.Cir. 1983), "[i]t is jurisprudentially inappropriate to disregard any relevant evidence on any issue in any case, patent cases included." Thus to ignore prior art admissions would handicap any patentability determinations rendering them practically useless. How would such determinations aid the courts or the public by providing a meaningful input as to patentability? Congress certainly did not intend a useless procedure.

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<sup>14</sup> C.J.S. 411.

Moreover, admissions take different forms. For instance, the preamble of a Jepson claim<sup>15</sup> is an admission usable under 35 USC §103 when that admission relates to the prior art of another. *Reading & Bates Const. Co. v. Baker Energy*, 748 F.2d 645, 223 USPQ 1168 (Fed.Cir. 1984); *In re Fout*, 675 F.2d 297, 213 USPQ 532 (CCPA

1982); *In re Ehrreich*, 590 F.2d 902, 200 USPQ 504 (CCPA 1979). Certainly, the preamble of a Jepson claim which relates to prior art of another should not be ignored in a reexamination. As we read section 305 of the statute, any

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