All the Expenses of the Proceedings, Just Not Expert Witness Fees

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Thursday, August 26, 2021

In *Hyatt v. Hirshfeld*, the Federal Circuit found the phrase “[a]ll the expenses of the proceedings” in civil litigations under 35 U.S.C. § 145 does not include expert witness expenses. ("Hyatt II"). After adverse results at the USPTO, Mr. Hyatt filed a civil action in federal district court under § 145 arguing his patent applications should have been allowed. *Hyatt v. Hirshfeld*, 998 F.3d 1347, 1351 (Fed. Cir. 2021) ("Hyatt I"). In response, the USPTO hired an expert witness and incurred expert fees. Mr. Hyatt prevailed on his claim and was awarded attorney's fees as a “prevailing party” under the Equal Access to Justice Act (EAJA); the USPTO appealed. On appeal in *Hyatt I*, the Federal Circuit reversed. Based on this reversal, the USPTO moved to recover its expert witness fees under the “[a]ll expenses” provision of § 145. Its motion was denied, and the USPTO appealed again.

In this appeal, the Court determined that the “[a]ll expenses” language of § 145 did not explicitly and specifically include expert witness fees and denied the USPTO an
award of its expert fees. *Hyatt II* at *4*. The Court heavily relied on the recent Supreme Court decision, *Peter v. NantKwest, Inc.*, 140 S. Ct. 365 (2019), which outlined the longstanding American Rule presumption against fee-shifting without “explicit and specific” Congressional intent to the contrary, noting the “high bar” of this presumption. *Hyatt II* at *6-7*. The Court found no such “explicit and specific” indication in § 145 or its legislative history. The USPTO argued 1) that district courts across the country have included expert witness fees in § 145 cases (*Hyatt II* at *11-13, 17); and 2) that § 145 has been reenacted with the same language, even after Congress witnessed the widespread district court practice of expert witness fee inclusion (*Hyatt II* at *11-13). But the Court found the USPTO’s arguments were not persuasive enough to overcome the “high bar,” absent an “explicit and specific” intent by Congress to allow shifting of expert witness fees.

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National Law Review, Volume XI, Number 238

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