

(4) *Opposition; reply.* Neither an opposition nor a reply to a request for rehearing may be filed without Board authorization.

(5) *Panel rehearing.* If a decision is not a panel decision, the party requesting rehearing may request that a panel rehear the decision. A panel rehearing a procedural decision will review the decision for an abuse of discretion.

#### § 41.126 Arbitration.

(a) Parties to a contested case may resort to binding arbitration to determine any issue in a contested case. The Office is not a party to the arbitration. The Board is not bound and may independently determine questions of patentability, jurisdiction, and Office practice.

(b) The Board will not authorize arbitration unless:

(1) It is to be conducted according to Title 9 of the United States Code.

(2) The parties notify the Board in writing of their intention to arbitrate.

(3) The agreement to arbitrate:

(i) Is in writing,

(ii) Specifies the issues to be arbitrated,

(iii) Names the arbitrator, or provides a date not more than 30 days after the execution of the agreement for the selection of the arbitrator, and

(iv) Provides that the arbitrator's award shall be binding on the parties and that judgment thereon can be entered by the Board.

(4) A copy of the agreement is filed within 20 days after its execution.

(5) The arbitration is completed within the time the Board sets.

(c) The parties are solely responsible for the selection of the arbitrator and the conduct of proceedings before the arbitrator.

(d) Issues not disposed of by the arbitration will be resolved in accordance with the procedures established in this subpart.

(e) The Board will not consider the arbitration award unless it:

(1) Is binding on the parties,

(2) Is in writing,

(3) States in a clear and definite manner each issue arbitrated and the disposition of each issue, and

(4) Is filed within 20 days of the date of the award.

(f) Once the award is filed, the parties to the award may not take actions inconsistent with the award. If the award is dispositive of the contested subject matter for a party, the Board may enter judgment as to that party.

#### § 41.127 Judgment.

(a) *Effect within Office*—(1) *Estoppel.* A judgment disposes of all issues that were, or by motion could have properly been, raised and decided. A losing party who could have properly moved for relief on an issue, but did not so move, may not take action in the Office after the judgment that is inconsistent with that party's failure to move, except that a losing party shall not be estopped with respect to any contested subject matter for which that party was awarded a favorable judgment.

(2) *Final disposal of claim.* Adverse judgment against a claim is a final action of the Office requiring no further action by the Office to dispose of the claim permanently.

(b) *Request for adverse judgment.* A party may at any time in the proceeding request judgment against itself. Actions construed to be a request for adverse judgment include:

(1) Abandonment of an involved application such that the party no longer has an application or patent involved in the proceeding,

(2) Cancellation or disclaiming of a claim such that the party no longer has a claim involved in the proceeding,

(3) Concession of priority or unpatentability of the contested subject matter, and

(4) Abandonment of the contest.

(c) *Recommendation.* The judgment may include a recommendation for further action by the examiner or by the Director. If the Board recommends rejection of a claim of an involved application, the examiner must enter and maintain the recommended rejection unless an amendment or showing of facts not previously of record is filed which, in the opinion of the examiner, overcomes the recommended rejection.

(d) *Rehearing.* A party dissatisfied with the judgment may file a request for rehearing within 30 days of the entry of the judgment. The request must specifically identify all matters

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the party believes to have been misapprehended or overlooked, and the place where the matter was previously addressed in a motion, opposition, or reply.

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### § 41.128 Sanctions.

(a) The Board may impose a sanction against a party for misconduct, including:

- (1) Failure to comply with an applicable rule or order in the proceeding;
- (2) Advancing a misleading or frivolous request for relief or argument; or
- (3) Engaging in dilatory tactics.

(b) Sanctions include entry of:

- (1) An order holding certain facts to have been established in the proceeding;
- (2) An order expunging, or precluding a party from filing, a paper;
- (3) An order precluding a party from presenting or contesting a particular issue;
- (4) An order precluding a party from requesting, obtaining, or opposing discovery;
- (5) An order excluding evidence;
- (6) An order awarding compensatory expenses, including attorney fees;
- (7) An order requiring terminal disclaimer of patent term; or
- (8) Judgment in the contested case.

### § 41.150 Discovery.

(a) *Limited discovery.* A party is not entitled to discovery except as authorized in this subpart. The parties may agree to discovery among themselves at any time.

(b) *Automatic discovery.* (1) Within 21 days of a request by an opposing party, a party must:

- (i) Serve a legible copy of every requested patent, patent application, literature reference, and test standard mentioned in the specification of the party's involved patent or application, or application upon which the party will rely for benefit, and, if the requested material is in a language other than English, a translation, if available, and

- (ii) File with the Board a notice (without copies of the requested materials) of service of the requested materials.

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(2) Unless previously served, or the Board orders otherwise, any exhibit cited in a motion or in testimony must be served with the citing motion or testimony.

(c) *Additional discovery.* (1) A party may request additional discovery. The requesting party must show that such additional discovery is in the interests of justice. The Board may specify conditions for such additional discovery.

(2) When appropriate, a party may obtain production of documents and things during cross examination of an opponent's witness or during testimony authorized under § 41.156.

### § 41.151 Admissibility.

Evidence that is not taken, sought, or filed in accordance with this subpart shall not be admissible.

### § 41.152 Applicability of the Federal Rules of Evidence.

(a) *Generally.* Except as otherwise provided in this subpart, the Federal Rules of Evidence shall apply to contested cases.

(b) *Exclusions.* Those portions of the Federal Rules of Evidence relating to criminal proceedings, juries, and other matters not relevant to proceedings under this subpart shall not apply.

(c) *Modifications in terminology.* Unless otherwise clear from context, the following terms of the Federal Rules of Evidence shall be construed as indicated:

*Appellate court* means United States Court of Appeals for the Federal Circuit or a United States district court when judicial review is under 35 U.S.C. 146.

*Civil action, civil proceeding, action, and trial* mean contested case.

*Courts of the United States, U.S. Magistrate, court, trial court, and trier of fact* mean Board.

*Hearing* means:

(i) In Federal Rule of Evidence 703, the time when the expert testifies.

(ii) In Federal Rule of Evidence 804(a)(5), the time for taking testimony.

*Judge* means the Board.

*Judicial notice* means official notice.

*Trial or hearing* means, in Federal Rule of Evidence 807, the time for taking testimony.