

**RESPONSE TO THE USPTO REQUEST FOR COMMENTS ON
PROPOSED CHANGES TO RULES REGARDING
“RULES OF PRACTICE BEFORE THE BOARD OF PATENT APPEALS AND
INTERFERENCES IN EX PARTE APPEALS”**

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INTRODUCTION

The following comment is submitted in response to the Request for Comments on USPTO's proposed “Rules of Practice before the BPAI in Ex Parte Appeals” [Federal Register / Vol. 72, No. 145 / July 30, 2007 / Page 41472].

The National Association of Patent Practitioners (NAPP) is a nonprofit trade association for patent agents and patent attorneys. NAPP has approximately 450 members in 13 countries. The patent practices of the practitioner members are focused primarily on patent prosecution, namely practice before the PTO. As part of NAPP’s mission statement, we aim to create a collective nationwide voice to address issues relating to patent prosecution practice. For more information about NAPP, visit www.napp.org.

NAPP speaks for a significant share of patent agents and a fair number of patent attorneys. Approximately 5% of all active U.S. patent agents are members of NAPP. NAPP membership also includes hundreds of patent attorneys, generally those more involved in active prosecution before the PTO. In preparing this document, comments from members of NAPP, who participate in our daily e-mail discussion group, were solicited and collected. Those members most interested in the subject volunteered to work on drafting or reviewing the comments. Accordingly, we believe that the information provided here is representative of the prevailing wisdom of NAPP members.

NAPP welcomes the opportunity to comment on the PTO’s proposed Rules for Ex Parte Appeals and hopes its comments prove useful.

COMMENTS

In general, NAPP applauds the stated goals of the proposed rules, which are:

to provide examiners and Office reviewers with a clear and complete statement of an appellant’s position at the time of filing an appeal brief so as to enhance the likelihood that appealed claims will be allowed without the necessity of further proceeding with

the appeal, minimize the pendency of appeals before the Office, minimize the need for lengthy patent term adjustments in cases where claims become allowable as a result of an action by the Board in an appeal, provide uniform treatment of requests for an extension of time filed after an appeal brief is filed, and make the decision-making process more efficient.

Unfortunately, the PTO approach to achieving the stated goals (as embodied in the proposed rules) appears to follow the recent PTO pattern of shifting PTO work onto patent applicants and erecting substantial procedural barriers to obtaining patent protection. NAPP objects to this PTO policy trend in general, and to its embodiment in the present proposed rule package in particular.

Comments on specific proposed rules follow.

PROPOSED RULE 41.37 (APPEAL BRIEF)

It should first be pointed out that the current rules governing ex parte appeals are the result of revisions implemented in 2004. It is the understanding of NAPP that appeal pendency has decreased substantially since the introduction of the current rules in 2004. The PTO has not adequately explained why appeal briefs written under those rules are inadequate. The PTO has indicated that 40-60% of requests for pre-appeal brief conferences and appeal briefs that are reviewed during an appeal conference are reopened or allowed. Thus, there is no evidence that present practice is inefficient or does not allow examiners and BPAI to understand an appellant's position.

Although many practitioners have adjusted well to the current rules (arising from the 2004 revisions), some practitioners still have difficulty preparing compliant briefs. The proposed rules will only create uncertainty and result in a high incidence of non-compliant briefs, with the associated high costs for appellants and increased administrative burdens for the Board.

Proposed Rule 41.37 (Appeal Brief) seeks to impose on an Appellant a substantially increased burden when preparing an Appeal Brief. The provisions of proposed Rules 41.37(q), (r), and (s) appear to be particularly onerous, requiring separate sections for claims support, drawing analysis, and means or step plus function analysis, respectively. Current Rule 41.37(c)(v) already requires a summary of the claimed subject matter with references to the specification and drawings, as well as identification of any means or step plus function claim elements with references to the specification and drawings for a description of the structure, material, or acts corresponding to those means or steps.

An Appeal Brief submitted in accordance with current Rule 41.37(c)(v) would provide all the information required under proposed Rule 41.37(q), (r), and (s), without imposing a substantial new burden on the Appellant. No new information would be made available under proposed Rules 41.37(q), (r), and (s), however, those proposed rules would impose a substantial additional burden on the Appellant, both in terms of effort and cost required for preparing an Appeal Brief. It appears that proposed Rules 41.37(q), (r), and (s) would serve only to provide the PTO with new grounds for rejecting an Appeal Brief on procedural rather than substantive grounds.

The detailed analysis required by proposed Rule 41.37(q), (r), and (s) would be required regardless of whether the analysis was necessitated as a result of an issue raised by the appeal. The proposed rule (if adopted at all) should be constrained to require the showing of support in drawings and specification (and means/function identification) to issues and claim elements pertinent only to the dispute to be decided by the appeal.

1. In most instances, the dispute leading to the appeal between examiner and applicant may focus on one (or a few) claim limitations, yet the amended rule would require the analysis for all claim limitations. That is inappropriately broad, would impose undue expense, and is unnecessary to careful examination of an appeal.
2. Even if an issue of support is raised by the examiner (such as through a Section 112 rejection), the examiner in nearly all cases would have challenged whether the specification discloses some particular feature of the claims, not all claim elements, yet the proposed rule would require showing of support for all claim elements. Again, that is inappropriately broad, would impose undue expense, and is unnecessary to careful examination of an appeal.
3. In cases where support is not in question, such as the plurality of appeals where the issue is Section 102/103 art rejections, the showing of support in the specification is likewise largely unnecessary. Usually the distinctions being argued reside in a limited number of claim elements, not every single claim element. Even if it could be argued that the showing of specification support is useful to interpret the claim element being argued (and there is substantial doubt as to that premise, given the rule that the Board is obliged to construe claim elements as broadly as possible, as opposed to being limited to the specification), the amended rule should not require showing of support for claim elements not pertinent to the argument.
4. In appeals addressing non-art rejections other than Section 112, the analysis requirements ought to be waived.

Proposed Rule 41.37 is silent as to the standards and criteria that might be used to determine whether an Appeal Brief is in compliance with the proposed rule. Who would decide if a submitted Appeal Brief is in compliance? If a submitted Appeal Brief is deemed to be non-compliant, what would be the consequences for the Appellant? Would the Appellant be supplied with a notice of defects in the Appeal Brief and given a time period within which to submit a corrected Appeal Brief? If a corrected Appeal Brief were still to contain defects but otherwise appeared to be a bona fide attempt at correction, would a further opportunity for correction be provided? Or are the new formal requirements of proposed Rule 41.37 merely being promulgated as a gate-keeping mechanism for the Board of Appeals? These are issues that ought to be satisfactorily addressed in any new rules.

Proposed Rule 41.37(v)(5) specifies a 25 page limitation on the Appeal Brief (excluding certain portions but including the jurisdictional statement, claim status, amendment status, claim rejections, statement of facts, and arguments sections). While a 25 page limit might be sufficient

for a majority of Appeal Briefs, imposition of such an arbitrary limit does not take into account the wide individual variation of complexity among different appealed cases. For example, should the 25 page limit apply when responding to an obviousness rejection based on 8 or 10 prior art references? Should the 25 page limit equally apply to an application that contains seven grounds of rejection, as opposed to one? Is the Examiner's Answer going to be similarly limited to a maximum number of pages? It is respectfully submitted that arbitrarily limiting the length of the Appeal Brief is inappropriate. The goal of the appeal process should be arrival at a correct decision on patentability, not merely fitting every appealed case into a standard sized file folder or artificially limiting the amount of time spent by the Examiner or the Board reviewing the Appeal Brief.

It should be further noted that setting an arbitrary page limit will in some instances preclude the submission of an Appeal Brief that is genuinely helpful to the Board. Appellants should be encouraged, not discouraged, to include any material (e.g., drawings in the body of the Brief) that might be helpful to the Board in rendering a correct determination of patentability. Therefore, the PTO ought to have no limit at all, but if a limit is considered, it should be expressed in the number of words, so that drawings are not included, rather than the number of pages.

The PTO does not show why the page limit rule is needed or that it would be effective to reduce the PTO's overall cost. For example, how many appeal briefs do surveyed Administrative Patent Judges think are unjustifiably wordy? How much excess time would be saved in reality by the judges from reading more concise briefs? How much of any shortening of time would be lost on account of more applicants requesting oral appeals, because they feel that they cannot adequately address the issues in the pages given? How much administrative time will be needed to audit for compliance with the page limit and consider petitions for exceptions?

No doubt the PTO will cite the ability to petition to exceed the 25 page limit as a justification for the proposed page limitation. However, no standards or criteria are given for reasons that would be deemed sufficient for granting such a petition. What reasons would be considered sufficient for exceeding the page limit? The rule ought to specify examples. And while a time limit is given for submitting such a petition (i.e., ten days prior to the Appeal Brief due date), no indication is given as to the timing of a decision on such a petition, or the consequences to the Appellant of such timing. Is the Appellant given a time period after a petition decision within which to submit the Appeal Brief, or must time extensions be used to submit the Appeal Brief after its initial due date? What if the petition has not been decided at the point when no further time extensions are available?

Further, must such a petition provide a draft of the appeal brief ten days before the due date (which of course seems impractical), for a grantable petition, to demonstrate that the matter cannot be addressed within the time limit? If not, how is the PTO going to decide whether an extension is justified?

In many or most cases, it will not be possible for a practitioner to determine whether a brief will exceed 25 pages until late in the process of preparing the brief. What if the applicant tries in good faith to fit the brief within the page limit but discovers during the final ten days that the job

is impossible and wishes to move to extend the page limit? The fact that it is initially difficult to know whether or not a petition will be necessary will introduce additional uncertainty into an already challenging process and perhaps result in the filing of “precautionary” petitions at the ten-day mark.

At a minimum, the PTO ought to provide a way for the practitioner to request an extension of pages within the final ten days, such as with a certification that the petition’s filing was not unduly delayed and could not have been reasonably filed before. Better, the PTO ought to make the time for a petition the same day as the due date for the brief, as is the case with all other courts and administrative agencies of which the authors of this document are aware. Best would be elimination of the page limit entirely.

Failure to handle questions of this sort satisfactorily will cause havoc during implementation of any page limitation rule that the PTO decides is appropriate.

The proposed page limit is especially problematic in light of the statement in proposed Rule 41.37 (o) that “any finding made or conclusion reached by the examiner that is not challenged will be presumed to be correct.” If this suggestion were to be adopted, an examiner could effectively blunt an appellant’s ability to present an adequate rebuttal by flooding an Office action with a large number of statements and conclusions, which may or may not be supported by the record. Current Office actions often contain conclusory statements not supported by evidence, which must be challenged by applicant; this problem would be exacerbated by the proposed space limitations.

Please note that many practitioners handle appeals only occasionally, and establishing a strict page limit and a “gotcha” time limit for requesting a page extension, without clear guidelines in the rule itself, will cause many procedural errors and complaints, which will only create increased administrative work at the Board without corresponding benefit arising from more concise briefs.

Proposed Rule 41.37(o)(6) requires appellant to “specify why the rejected claims are patentable by identifying any specific limitation in the rejected claims which is not described in the prior art relied on in support of the rejection.” This seems unduly limiting to appellant. Appellant should not be constrained to highlighting claim limitations to overcome a Section 102 rejection. For example, it is often the case that the teaching of a reference is misunderstood or misinterpreted in support of a rejection; appellants should be able to point this out, as well as any other reason that a Section 102 rejection is improper.

Similarly, with respect to proposed Rule 41.37(o)(7), appellants should not be forced to specify claim limitations to overcome an obviousness rejection if the rejection is inappropriate for other reasons. For example, appellants should also be able to point out that, *e.g.*, the examiner has not articulated a reason why one of skill in the art would have been led to the combination of cited references, or that the teaching of one or more of the references has been misunderstood or misinterpreted.

PROPOSED RULE 41.39 (EXAMINER'S ANSWER)

It is noted with interest that there appear to be no restrictions whatsoever on the length or content of the Examiner's Answer. If such restrictions are appropriate to impose upon an Appellant, then similar restrictions should be imposed on the Examiner. It is hardly equitable to hamstring an Appellant while allowing the Examiner free rein. Any restriction on the Examiner's Answer should take into account the practice of incorporating material from the Office Actions.

PROPOSED RULE 41.41 (REPLY BRIEF)

Proposed Rule 41.41(d) specifies a 15 page limit on the Reply Brief (25 pages if the Examiner's Answer includes a new rejection), in a manner similar to proposed Rule 41.37(v)(5). The same objections to such a page limited set forth above for proposed Rule 41.37(v) apply equally to proposed Rule 41.41(d). Similarly, the objections noted above regarding standards and criteria for determining compliance of an Appeal Brief with proposed Rule 41.37 would apply to determining compliance of a Reply Brief with proposed Rule 41.41.

The requirements of Sections 41.41(g) and 41.44(f) that arguments in a reply brief or supplemental reply brief are limited to responding to points made in the examiner's answer are fraught with possibilities for additional delay. Who will decide whether a reply brief contains "arguments generally restating the case" and, if such is determined, what will be the consequences? Will the reply brief be returned and a new deadline set? Will the Board refuse to enter the reply brief?

The proposed rules also seem to favor reopening of prosecution by allowing the examiner to make new rejections in an examiner's answer (proposed Rule 41.39(b)), but forbidding appellant from providing new evidence to support their rebuttal of such a new rejection (proposed Rules 41.39(b)(2) and 41.41(i)). It is not clear whether a new rejection can be made in an examiner's response to a reply brief (proposed Rule 41.43); although appellant is again prohibited from providing new evidence in their supplemental reply brief (proposed Rule 41.44(g)). Appeals are usually motivated by a belief that the examiner is in error, and a consequent desire to have the case evaluated by someone other than the Examiner. The limitations on an appellant's ability to reply to the examiner during briefing creates a bias in favor of reopening prosecution and returning the case to the examiner once it has been placed before the Board, in contrast to an Appellant's (and, presumably, the PTO's) desire for a timely resolution of the appeal.

PROPOSED RULE 41.56 (SANCTIONS)

It is respectfully submitted that the misconduct and sanctions enumerated in proposed Rule 41.56 are vague and ill-defined. Given the serious nature of some of the proposed sanctions, such a new rule must certainly include exceedingly well-defined circumstances under which such sanctions would be imposed. As presented, proposed Rule 41.56 appears to be intended only to intimidate an Appellant and add a further procedural barrier to vigorous prosecution of an appeal.

ESTIMATED ECONOMIC IMPACT OF PROPOSED RULE CHANGES

It is respectfully submitted that the PTO analysis of the potential financial impact of the proposed rule changes is flawed. First, using the fact that, during FY 2006, the number of appealed cases filed by small entities amounted to only 0.9% of all applications filed to conclude that there would be no substantial financial burden imposed by the new rules is specious at best, if not actually misleading. Appealed cases are rare because few applicants justify the already high costs of doing an appeal, and few inventions justify such expense at the application stage. The fact that few appeals occur compared to all applications filed is a justification for *reducing* the bar caused by the expense and difficulty of appeals, not for increasing it, as would occur under the proposed rules.

Second, The PTO provides no analysis or factual support or investigation showing how increased costs in bringing appeals (arising from the added restrictions and cost of compliance with the new rules) would discourage patenting inventions by reducing the number of meritorious appeals. The PTO should not be allowed to show the cost savings from reducing the number of appeals taken without estimating, in any reasonable way, the expense attributed to the loss of patent rights from the portion of reduced appeals that would have been successful in reversing examining corps rejections. Examiners are affirmed in whole in only a very small fraction of all appeals. In view of that fact, establishing procedures that would reduce the number of appeals is not a worthy goal in and of itself.

It seems that the PTO is counting as an advantage in reducing appeals the effect that, by making it harder and more expensive for applicants to pursue appeals, meritorious or not, the number of appeals would be reduced. Although that might reduce a backlog of appeals, so too would removing the right of appeal altogether, but neither solution is appropriate.

Third, it should come as no surprise that the applications that are subject to appeal would likely consist of disproportionately significant inventions. This makes sense because it is less likely that applicants will appeal rejections of less significant cases, even if they believe that the examiner was wrong. The impact on the economy is large if even one application that protects a significant invention loses its protection because the new rules provide a barrier to appeal. No information is given by the PTO concerning the comparative value of appealed inventions to non-appealed inventions.

Fourth, the correct comparison with respect to small entities is the proportion of appeal briefs filed by small entities compared to the number of appeal briefs in total. That figure appears to be 21.6%, while the total number of small-entity filings is around 29.3%. That shows that small entities are already discouraged from appealing from their rejected applications due to the high cost involved under the current rules. Adding additional procedural burdens will only raise an already high financial barrier.

Fifth, the PTO's apparent assertion that the additional time required for preparing an Appeal Brief under the proposed rules is believed to be *de minimus* in comparison to the hoped-for reduction in pendency is simply unrealistic. The additional time (and therefore cost) to prepare the detail in the appeal brief is extreme, as explained above.

Sixth, the PTO's view that some Appellants may fail to realize some profit on their inventions due to increased pendency is of little or no comfort to other Appellants, who cannot afford to pay for the extra time required to prepare the Appeal Brief in the first place and therefore never receive the patents to which they might have been entitled.

Seventh, it is unclear that any reduction in PTO pendency would be achieved by these rules, and the PTO's statistics do not show how the reduction in pendency would be achieved or convincingly show how much pendency reduction could be expected. With respect to *appeal* pendency, the PTO statistics show that there is no significant problem to be solved, as applicants are not waiting long to have appeals decided now.

With respect to overall PTO pendency, for the entire application, which is a problem, the proposed rules would seem to have no effect. Given that only about one in every hundred applications are appealed, and given that the fraction of PTO examining staff assigned by the PTO to the Board is similarly tiny, even if it could be shown that the proposed rules were likely to free up a certain portion of resources, the small base means that the savings in pendency for the organization as a whole can not possibly be more than trivial. For illustration, if 10% of appeals resources could be reduced and applied to backlog reduction, and if 1% of PTO resources are devoted to deciding appeals, then the maximum additional resources available for backlog reduction would be one tenth of one percent, or a literal handful of people.

Again, the aim of the PTO, particularly at the Board level, should be to arrive at correct determinations of patentability, not to reduce the number of appealed cases decided by effectively denying to certain applicants access to the ex parte appeal process.

In conclusion, NAPP thanks the PTO for the opportunity to comment and offers to provide whatever assistance possible in connection with this important issue.