

February 25, 2010

The Honorable David J. Kappos  
Under Secretary of Commerce for Intellectual Property and  
Director of the United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

Comments on Issues Raised at Roundtable Discussion of Board of Patent  
Appeals and Interferences Ex Parte Appeals Rules  
74 Federal Register 67987 (December 22, 2009)  
Roundtable: January 20, 2010

---

Dear Under Secretary Kappos:

The American Intellectual Property Law Association (AIPLA) appreciates the opportunity to participate in the subject Roundtable and to offer comments on the issues raised for discussion. Each of the topics raised at the Roundtable are discussed below under a separate heading. AIPLA is sending a separate submission on the Advance Notice of Proposed Rulemaking Regarding Potential Modifications of the Rules of Practice Before the Board of Patent Appeals and Interferences (Board) in Ex Parte Appeals.

AIPLA is a national bar association whose more than 16,000 members are primarily lawyers and other patent practitioners in private and corporate practice, in government service, and in the academic community. AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property.

#### INTRODUCTION

The subject Notice indicated that the Patent and Trademark Office (PTO) is considering modification to the rules governing practice before the Board in ex parte appeals. AIPLA

welcomes not only the opportunity to participate in this consideration, but also the new direction reflected in the proposals to eliminate burdensome and costly requirements that are not likely to contribute to the efficient and effective operation of the Board. We share the concerns of the PTO that the ex parte appeal process work for the mutual benefit of appellants and the PTO in resolving disagreements on patentability in an efficient and effective manner, where neither appellants nor the Board is handicapped by burdens unnecessary to the appellate process. AIPLA is pleased to offer the following comments on the topics discussed at the Roundtable.

**Topic 1: Should jurisdiction pass to the Board upon filing a notice of appeal. (§ 41.35(a))?**

No. AIPLA is not aware of any potential benefit to the efficient operation of the Board by making such a change. Adding to the administrative burdens of the Board (e.g., keeping track of briefing, processing amendments/requests for interviews after appeal, mailing notices of abandonment) should be avoided. The practice of shifting jurisdiction to the Board only after briefing is complete and the appeal is ripe for decision appears to be better practice.

**Topic 2: Arguments to explain examiner error. (§ 41.37(o))**

This proposed section makes a vast improvement over the provision in the final rules by deleting the requirement that appellants identify whether and where an argument had been previously made by appellant. However, AIPLA continues to be concerned about other requirements, both as to their clarity and desirability.

Proposed § 41.37(o) would require an explanation of why the examiner erred as to each ground of rejection that must address all points made by the examiner with which appellant disagrees, wherein any finding or conclusion not challenged will be presumed correct. First, it is not clear what the PTO means by the “point” made by the Examiner. How should appellants determine the metes and bounds of a “point”?

The proposal puts an unnecessary burden on appellant to evaluate every statement made and conclusion reached by the examiner (throughout the examination process), even if not relevant to the issues presented for decision. If appellants are encouraged to address every phrase, statement or argument that cannot be unconditionally accepted as accurate, this will lead to unnecessary work for both appellants and the Board, and tend to reduce focus on the real issues in the appeal. Appellants often do not know the arguments the examiner is relying on until receipt of the Examiner's Answer. The proposed requirement may be easier to understand and comply with if there were a single document describing the examiner's position, but often it must be gleaned from a consolidation of an Advisory Action, final rejection, and one or more other actions. If a presumption is to be retained, it should be made clear that it applies only for the purpose of that appeal, and could be addressed/corrected upon filing an RCE or continuation application.

Finally, proposed § 41.37(o)(2) indicates that only those arguments presented in the arguments section of the appeal brief will be considered and that all other arguments are waived in the appeal. Surely this cannot mean that arguments properly raised in the Reply Brief will not be considered, and we would request a clarification.

**Topic 3: No longer dictating appeal strategy of Appellants:**

AIPLA generally supports efforts by the PTO to minimize requirements that dictate appellate strategy, while ensuring that a clear record and identification of issues are presented to the Board. Specific sections are addressed in comments on the Advance Notice.

**Topic 4: Should the Board have briefing requirements similar to other appellate tribunals (e.g., page limits, jurisdictional statements, table of contents, and table of authorities)?**

No. AIPLA does not support the imposition of briefing requirements that add unnecessary burdens and costs to appellants unless it can be shown that they will materially assist the Board in a significant number of cases. Any page limits should be practical, based on experience, and designed to reduce the number of petitions to enlarge the length of a brief. If a page limit is to be

adopted, the PTO should determine and publish the average length of reply briefs filed and set the limit with that information in mind.

**Topic 5: Should the Board allow examiners and/or appellants to present arguments not presented during prosecution?**

Yes. There is presently no requirement that would prohibit either an examiner or appellant from presenting arguments during the briefing process not presented during prosecution. It is preferable that an issue be developed in advance of the briefing process, but situations can arise where arguments are identified during the briefing process that are appropriate, but were not previously identified. Whenever a new argument is presented, either the examiner or appellant has an opportunity to respond. It would not be efficient to reopen prosecution or restart prosecution with an RCE each time it was considered desirable to introduce a new argument.

The PTO already has authority to control the introduction of new evidence after appeal, and an examiner may reopen prosecution where desirable. Trying to control the introduction of new arguments would inevitably lead to wasted time and resources deciding whether an argument was new. The PTO should avoid restrictions that are difficult to enforce, and are not demonstrated to make a positive contribution to the appellate process.

The evidentiary record should be established at the time the appeal brief is filed, except when the PTO introduces a new ground of rejection in the Examiner's Answer—if that practice is permitted. Proposed § 47.41(i) provides that any argument not presented in the briefs, with very limited exceptions (e.g., a new, relevant decision) cannot be made at the oral hearing.

**Topic 6: Should examiners be allowed to make new grounds of rejection in an answer (41.39(a)(2))?**

Yes, but this authority must be supervised closely. Situations can arise where it is in the best interest of appellant and the PTO to introduce a new ground of rejection in the Examiner's Answer, rather than reopening prosecution. There may be a need to revise an existing rejection by adding a reference that teaches a conventional feature in the art that should be designated a new

ground of rejection but would not substantially alter the issues on appeal. An appellant may prefer to advance this case to the Board as quickly as possible to obtain a decision without restarting the prosecution. On the other hand, if a totally new reference and a different logic to the appeal is introduced, an appellant may want to restart prosecution to provide a full opportunity to address the new ground of rejection.

The PTO should consider permitting an examiner to introduce a new ground of rejection in an examiner's answer, but only when it is authorized by a panel of examiners who consider the new rejection to be appropriate. This should be coupled with an option given to the appellant, as in the proposed rules, to treat the new ground in the same way as a new ground introduced by the Board. In other words, appellant would have the option of treating the new ground as a new PTO action reopening prosecution, or to address the new ground based only on the evidence of record and proceed with the appeal, addressing the new ground in a reply brief.

The PTO suggests in the proposed rulemaking that the addition of a newly added reference in the examiner's answer ordinarily would not be regarded as a new ground of rejection where it merely serves as evidence of a prior statement made by the examiner as to what is "well known" in the art which was challenged for the first time in the appeal brief. While there may be limited circumstances where this may be regarded as appropriate, there should be a presumption that where a new reference is introduced for any purpose (changing the evidentiary basis for the rejection), a new ground of rejection has been introduced.

**Topic 7: Should the Board be allowed to enter new grounds of rejection.**

Yes. Current practice and the proposed rule gives the Board this authority, and gives appellant the option of amending and reopening prosecution before the examiner or requesting rehearing at the Board. We understand that the occurrence of such new grounds is relatively rare, and we regard an explicit rejection made by the Board to be preferable to a secret communication

to the examiner suggesting a rejection that must then be interpreted and articulated by the examiner based on this secret communication.

**Topic 8: Should the rules be more specific as to the requirements for Examiner's participation in an appeal?**

The directions to examiners for the content of an Examiner's Answer should be as explicit and detailed as those given to appellants. While it is not important whether those requirements are spelled out in the regulations or in the Manual of Patent Examining Procedure, examiners should be expected to adhere to them, and Answers should be reviewed for compliance before mailing.

**Topic 9: Should the rule regarding the Director's sanction powers for appellate matters be more specific (§ 41.56)?**

The issue of sanctions is very controversial. The need for this authority is not apparent, and the PTO has not demonstrated why its existing authorities are not adequate to address offending acts. As stated in the Notice, a sanction would be applied against the appellant, not against the registered practitioner. Many question whether a sanction is fair or needed in the three examples of misconduct identified by the PTO:

- (1) failure to comply with a Board order or applicable rule. Failure to comply with a PTO requirement results in abandonment. 35 U.S.C. § 133. What further sanction is needed?
- (2) advancing or maintaining a misleading or frivolous argument. Even if the PTO provides a litmus test or specific guidance for when an argument is frivolous, how would the average appellant be able to make that determination?
- (3) engaging in dilatory tactics. Again, even if the PTO provides a litmus test or specific guidance for when a tactic is dilatory, how would the average appellant be able to make that determination?

At least two of these offending acts are vague and appear to punish an appellant who may have no idea about the propriety of the acts performed on its behalf. In direct answer to the question posed, if the PTO adopts sanctions at all, specific guidance should be provided as to conduct that is likely to be subject to action by the Director. In addition, giving the sanction power for appellate matters to the head of the agency seems more appropriate for such an extraordinary penalty, but it does not alleviate all our concerns.

We appreciate the opportunity to provide these comments to the topics raised at the Ex parte Appeal Roundtable, and would be pleased to answer any questions our comments may raise.

Sincerely,

A handwritten signature in black ink, appearing to read "Q. Todd Dickinson", with a long horizontal flourish extending to the right.

Q. Todd Dickinson  
Executive Director  
AIPLA