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January 14, 2011

To: The Honorable Linda Horner, BPAI Rules
Mail Stop Interference
Dir. of the Pat. & Trademark Office
P.O. Box 1450
Alexandria, VA 22313–1450

Desk Officer for the Pat. & Trade. Office
The Office of Info. & Regulatory Affairs
Office of Management and Budget
New Executive Office Bldg., Room 10202
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Washington, DC 20503

Dear the Honorable Judge Horner,

The undersigned are writing to comment on the recently proposed changes to rules of practice before the Board of Patent Appeals and Interferences ("Board") in Ex Parte Prosecution.[1] The following table of contents indicates the broad topics that we will discuss below.

[1] 75 FR 69828-69849.

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General Remarks

The undersigned generally welcome the rule changes as a breath of fresh air from a new administration that understands both the problems facing appellants and the burdens facing the Board and examining corps. In certain areas, as discussed below, we explain that the Patent Office ("Office") may: 1) go even further in eliminating inefficiencies in the appeal process, 2) provide greater clarity regarding the meaning of the rules, and 3) provide more procedural safeguards to protect the rights of applicants. Because, in the interest of efficiency, we focus on possible improvements to the Office's proposals, our remarks below are necessarily critical. These critical remarks should not detract, however, from our substantial agreement with the Office's proposals. Nor should the remarks below obscure our celebration of the leap forward that these proposals represent.

New Petition Procedures

The undersigned appreciate the Office's proposals to 1) hold consideration of Information Disclosure Statements ("IDSs") and petitions in abeyance until a decision on appeal except for 2) petitions on new grounds of rejection in an Examiner's Answer. We are concerned that proposal 1) will not improve efficiency, or the backlog, for either the Board or the examining corps. As discussed more below, we are also concerned that proposal 2) still leaves much to be desired.

General Comments on Petitions

As an initial matter, we note that all consideration of petitions is futile if petitions remain an ineffective check on examiner violations of Office policy and Federal Circuit law. It is pointless to improve rules if the rules are not enforced. Yet it is widely held that petitions practice is one of the most broken, if not the most broken, parts of the Patent Office.

One reason for this is that, unlike the proposed petition mechanism for new grounds of rejection in examiner answers, other petitions generally do not toll the due dates for continuing prosecution. Moreover, even though the Office generally requires petitions to be filed within two months, the Office does not impose any deadline on itself

for deciding petitions. Thus, the specter of a petition not being decided by the shortened statutory due date for responding to an Office Action, or by the statutory due date, is constantly hanging over the patent practitioner's head.

Another reason why petitions are ineffective is that there is less separation of powers between the examiners that are the subject of petitions and the Technology Center Directors that decide petitions. TC Directors indirectly supervise examiners, so that examiner errors are attributable to their respective directors, creating an incentive for the directors to protect their own, and themselves, by denying examiner error. Further, many or most TC Directors are not lawyers, even though petitions practice often involves subtle issues of patent, administrative, and other law.

Whatever the cause, except for certain ministerial matters, petitions are largely regarded as worthless by the patent bar.[2] Until that situation changes, answers to problems facing the Office will generally not be solved through petition.

Holding IDSs and Petitions in Abeyance

The Federal Register notice states that "[i]t is in the interest of compact prosecution that the Office not delay a decision on appeal for consideration of untimely evidence and petitions."[3] If considering an IDS or petition would actually require delaying a decision on appeal, then we agree. But it is not clear that consideration of these issues would require delay in deciding appeals.

For example, we know of at least one application where an appellant filed an IDS disclosing a more pertinent reference than that applied in the appealed rejection. In that case, the examiner withdrew the previous rejection, thereby obviating the appeal, and issued a final rejection over the newly cited reference. A rule holding consideration of IDSs in abeyance would have prevented the examiner from doing this, even though the examiner efficiently advanced prosecution for both the appellant and the Office.

The above concern is especially acute when a reference is newly discovered, such as in a new foreign Office Action in a related application, so that the applicant could not have reasonably submitted the reference earlier. In that case, it is not the applicant's fault

[2] Ministerial petitions may include petitions to make special or to increase patent term.
[3] 75 FR 69828-69849 at 69833.

that the reference was discovered later. The applicant should not be punished for someone else's delay with further delay on the part of the Office.

The same applies to petitions practice. As the Office notes, petitions should generally be filed before the Board takes jurisdiction, so that any petition filed then is untimely. The proposed rule holding consideration of these untimely petitions in abeyance is, to that extent, moot. We are not convinced, however, that the rule will always be moot. For example, it is not clear that an action will never occur within two months of the Board taking jurisdiction about which an applicant might rightly complain. Also, we believe that the two month deadline for filing petitions might be unduly short and ripe for reconsideration.

Petitions on New Grounds of Rejection

The Office also proposes a new mechanism for filing petitions to have grounds of rejection in examiner answers designated as new, while providing guidance about what constitutes a new ground of rejection. We believe that these proposals take a huge step forward in addressing a common problem in patent prosecution before the Office: the issuing of obscure rejection statements in the hope that, if challenged, the examiner may later reconstruct a proper rejection over the same references. Although we appreciate the Office's proposals to address this problem, we believe that these proposals do not go far enough, for the following reasons.

General Agreement about New Ground of Rejection

As an initial matter, we agree with the Office that each of these constitute new grounds of rejection:

1. changing the statutory basis from § 102 to § 103
2. changing the statutory basis from § 103 to § 102, based on a different teaching
3. citing new calculations in support of overlapping ranges
4. citing new structure in support of structural obviousness
5. pointing to a different portion of the claim to maintain a "new matter" rejection

We also agree that the following do *not* constitute a new ground of rejection:

6. changing the statutory basis from § 103 to § 102, but relying on the same teachings[4]
7. relying on fewer than all references in support of a § 103 rejection, but relying on the same teachings
8. only changing the order of references in the statement of rejection
9. considering, in order to respond to applicant's arguments, other portions of a reference *submitted by the applicant*[5]

Despite our general agreement with the above propositions, we have the following concerns with the Office's proposed guidance about new grounds of rejection.

Advisory Actions and Pre-Appeal Brief Conference Decisions Cannot Modify Grounds of Rejections

Although the Office goes to some effort to address the plague of new grounds of rejection, the Federal Register notice itself contains several statements exemplifying the problem. Specifically, the Office repeatedly states that Advisory Actions and Pre-Appeal Brief Conference Decisions can modify grounds of rejection. First, on page 69837, the Office states that:

> Proposed Bd.R. 41.39(a)(1) proposes to revise the current rule to provide that the examiner's answer, by default, incorporates all the grounds of rejection set forth in the Office action which is the basis for the appeal, **including any modifications made via advisory action or pre-appeal brief conference decision**, *except for any grounds of rejection indicated by the examiner as withdrawn in the answer*. (italics and bold added)

Similarly, on page 69837, the Office states that:

> The Board would instead rely on the statement of the grounds of rejection in the Office action from which the appeal was taken (**as modified by any subsequent Advisory Action or Pre-Appeal Brief Conference Decision**). (bold added)

As an initial matter, we agree that, in rare circumstances, such as situations in which new evidence is later submitted to the Office, the examiner should be permitted to modify the grounds of rejection. Nevertheless, in those situations, both concerns about examiner abuse, as noted by the CCPA and CAFC, as well as Office procedure, require the examiner to reopen prosecution by issuing a new Office Action making a full statement of the new rejection in compliance with Rule § 1.104. If the application is after

[4] We caution that the teachings must be used *in the same manner*: the examiner cannot rearrange the old citations even if, in entirety, they are the same.
[5] The italics are added to emphasize the narrow scope of this rule.

final rejection, as discussed in the Federal Register notice, then the new Office Action should generally be made non-final, because it will not have been necessitated by applicant's amendment, considering that examiners invariably refuse to enter substantive claim amendments after final rejection.[6] In no case, however, is it appropriate for the examiner to modify the ground of rejection in an Advisory Action or Pre-Appeal Brief Request Decision without giving an applicant a "fair opportunity to respond."

The Office's repeated statements that examiners may modify grounds of rejection in Advisory Actions and Pre-Appeal Brief Conference Decisions are shocking for several reasons. First, apart from Advisory Action "continuation sheets," the forms for Advisory Actions and Pre-Appeal Brief Conference Decisions include no fields for modifying grounds of rejections. The Advisory Action form, Form PTOL-303, is generally unsuited for providing any remarks about new grounds of rejection[7] Form PTOL-303 only contains certain check boxes to indicate, for example, whether claim amendments are entered. Further, the MPEP provides no guidance on how examiners might modify grounds of rejection in an Advisory Action. Rather, the MPEP limits its discussion of Advisory Actions to how their mailing triggers response due dates.[8] It is generally impossible to modify a ground of rejection using Form PTOL-303 without doing so in an attached continuation sheet, a purpose for which the Form was never designed.

Despite the complete unsuitability of Advisory Actions for modifying grounds of rejection, we have noticed that certain primary examiners overcome that obstacle by attaching to Advisory Actions lengthy continuation sheets that substantially rewrite, revise, and elaborate on the grounds of rejections, in the hope of correcting errors in their final rejections—essentially delaying any attempt at honest examination until the mailing of the Advisory Action. Several examiners (whose names will be provided if the Office requests) have learned to play "hide the ball," by writing Office Actions that are materially misleading, and only springing the true ground of rejection in an Advisory Action, thereby attempting to extract an RCE count. The Office cannot condone that intolerable practice.

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[6] MPEP § 706.07 (a).
[7] MPEP § 706.07(f).
[8] MPEP § 706.07 (a), (b), and (f).

The Office's statements are also shocking because certain examiners systematically delay the issuance of Advisory Actions. It is not uncommon to receive an Advisory Action within a week of the statutory due date for response, thereby risking abandonment. The gross delays in issuing Advisory Actions are problematic even when the Actions only deliver the ministerial information for which they were designed. The delays become an even graver concern when Advisory Actions are perverted into instruments for making substantive changes to grounds of rejection at the eleventh hour.

Like the Advisory Action Form PTOL-303, the Pre-Appeal Brief Request Decision form (which has no apparent identification number) contains no field for modifying grounds of rejection. Rather, the form only contains check boxes for indicating that either: the request is improper, the application will proceed to the Board, the application is allowable, or that prosecution is reopened. Under the option to proceed to the Board, there is also a field to indicate which claims are allowed, objected to, rejected, and withdrawn from consideration. There no field for modifying grounds of rejections, much less for explaining how any grounds of rejection are modified. In our experience, and in contrast to the use of Advisory Actions discussed above, examiners never attach continuation sheets to these Decisions for the purpose of modifying grounds of rejection or for any other reason. Rather, rejections are affirmed in silence and applicants are left in the dark about the panel's reasoning. Thus, the Office's repeated statements that examiners may modify grounds of rejection in Pre-Appeal Brief Request Decisions are puzzling indeed. Further, as with Advisory Actions, examiners cannot modify grounds of rejection at the eleventh hour in Pre-Appeal Brief Request Decisions without severely prejudicing the applicants to whom it is their duty to serve.

A New Position or Rationale Always Creates a New Ground of Rejection

On page 69838 of the Federal Register notice, the Office writes:

> Relying on new evidence, however, is not the only way to trigger a new ground of rejection in an examiner's answer. A ''position or rationale new to the proceedings''—even if based on evidence previously of record—**may** give rise to a new ground of rejection. *In re De Blauwe*, 736 F.2d 699, 706 n.9 (Fed. Cir. 1984) (stating that where the Office advances ''a position or rationale new to the proceedings, an applicant **must** be afforded an opportunity to respond to that

position or rationale by submission of contradicting evidence'' (citing *In re Eynde*, 480 F.2d 1364 (CCPA 1973))). (emphasis added)

Thus, on its face, the Office is proposing to baldly rewrite the rule in *De Blauwe* in a manner that prejudices applicants by stating that a new position or rationale "may" create a new ground of rejection—even though *De Blauwe* says that applicants "must" be given an opportunity to respond to the new position or rationale. *De Blauwe* does not say "may"; *De Blauwe* says "must." By using the permissive word "may," the Office implies that it is possible for an examiner to advance a new position or rationale without the applicant being allowed to submit new evidence. That is not the law of the Federal Circuit. According to the Federal Circuit, it is impossible for the examiner to properly advance a new position or rationale without providing applicant an opportunity to submit new evidence. The Office has no authority to rewrite Federal Circuit law in a manner that prejudices applicants.

The Federal Circuit recently reaffirmed, reinforced, and more fully explained the "any new postion or rationle" rule of *De Blauwe* in a recent case that the Federal Register notice does not mention in discussing new grounds of rejection. Thus, despite the effort to survey Federal Circuit law on the topic of new grounds of rejection, the Office appears to ignore the best, and most recent, guidance that the Federal Circuit has provided.

According to the Federal Circuit in *Hyatt v. Dudas*, a ground of rejection "is not merely the statutory requirement for patentability that a claim fails to meet but also the precise reason why the claim fails that requirement."[9] As in *Kumar*,[10] *Hyatt* holds that a new analysis of the same facts is nonetheless a new "ground of rejection." The Office must recognize that a new ground of rejection is asserted whenever the "precise" reason why a claim is rejected changes.

Further, although *Hyatt* states that an examiner cannot switch from citing a different portion of a *claim* in a § 112 rejection without creating a new ground of rejection, the same principle applies when an examiner switches from citing a different portion of a *reference*, in a prior art rejection under §§ 102 or 103. The same principle applies because, in both situations, the *precise* reason why the examiner has rejected the

[9] *Hyatt v. Dudas*, 551 F.3d 1307, 1312–13 (Fed. Cir. 2008).
[10] 75 FR 69828-69849 at 69839 (*citing In re Kumar*, 418 F.3d 1361, 1368 (Fed. Cir. 2005).

claim has changed. The fact that making new citations to old references creates a new ground of rejection is affirmed in the *Wiechert* case, discussed below.

The Rule in Wiechert is Not Limited to Close Structural Obviousness under MPEP § 2144.09

On page 69839 of the Federal Register notice, the Office writes:

> If, in support of an obviousness rejection based on close structural similarity (see MPEP § 2144.09), the examiner's answer relies on a different structure than the one on which the examiner previously relied, then the rejection should be designated as a new ground of rejection.

The Office bases this proposed guidance on the *Wiechert* case.[11] The rule in that case is not limited, however, to analysis of close structural similarity between chemical compounds. The rule in *Wiechert* is broadly written:

> Under such circumstances, we conclude that when a rejection is factually based on an entirely different portion of an existing reference the appellant should be afforded an opportunity to make a showing of unobviousness vis-à-vis such portion of the reference.[12]

Thus, as quoted above, whether a ground of rejection is new is not based on whether the application is directed to the chemical arts, or on whether the examiner is conducting an analysis under MPEP § 2144.09. Rather, whether the ground of rejection is new is based on whether an examiner cites "an entirely different portion of an existing reference."

It is true that the quoted rule states that it applies "[u]nder such circumstances" as the close structural similarity analysis in *Wiechert*. But the Federal Circuit, like its predecessor court, does not hold that those are the *only* circumstances under which the rule in *Wiechert* applies.

The fact that the rule in *Wiechert* is not limited to close structural analysis in the chemical arts is obvious when one considers the Federal Circuit's stated reasons. As quoted above, the rule prevents examiners from sandbagging applicants by untimely citing a portion of a reference only after an applicant's ability to rebut the new citation is curtailed.

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[11] *In re Wiechert*, 370 F.2d 927 (CCPA 1967).
[12] *In re Wiechert*, 370 F.2d 927, 933 (CCPA 1967).

Further, regardless of the art, the rule in *Wiechert* is not limited to switching citations between structures, as opposed to switching between citations. The court in *Wiechert* wrote that a ground of rejection is new when it is "factually based on an entirely different portion of an existing *reference*," not when it is "factually based on an entirely different [*structure described in*] an existing reference." Switching citations, not structures, is the crux of *Wiechert*.

The distinction between switching structures and switching citations is critical because an examiner can switch citations in countless ways without switching structures. In examining a method claim, the examiner can switch citations to a new a step, action, or block of a flow diagram. In the electrical, software, and business method arts, the examiner can switch citations to a new program, object, module, file, calculation, variable, value, transaction, request, function, procedure, signal, voltage, or transmission, etc., while asserting that none of these are sufficiently "structural," according to the Office, to invoke *Wiechert's* protections. Again, the fact that *Wiechert* happened to involve the chemical arts is irrelevant to the Federal Circuit's reasoning, nor does the Office have the authority to rewrite Federal Circuit law.

The fact that *Weichert* is not limited to either the chemical arts or to switching structures (as opposed to switching citations) is fully consistent with *De Blauwe*, *Hyatt*, and *Kronig*.[13] It is consistent with *De Blauwe* and *Hyatt* because, when the examiner switches citations to a reference, regardless of the art, the examiner *necessarily* introduces a new position or rationale (in the language of *De Blauwe*) and *necessarily* alters the precise reason for the rejection (in the language of *Hyatt*). In the language of *Kronig*, the examiner also changes the "thrust of the rejection." In view of this clear and abundant case law, the Office cannot honestly hold that, unless examiners perform a close structural analysis under MPEP § 2144.09, they are free to rewrite and rearrange the mapping of elements in rejections at their leisure.

The Rule in DBC Must Be Cabined by De Blauwe, Hyatt, and Wiechert

The Federal Circuit's reasoning in *DBC* is not fully reflected in the Notice, and will invite abuse by the examining corps. As further explained above, *De Blauwe*, *Hyatt*,

[13] *In re Kronig*, 539 F.2d 1300, 1303 (CCPA 1976).

and *Wiechert* state that such new citations almost invariably create new grounds of rejection. Nevertheless, as the Office recognizes in addressing the *DBC* case, new citations to old references may be permissible in one limited circumstance: where a citation is introduced to "a different portion of an applied reference which goes no farther than, and merely elaborates upon, what is taught in the previously cited portion of that reference."[14] In that case, the Federal Circuit affirmed the Board even though, instead of citing the same abstract as the examiner, "the Board cited an Example on page 16 of the English translation of the [applied] Japanese reference."[15] Unless the rule in *DBC* is accurately interpreted and rigorously enforced, the protections of *De Blauwe*, *Hyatt*, and *Wiechert* will be eviscerated.

As an initial matter, we note that it is technically impossible for a new citation to elaborate on an old citation without going farther than the old citation. For example, Random House dictionary defines the verb "elaborate" as meaning "to add details to; expand."[16] It is technically impossible to add detail to an old citation, or expand on an old citation, without going farther than the old citation. Thus, *as written*, the rule in *DBC* makes little sense.

In view of the above, one must review the entire opinion in *DBC* to discern its true meaning. The following passage is representative of the court's obviousness analysis in *DBC*:

> The **abstract of JP '442** describes a composition designed to be resistant to legionella bacteria and which includes one or more extracts from a number of fruits and other biological products, one of which is mangosteen rind. The examiner observed, in his answer before the Board, that "[i]f you want to consume the rind, it was known in the prior art to mix it with a fruit such as strawberry **as taught by JP '442 (abstract)**." J.A. at 3735; see also id. at 3735-36 ("The key piece of art is JP '442 which clearly teaches mangosteen rind and raspberry, strawberry and/or blackberry in the same composition."). The Board similarly concluded that the reference teaches "a legionella bacteria disinfection agent and ingestible compositions, e.g., drinks, that contain the disinfection agent." Decision at 5. Thus, **as both the examiner and the Board recognized, the abstract teaches** mixing the mangosteen rind in a composition with fruits and fruit juices to obtain a legionella resistant composition (a nutraceutical under the '333 patent's definition of the word). Because it teaches a nutraceutical beverage

[14] 75 FR 69828-69849 at 69839 (*citing In re DBC*, 545 F.3d 1373 (Fed. Cir. 2008)).
[15] *Id*. at 69839 (*citing DBC*, 545 F.3d at 1381).
[16] http://dictionary.reference.com/browse/elaborate

> combining fruits and fruit juices and mangosteen rind in the same composition, JP '442 is plainly material to patentability. (emphasis added)

In view of the above, it is plain that the Federal Circuit *only* relied on the abstract of the reference—the old citation—in affirming the rejection. In other words, any reference by the Board to new citations other than the abstract was apparently ignored or discarded by the Federal Circuit. Thus, a new citation that "goes no farther than" the old citation is, effectively, the same as the old citation. The examiner cannot rely on the new citation unless both citations are virtually identical. Otherwise, a new ground of rejection is made.

In *DBC*, the Federal Circuit never refers to any *De Blauwe* "new position or rationale" drawn from outside the JP '442 abstract, to affirm the Board. The proposed "new ground" guidance should make clear that *DBC* is cabined by *De Blauwe*, *Hyatt*, and *Kumar*.

The Office Suggests Ambiguities in Unambiguous Federal Circuit Law

In promoting an obscure "fact-specific" standard for determining whether grounds of rejection are new, whereby examiners are free to select and apply the most applicable (and presumably most favorable) rules of law, the Office suggests that Federal Circuit law is more ambiguous than it is. The Office errs by painting in uncertainties where the Federal Circuit writes in black and white, using words like "any," "must," and "always," and by ignoring the Federal Ciruit's underlying reasoning and policy concerns (see the discussions of *De Blauwe* and *Wiechert* above).

The Notice states:

> The following examples are intended to provide guidance as to what constitutes a new ground of rejection in an examiner's answer. What constitutes a "new ground of rejection" is a highly fact-specific question. [citations omitted]. If a situation arises that does not fall neatly within any of the following examples, it is recommended that the examiner identify the example below that is most analogous to the situation at hand, keeping in mind that "the ultimate criterion of whether a rejection is considered 'new' is whether appellants have had fair opportunity to react to the thrust of the rejection." *Kronig*, 539 F.2d at 1302.[17]

We believe that providing the examiner with so much discretion in selecting and applying rules of law on new grounds of rejection, according to this "fact-specific"

[17] *Id*. at 69838.

inquiry, without providing the full scope of the Federal Circuit's instruction, is short of the rights provided by law. It is also an unworkable system that fails to address the underlying problem, thereby inviting abuse by the examining corps. For example, other than the broken petition system, there is nothing to prevent examiners from systemically straining their interpretation of examination to fit cases, such as *DBC*, where grounds of rejection are held to be old instead of new.

Further, in setting Office procedure, it is important to remember that the Federal Circuit only sets an upper limit on what cannot be considered an old ground of rejection. The Office is free to set lower limits on what cannot be considered an old ground of rejection. Just as the states are permitted to provide greater protections of free speech for their residents than the protections established by the First Amendment, the Office is free to provide greater opportunities for appellants to respond to new grounds of rejection than those provided by the Federal Circuit.

As an example of how the Office may provide greater protections from new grounds of rejection, note that the Office in *DBC* violated its longstanding policy that "[c]itation of and reliance upon an abstract without citation of and reliance upon the underlying scientific document is generally inappropriate where both the abstract and the underlying document are prior art."[18] The examiner in *DBC* violated that policy by relying on the abstract without relying on the underlying document. Although the MPEP § 706.02 states that such reliance is generally improper, the Office never enforced that policy, and the Federal Circuit ultimately affirmed the rejection to the prejudice of the applicant.

As explained above, rules are worthless if they are not enforced. If the rule of MPEP § 706.02 is to provide any protection to applicants, there must be a mechanism to enforce it. The ideal enforcement mechanism for § 706.02 is the requirement that any ground of rejection relying on an underlying document, when only the abstract was previously applied, must be designated new. Because the Office already proposes to designate any ground of rejection over new evidence as new, an elegant implementation

[18] MPEP § 706.02 (*citing Ex parte Jones*, 62 USPQ2d 1206, 1208 (Bd. Pat. App. & Inter. 2001) (unpublished)). *See also In re Zurko*, 258 F.3d 1379 (Fed. Cir. 2001).

of this mechanism is to designate an underlying document as new evidence when its abstract alone was previously applied.[19]

The "fact specific" approach that the Office proposes, whereby examiners may select and apply the rule of their choice, invites abuse by the examining corps. The Federal Circuit's rules on new grounds of rejection must be rigorously enforced. If examiners, and the Board, cannot be prevented from straining the Office's guidance regarding *Kronig* and *DBC* to the prejudice of applicants, the plague of new grounds of rejection will continue unabated.

The Prima Facie Case Requirement

We have two comments on the prima facie requirement. First, one major concern with the proposals about new grounds of rejection is that they make no reference to the requirement that the examiner first make a prima facie case of unpatentability. Second, because the rule requires the examiner to satisfy the *initial* burden of making a prima facie case of unpatentability, we approve of the removal of the examiner's ability to file a supplemental answer.

The Prima Facie Case Requirement Must be Separately Enforced

Although the Office proposes a mechanism to petition that grounds of rejection be designated as new, there is no corresponding mechanism to petition that the examiner has not made a prima facie case of unpatentability. The undersigned are not aware of any mechanism to enforce the prima facie case requirement other than, perhaps, filing a notice of appeal.

As the Office already recognizes, the prima facie case requirement is distinct from examination on the merits. The following example illustrates the difference. Suppose that a claim is not patentable on the merits over two cited references. Further suppose, however, that the examiner has failed to make a prima facie case of unpatentability by explaining how the claimed invention would have been obvious over those two references. Indeed, suppose that the examiner, perhaps through inadvertence, only identifies the claims, references, and statutory ground (i.e. section 103) at issue. In that

[19] 75 FR 69828-69849 at 69828.

case, the applicant is still not yet under any duty to provide rebuttal evidence or arguments.[20]

The Board appears to only enforce the requirement that rejections be proper *on the merits*. The Board has held repeatedly that it does not have jurisdiction to enforce procedural requirements, for example a requirement to address all prima facie elements.[21] For example, even if the examiner has failed to make a prima facie case, the Board may liberally make new findings of fact and law in its decisions. Thus, it appears that nothing separately enforces the prima facie case requirement, even though it is distinct from examination on the merits. The Board should not be overburdened with policing both the prima facie requirement and examination on the merits.

Just as the prima facie case requirement is different than examination on the merits, it is also different than the requirements for an old ground of rejection. Consider again the above example. Suppose that the applicant traversed the first, cursory statement of the rejection. In response, the examiner restates the rejection, but now provides a full and detailed explanation constituting a prima facie case of unpatentability. Now there are two distinct questions:

1. is it improper for the examiner to make the rejection final because the new statement constitutes a new ground of rejection?
2. is it improper for the examiner to make the rejection final because the new statement constitutes a first statement of a prima facie case?

The Office might argue that the answers to these questions will not always be the same. For example, the answer to the second question might be yes, even if the answer to the first question is no. Suppose that, in our example, the examiner elaborated at length in a final rejection on the cited references to provide a prima facie case. In that case, the examiner might allege that the elaborating remarks do not change "the thrust of the rejection." Indeed, contrary to the Federal Circuit law noted above, many Board judges and TC Directors appear to take a "same statutory ground, same references" view of what constitute a new ground of rejection. Thus, even if the new explanation of the references does not constitute a new ground of rejection—although we believe that is does—the

[20] MPEP § 2142.
[21] *Ex parte Gambogi*, 62 USPQ2d 1209, 1212 (BPAI 2001) ("We decline to tell an examiner precisely how to set out a rejection").

applicant's right to first be presented a prima facie case of unpatentability has not been protected.

Indeed, the above example shows that it may be easier for the applicant to show that the answer to the second question is yes, even if the answer to the first question is no. Enforcement of the prima facie requirement may be, therefore, even more valuable to applicants than the old ground of rejection requirement.

In view of the above, it is not enough for the Office to provide safeguards against new grounds of rejection, if the Office does not also enforce the prima facie case requirement. In either case, the applicant must be afforded the full range of opportunities to respond, whether by amendment, evidence, or interview, without being penalized by Office fees for the examiner's error.

We believe that the Office has two options for enforcing the prima facie case requirement. First, for simplicity, the Office can attempt to harmonize the rules on the prima facie case and on new grounds of rejection. In that case, a single set of principles might provide both protections. Because the prima facie case requirement might provide greater protections than the rules against new grounds of rejection, as discussed above, any such set of principles must also provide this even greater protection. For example, the single set of rules must require rejections to be made non-final when the examiner has not first made a prima facie case of unpatentability *even if* the thrust of the rejection, broadly construed, remains the same. Because the standards are different for prima facie cases of unpatentability and new grounds of rejections, however, it is not clear that these standards can be elegantly harmonized.

Alternatively, the Office may establish separate protections to enforce the prima facie case requirement beyond those against new grounds of rejection. For example, the Office may establish separate rules for determining when the examiner has failed to make a prima facie case of unpatentability. As with the petition mechanism that the Office proposes for designating grounds of rejection as new, the Office may establish a separate mechanism for determining that the examiner has failed to make a prima facie case. In every case, the Office must enforce the rule that applicants are only obligated to rebut the examiner's rejection after the examiner first makes a prima facie case of unpatentability *even if* the claims are later shown to be unpatentable.

Removing the Examiner's Supplemental Answer Further Enforces the Prima Facie Requirement

There is another important point to be made about the prima facie requirement: it shows that there cannot be perfect parity between requirements placed on examiners and applicants. Specifically, there is a difference in *timing* between the obligations of examiners and applicants. The examiner must make the first move. Then, if the examiner has made a prima facie case, the applicant may provide rebuttal arguments and evidence.

As noted on page 69837 of the Federal Register notice, "[t]he Office received several comments requesting parity between the requirements and restrictions on the appeal brief (e.g., no new evidence) and those placed on the answer." "To [] address the desire for parity, the content requirements for appeal briefs" are proposed to be "significantly decreased so as not to create a disparity in the requirements between the brief and the answer."[22]

We appreciate the desire for parity and the fairness that it implies. Even if there is parity in the formal requirements of appeal briefs and examiner answers, however, there cannot be parity in timing for filing further arguments after appeal. Just as the prima facie case requires the examiner to make the *first* word, so too should it afford the appellant to make the *last* word. Allowing the examiner to file supplemental examiner answers would only exacerbate the problems with new grounds of rejection, and prima facie case violations, that so much of the proposed rule changes are directed to solving. Because we believe that eliminating the examiner's ability to file supplemental examiner answers further enforces the prima facie case requirement, we approve of this proposed change.

Whether a Ground of Rejection is New Does Not Depend on Whether It is Found In an Examiner's Answer

On page 69838 of the Federal Register notice, the Office writes:

[22] 75 FR 69828-69849 at 69837.

> The following discussion provides guidance to appellants and examiners as to the Office's view of what constitutes a new ground of rejection. This discussion is limited for "purposes of the examiner's answer," as per Proposed Bd.R. 41.39(a)(2). This discussion does not apply to final rejections under Rule 1.113. The reason for this distinction is that Rule 1.116 affords applicants the opportunity to submit rebuttal evidence after a final rejection but before or on the same date of filing a notice of appeal. An appellant's ability to introduce new evidence after the filing of an appeal is more limited under Bd.R. 41.33(d) and proposed Bd.R. 41.33(d) than it is prior to the appeal. Thus, applicants are able to present rebuttal evidence in response to a final rejection, while they are not permitted to do so in response to an examiner's answer on appeal, unless an answer is designated as containing a new ground of rejection.

We have the following grave concerns with the Office's logic here.

It is not True that Rule § 1.116 Generally "Affords Applicants the Opportunity to Submit Rebuttal Evidence After a Final Rejection"

First, it is not true that Rule § 1.116 generally "affords applicants the opportunity to submit rebuttal evidence after a final rejection." The right that Rule § 1.116 affords applicants to submit evidence is much more limited than the Office implies. Specifically, the Rule allows applicants to submit evidence "upon a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented."

In contrast to the liberal standard suggested by the Office, the Rule is actually both burdensome and vague. It is burdensome because it requires the applicant to prove to the examiner that the evidence is "necessary," and also to prove that the applicant has "good cause" to submit the evidence. In fact, Rule § 1.116 is not so far from Rule § 41.33(d), even though the Office attempts to distance the two. The following chart shows both:

Rule § 1.116 (e)	Rule § 41.33(d) (1)
"may be admitted upon **a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented**."	"may be admitted if the examiner determines that the affidavit or other evidence overcomes all rejections under appeal and that **a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented has been made**."

Thus, the standards for these two Rules are the *same*, except that Rule § 41.33 further requires the applicant to convince the examiner that the evidence "overcomes all rejections under appeal." It is not clear how that showing differs from the requirement that the evidence is "necessary." In any case, both standards require "a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented." The further requirement in Rule § 41.33 simply hammers the nails in the coffin that Rule § 1.116 (e) puts around the applicant's hope of having evidence entered.

In addition to being burdensome, the Rule § 1.116 is vague because it is not clear what make evidence necessary. What distinguishes necessary from unnecessary evidence, especially if the examiner disagrees that the evidence overcomes all rejections of record? There is no apparent answer. It is also not clear what constitutes "good cause."

Even if Rule § 1.116 is prudent, its enforcement is problematic. For all practical purposes, the examiner has no incentive to agree that the applicant has satisfied the Rule. Further, except for petitions, there is no mechanism to prevent examiners from applying the Rule in an arbitrary and draconian manner. As explained above, however, the patent bar largely considers petitions to be worthless for all but ministerial matters. Unfortunately, due to examiner abuse of new grounds of rejection and violation of the prima facie case requirement, applicants often only realize that evidence will be necessary to sway the examiner or Board after the application is finally rejected, at which time entry of the evidence is generally forbidden.

The Remedies Available to an Applicant are Irrelevant to the Question of Whether a Ground of Rejection is New

Our second grave concern with the Office's logic is that the remedies available to an applicant are irrelevant to the question of whether a ground of rejection is new. To determine whether a ground of rejection is new, one need only compare the new statement of the rejection against the old along with the references. There is no reason to refer to anything outside these statements and references, such as by inquiring into what remedies are available to the applicant. The remedies available to the applicant are simply irrelevant to the comparison of the new and old statements of the rejection. To

suggest otherwise is to conflate the following two questions: 1) whether a ground of rejection is new, and 2) what remedies should the Office make available to the applicant when rejections are new? The second question is important, but the two questions are different and should be kept logically separated.

We are not Aware of any CAFC or CCPA Authority for the Office's Distinction

To our knowledge, neither *De Blauwe* nor *Hyatt* hinge new grounds of rejection upon their inclusion in examiner answers. It is not clear why the Office summarizes CAFC and CCPA law so exhaustively in defining examples of new grounds of rejection, but then deviates from the case law in creating its own distinction—one that penalizes applicants who receive new grounds of rejection after final rejection and in Board decisions.

Similarly, the distinction between new grounds or rejection before and after filing a notice of appeal appears to be a major deviation from Office precedent. We are not aware of any previous Office or MPEP authority for the distinction. For example, MPEP § 706.07(e), which governs final rejections, directs the reader to the MPEP § 1207.03, which governs new grounds of rejection *in examiner's answers*, "for a discussion of what may constitute a new ground of rejection." Thus, the only guidance that the MPEP provides about what constitutes a new ground of rejection after final rejection is the same guidance that the MPEP provides about new grounds of rejection in examiner answers. The Office's proposal to distinguish the two kinds of new grounds of rejection will flatly contradict § 706.07(e), thereby leaving applicants in the dark regarding what constitutes a new ground of rejection after final rejection. Like the case law, MPEP §§ 706.07(a) (new ground in final rejection), 1207.03 (new ground in examiner's answer), and 1213.02 (new ground made by Board) all refer to the same term—"new ground of rejection"—without ever suggesting that the same term refers to different things. We perceive of no reason for deviating from the Office's longstanding policy of identifying new grounds of rejection using the same criteria regardless of whether the rejection is stated in an examiner's answer.

The Office's Casual Treatment of New Grounds of Rejection after Final Rejection Ignores the Possibility that a New Ground of Rejection is Improperly *Made Final*

The Office states that its discussion of new grounds of rejection only applies to applications on appeal, and not to applications after final rejection, because "Rule 1.116 affords applicants the opportunity to submit rebuttal evidence after a final rejection." But Rule § 1.116 only applies to new grounds of rejection that are *properly* made final.[23] As discussed above, it is not uncommon for new grounds of rejection to be made final *improperly*. In those cases, it is unavailing to say that Rule § 1.116 adequately protects applicants, because the applicant is entitled to more than the protections that Rule § 1.116 provides. Rather, the Office requires the examiner to make the rejection non-final, so that Rule § 1.111, and not Rule § 1.116 governs. Unlike Rule § 1.116, which is burdensome and vague for the reasons explained above, Rule § 1.111 places no apparent restriction on applicant's right to have new evidence entered.

Thus, just as an examiner can *improperly* include a new ground of rejection in an examiner's answer, so too can the examiner *improperly* include a new ground of rejection in a final rejection. Despite that symmetry, the Office makes clear that the protection it provides against improper new grounds of rejection after appeal does not also apply to improper new grounds of rejection after final rejection. But, in justifying this distinction, the Office only reassures applicants that their rights are protected by Rule § 1.116, which only applies to new grounds of rejection that are properly made final. The Office's remarks are, therefore, completely irrelevant to new grounds of rejection that are improperly made final, which parallel the new grounds of rejection improperly stated in an examiner's answer. For these reasons, Rule § 1.116 does not provide any protection for applicants against new grounds of rejection that are improperly made final.

It is true that, after final rejection, the applicant already has the right to petition for a designation that a ground of rejection is new. But, as the Office acknowledges, "The proposed rule does not create a new right of petition—appellants have always had the opportunity to file a petition under Rule 1.181 if an appellant felt that the examiner's

[23] An examiner can only properly make a new ground of rejection final if the new ground is not necessitated by applicant's amendment or IDS. MPEP § 706.07(a).

answer contained a new ground of rejection not so designated."[24] Thus, the situations for final rejections and examiner answers are parallel and deserving of equal treatment. Further, for obvious reasons, the applicant's current right to petition after final rejection is different, and inferior, to the new guidance and petition mechanism that the Office proposes for examiner answers. Applicants after final rejection deserve equal—not inferior—treatment.

The Distinction between New Grounds of Rejection Within, and Outside of, Examiner Answers is Bad Policy

The distinction implies that applicants after final rejection deserve less protection than those on appeal. But that distinction has no merit. As the Office acknowledges, an improperly stated new ground of rejection in an examiner's answer entitles the applicant to reopen prosecution without filing a Request for Continued Examination (RCE).[25] Thus, because the new ground of rejection would generally not be required by applicant's amendment or IDS, after reopening prosecution the new ground of rejection cannot be made final, as discussed above. The applicant, therefore, would have the unrestricted rights to amend the claims or enter evidence provided by Rule § 1.111 and not Rule § 1.116. Applicants deserve the same full range of protection from new grounds of rejection that are improperly stated after final rejection as those that are improperly stated in an examiner's answer. In both situations, the examiner will generally have admitted error by altering the grounds of rejection. The applicant must not be punished with Office fees and loss of patent term adjustment for examiner errors, regardless of whether the error appears in a final rejection, examiner answer, or Board decision.

If, despite our protests and those of the patent bar, the Office insists on the distinction between new grounds of rejection before and after appeal, then the Office must fill in the gaps in the MPEP to explain what constitutes a new ground of rejection outside of an examiner's answer. In addressing these new grounds of rejections, the Office will no longer be able to simply point to MPEP § 1207.03, which governs examiner answers, because the Office will have divorced the two kinds of new grounds

[24] 75 FR 69828-69849 at 69840.
[25] *Id*.

of rejection. Indeed, in that case, as a last resort, we urge the Office to establish separate rules, as well as separate enforcement mechanisms, to guarantee that procedural safeguards against new grounds of rejection in final rejections and Board decisions, like those in examiner answers, are established. We insist, however, that the ideal solution is for these rules, as well as the mechanisms that enforce them, to be identical.

Examiners Must not Receive Counts for Examiner's Answers that Introduce New Grounds of Rejection

As discussed above, the treatment of new grounds of rejections should generally be the same regardless of whether the new ground appears in an examiner's answer. One manner in which new grounds of rejection must be treated the same is that the examiner cannot be rewarded with a count for issuing a new ground of rejection due to the examiner's own error.

An examiner receives a count for disposing of an application through the following exemplary actions: allowance, abandonment, an RCE, or an examiner's answer.[26] Unless an application is allowable, examiners must generally obtain a count by properly stating a rejection that forces the applicant to either abandon or amend the claims. The applicant's ability to amend the claims quickly diminishes, however, so that the applicant generally must file an RCE to amend claims after *final* rejection, thereby rewarding the examiner with a count. When an examiner issues a new ground of rejection not necessitated by applicant's amendment or IDS, however, the examiner is forbidden from making the rejection final, thereby preventing the examiner from obtaining a count.[27] In short, when the examiner issues a new ground of rejection due to the examiner's own error, and not the applicant's, the examiner is not, and should not be, rewarded with a count.

In contrast to the potential denial of counts to examiners that issue new grounds of rejection before appeal, the examiner apparently *always* receives a count for an examiner's answer. Of course, in all but the rarest cases, any new ground of rejection in an examiner's answer will not be required by applicant's amendment, because applicants

[26] MPEP § 1705.
[27] MPEP § 706.07(a).

have virtually no right to amend claims after appeal. Further, the Office proposes to hold the consideration of IDSs in abeyance. Thus, any new ground of rejection would not be necessitated by applicant's amendment or IDS. Yet we are not aware of any rule that prevents the examiner from receiving a count *even if* the examiner's answer admits err by so stating a new ground of rejection and withdrawing the old rejection.

Thus, in contrast to after final practice, the Office currently creates perverse incentives for examiners to issue new grounds of rejection in examiner answers. That is bad policy. When examiners, through their own error, state a new ground of rejection in an examiner's answer, they should be denied a count for the same reason that they are denied counts when they, through their own error, state new grounds of rejection before appeal.

Reopening Prosecution Upon the Introduction of a New Ground of Rejection

The Office repeatedly states that, even though a new ground of rejection is introduced, either in an examiner's answer or in a Board decision, the application may proceed with appeal *by default* instead of prosecution being reopened before the examiner. We believe that the default rule is improper for two reasons. First, the default rule of the Office is backwards: the default should be that new grounds of rejection require the reopening of prosecution before the examiner. Second, when the Board introduces a new ground of rejection, we disagree with the Office's proposal to condition the reopening of prosecution on the applicant's submission of new amendments or evidence. The applicant should be free to reopen by prosecution before the examiner by submitting arguments alone. In all cases, the Board's limited role as an appellate body that reviews examiner rejections should not be distorted so that examination effectively proceeds before the Board and not the examining corps.

The Office Should Default to Reopening Prosecution upon the Introduction of a New Ground of Rejection

On pages 69837-69838 of the Federal Register notice, the Office writes that:

> While the Office agrees that the entry of new grounds of rejection in an examiner's answer should be a rare occurrence, the Office determined that the option to enter a new ground of rejection in an examiner's answer should be

> retained in the proposed rule for those situations in which new evidence comes to light later in the prosecution. The proposed rule codifies the Office's standing procedure that requires supervisory approval of each new ground of rejection.

However, the fact that evidence "comes to light later in prosecution" is a reason to reopen prosecution, and not a reason to distort the appellate process by introducing new grounds of rejection in examiner answers.

Similarly, on page 69842, the Office writes:

> The proposed rule allows appellants to submit new arguments in response to a designated new ground of rejection in a request for rehearing without reopening prosecution. See Proposed Bd.R. 41.52(a)(3). As in the current rule, the proposed rule requires appellants to reopen prosecution to introduce new amendments or evidence. The current rule is retained in this regard because the examiner, with his/her subject matter expertise, should be the first to review new amendments and/or evidence submitted in an application, prior to the Board's appellate-level review.

The Office reassures the public that, when an examiner's answer designates a new ground of rejection, applicants will still have the option to reopen prosecution without paying an RCE.[28] Similarly, the Office reassures the public that, when a Board decision introduces a new ground of rejection, applicants will still have the option to reopen prosecution by submitting amendments or evidence.[29]

We welcome the availability of both options (reopening prosecution and proceeding to the Board). The proposed rule, however, gets the default procedure backwards. The default should be that new grounds of rejections require the examiner to reopen prosecution, *without requiring the applicant to file a paper requesting the reopening of prosecution*, instead of allowing the examiner or Board to introduce the new ground of rejection and hope for the applicant to proceed with appeal.

The role of the Board as an appellate body should not be perverted by generally requiring it to consider new grounds of rejection before a full record has been developed below. An applicant's rights to amend the claims, introduce evidence, and conduct an examiner interview are effectively zero after an appeal has been filed. There is no reason to assume that, by default, the applicant should be denied these rights because "evidence comes to light later in prosecution."

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[28] *Id*. at 69838.
[29] *Id*. at 69842.

Of course, in some cases, it will be advantageous to proceed with the Board without reopening prosecution. For example, the applicant may feel that the new ground of rejection is clearly improper, so that no further amendment, evidence, or interview is desired. We believe that these situations will be more infrequent than situations in which the applicant desires to reopen prosecution. This is especially true if the new ground of rejection is more pertinent, and not merely cumulative, to the old ground or grounds of rejection, which is Office policy.[30] The default, therefore, should be the reopening of prosecution and not the untimely consideration of undeveloped rejections before the Board.

The applicant should not be penalized by the untimely introduction of new evidence especially because, according to the Office's proposals, the Office will not consider any evidence submitted by the applicant in an IDS until after the decision on appeal.[31] Thus, any evidence will be submitted by someone else, such as by the examiner conducting an updated search or by a third party filing a protest. Thus, if "evidence comes to light later in prosecution," it will not be the fault of the applicant. The applicant should not be penalized by the Office's default rule because of someone else's error.

An Applicant's Right to Reopen Prosecution Should not be Conditioned on the Submission of Amendments or Evidence

Although new grounds of rejection may be introduced in either the examiner's answer or in the Board's decision, the applicant's proposed right to reopen prosecution is not the same in both situations. If the new ground of rejection appears in an examiner's answer, then the applicant may simply reopen prosecution by filing a submission under Rule § 1.111.[32] There is no requirement to submit amendments or evidence. If, however, the new ground of rejection appears in the Board's decision, then the applicant's right to reopen prosecution is conditioned upon the submission of amendments or evidence.[33]

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[30] MPEP § 706.02 ("Such rejections should be backed up by the best other art rejections available. Merely cumulative rejections, i.e., those which would clearly fall if the primary rejection were not sustained, should be avoided.").

[31] As discussed above, however, we believe that it is better generally to not hold the consideration of petition and IDSs in abeyance during appeal.

[32] *Id*. at 69845-69846 (Proposed Bd.R. § 41.39 (b)(1)); Current Bd.R. § 41.39(b)(1).

[33] *Id*. at 69848 (Proposed Bd.R. § 41.50 (b) (1)).

There is no logical basis for conditioning whether an applicant may reopen prosecution on whether the applicant is filing 1) arguments alone or 2) arguments coupled with amendments or evidence. As the Office acknowledges, "the examiner, with his/her subject matter expertise," should be the first to review new amendments and/or evidence submitted in an application.[34] We embrace that principle of entrusting the examining corps with first examining the application and limiting the Board's role to reviewing examiner rejections. That principle does not distinguish, however, between arguments alone, on the one hand, and amendments or evidence, on the other hand. Examiners have no less "expertise" just because an applicant traverses by arguments alone. Arguments alone made in response to a new ground of rejection should first be made before the examiner *for the same reason* that new amendments or evidence should be first considered by the examiner: the examiner's "subject matter expertise" and the limited role of the Board as reviewer of examiner rejections. Board judges should not be distorted into "super examiners" that first introduce new grounds of rejection, and then review the applicant's rebuttal arguments, entirely outside of the examining corps's subject matter expertise.

According to the same principle, the examining corps, with its subject matter expertise, must never be bound by new grounds of rejection stated by the Board. The Office should not require otherwise, as it does in current and proposed § Bd.R. 41.50(b)(1).

An example illustrates the point: if the Board introduces a new ground of rejection, the applicant may attempt to persuade the examiner, and not the Board, by arguments alone, that the rejection is wrong. The applicant may have several reasons for doing so. Most importantly, the Board panel that issued the rejection will be more invested in it than the examiner. Further, the applicant may prefer an informal interview with the examiner in contrast to the formal oral hearing before three Board judges. If the new ground of rejection corrects the examiner by replacing an old ground of rejection, the examiner may now be more likely to understand the applicant's position. Even if these situations are rare, the right to proceed first before the examiner is important and must be protected.

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[34] *Id*. at 69842.

Further, for the applicant who wishes to take his chances with the examiner and not the Board, the Office's proposed rule creates perverse incentives for those applicants to submit token amendments or evidence just to overcome this procedural obstacle for reopening prosecution.

As discussed above, upon the reopening of prosecution, the applicant may attempt to persuade the examiner to withdraw the rejection because the Board is wrong. The Board will then be *powerless* to reinstate the rejection, because the Board cannot review rejections withdrawn outside its jurisdiction. Although it is generally true that the Board reviews *rejected* applications, and therefore supervises examiner rejections, the Board has no authority to review *allowed* applications.[35] [36] [37] As the Board has recognized, it:

> is basically a board of review - we review […] rejections made by patent examiners." *Ex parte Gambogi*, 62 USPQ2d 1209, 1211 (BPAI 2001). We lack authority to allow claims. It is patent examiners who have the authority to do so, MPEP §§ 1005, 1302.13.[38]

Thus, the ultimate power to allow a patent application has been entrusted to the sound discretion and subject matter expertise of the examining corps. Indeed, the examiner's authority to allow applications trumps the Board and the Federal Circuit—or even the Supreme Court of the United States. Applicants should, therefore, always have the option of first traversing new grounds of rejection by arguments alone before the examiner and not the Board.

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[35] Currently, the Board does have authority to review allowed *claims* in the limited circumstance where they are presented with rejected claims on appeal. That narrow exception does not detract from the general principles outlined above. In no case can the Board review allowed applications outside of its jurisdiction. *See* MPEP § 1213.02 ("While the Board is authorized to reject allowed claims, this authorization is not intended as an instruction to the Board to examine every allowed claim in every appealed application. It is, rather, intended to give the Board express authority to act when it becomes apparent, *during the consideration of rejected claims*, that one or more allowed claims may be subject to rejection on either the same or on different grounds from those applied against the rejected claims. *Since the exercise of authority under 37 CFR 41.50(b) is discretionary, no inference should be drawn from a failure to exercise that discretion.*") (emphasis added).

[36] MPEP § 1214.01 I. ("Prosecution before the examiner of the [new ground of] rejection can incidentally result in overcoming the affirmed rejection even though the affirmed rejection is not open to further prosecution. Therefore, it is possible for the application to be allowed as a result of the limited prosecution before the examiner of the [new ground of] rejection. *If the application becomes allowed, the application should not be returned to the Board*.") (emphasis added). *See also* MPEP § 1214.06 IV.

[37] MPEP § 1213.01 ("An explicit statement by the Board on how a claim on appeal may be amended to overcome a specific rejection is not a statement that a claim so-amended is allowable. The examiner may reject a claim so-amended, provided that the rejection constitutes a new ground of rejection.").

[38] *Ex Parte Hendrickson et al*., Appeal No. 2007002288 (BPAI 2007).

Removing Several Briefing Requirement for an Appeal Brief

The undersigned approve of the removal of these requirements because they tend to reduce the burden on applicants. As discussed below, we also believe that the requirements may be further improved in at least one respect.

Approved Changes to Briefing Requirements

In particular, we approve of the following proposals:

1. eliminating the requirements to cite to particular reporters
2. eliminating the requirement to use parallel citations
3. eliminating the requirement to affirmatively state which claims are on appeal
4. the default rule allowing the real party in interest statement to be omitted
5. the restrictions on what related appeals and interferences must be reported
6. the default rule allowing the related appeals and interferences statement to be omitted
7. eliminating the status of claims section
8. eliminating the statement of last entered amendment
9. eliminating the statement of grounds of rejection
10. eliminating the claims appendix
11. eliminating the evidence appendix
12. eliminating the related proceedings appendix

Summary of Claimed Subject Matter

The undersigned approve of the reduction in requirements for providing a summary of claimed subject matter. Nevertheless, we propose that this section may be eliminated in entirety without unduly burdening the Board for the following reasons.

The Required Summary of Claimed Subject Matter Encourages Judges to Review New Issues not Raised by the Applicant or Examiner

By having the Board review briefs for proper inclusion of the summary of claimed subject matter, the new rules, like the old rules, *effectively* force that appellate body to confirm that a disputed claim feature complies with the written description and

new matter requirements of §§ 112 and 132,[39] even when those issues have not been raised below.

The Required Summary of Claimed Subject Matter Violates the Spirit of the Prima Facie Case Requirement

As acknowledged by the MPEP, appellants are only under a duty to show support for a claim feature, thereby rebutting a prima facie case of no written description support, after the examiner has first made the prima facie case.[40] The new proposed rule is not so limited, and therefore conflicts with the spirit, if not the letter, of the prima facie requirement. In our view, the proposed rule thereby overburdens the Board and distorts its purpose as an appellate body and not an initial fact finder.

The Burden of the Summary of Claimed Subject Matter is Not Justified by a Request by Applicants for Special Treatment

The requirement for appeal briefs can be contrasted with the requirements for accelerating examination. To receive accelerated examination, an applicant must "show[] where each limitation of the claims finds support under the first paragraph of 35 U.S.C. 112 in the written description of the specification."[41] The providing of a preemptive showing of where the claim limitations find support is part of the quid-pro-quo of accelerated examination. According to that quid-pro-quo, the applicant undergoes the burden of providing support for the claim limitations in exchange for special treatment.

Unlike the applicant seeking accelerated examination, however, applicants on appeal are *not* seeking special treatment. Applicants on appeal are simply asking for the proper examination for which they have already paid and to which they are already entitled. Further, as the Office's own statistics show, the vast majority of rejections on appeal are later withdrawn or reversed. Applicants should not be punished for appealing with the burden that the summary of claimed subject matter section imposes.

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[39] Because claims may be considered part of the specification, we understand that a § 132 rejection may also be appropriate in the case of a written description rejection under § 112.
[40] MPEP § 2163.04 (*citing Hyatt v. Dudas*, 492 F.3d 1365, 1370, 83 USPQ2d 1373, 1376 (Fed. Cir. 2007)).
[41] 71 FR 36323-36327 at 36325.

Skilled BPAI Judges Can Construe the Meaning of Claims without Special Assistance from Applicants

In many cases, claims speak for themselves without recourse to the application. For example, it is a bedrock principle of patent law that limitations cannot be imported into the claims from the specification (a principle that examiners often deploy against applicants).[42] Similarly, with rare exceptions, original claims may provide their own written description support:

> [43]In addition, early opinions suggest the Patent and Trademark Office was unwilling to find written descriptive support when the only description was found in the claims; however, this viewpoint was rejected. […] **It is now well accepted that a satisfactory description may be in the claims or any other portion of the originally filed specification.** (emphasis added)

If the Board wishes to refer to the specification and drawings for the purpose of merely understanding the claimed invention, such an understanding can almost always be found by a skilled Board judge referencing the application and applied references as a whole without further assistance.

Moreover, by pointing out specific excerpts of an application, the proposed rule encourages the reading of less than the entire application in deciding an appeal. As noted above, the meaning of disputed claim terms can invariably be ascertained by a skilled Board judge reading the entire application. We believe that, in the vase majority of cases, once an application is ripe for appeal, it is not too much to ask for the judge to read the entire application before making a decision.

The Examining Corps and the Board's Reviewing Courts do not Require a Summary of Claimed Subject Matter

As a further reason to eliminate the summary of claimed subject matter requirement, we are not aware of any similar requirement to preemptively provide written description support either 1) before the examiner, or 2) in the briefing requirements for the Court of Appeals for the Federal Circuit (CAFC), much less the Supreme Court, which are generally more burdensome than those to the Board. It is not clear why, if examiners and Federal Circuit judges can understand the claimed subject matter without

[42] MPEP §§ 2111.01 II and 707.07(f) (Form Paragraph 7.37.08).
[43] MPEP §2163 I.

requiring applicants to point out support in the specification and drawings, Board judges cannot do the same.

It is true that Federal Circuit judges may refer to the Board brief below to locate the summary of claimed subject matter citations. But the fact that information may be found in an earlier Board brief does not prevent the Federal Circuit from requiring appellants to repeat significant other information that can also be found in the Board brief. Rather, we suggest that, if the summary of claimed subject matter information is practically necessary to resolving appeals, then the Federal Circuit would also require its presence.

The Revised Summary of Claimed Subject Matter will have the Unintended Consequence of Harming Patentees

A final concern is that, by forcing Appellants to single out claim limitations that are in dispute (and, by implication, those that are not in dispute), the proposed rule may have the unintended consequence of forcing appellants to harm their own interests. Once any briefed application is later issued as a patent and litigated, defendants will seize upon the appellant's characterization of a claim feature as "disputed," and all other features as undisputed. For example, if an appellant disputes several claim constructions by an examiner, but only appeals and argues one, because it is sufficient to reverse the rejections, the appellant may be later held to have conceded the other claim constructions. Appellants may only prevent that situation by citing, and providing support for, every disputed claim limitation, but doing so is inefficient if the appeal can be decided on the ground of only a single limitation. In this sense, the old rule, however burdensome, may actually be preferable.

Compromise Proposal on the Summary of Claimed Subject Matter

In view of the above, we propose that the summary of claimed subject matter requirement be eliminated. Alternatively, as a compromise, the rule may be modified so that a summary is only required upon the showing of need or cause by the examiner or Board. Examples of proper showings of need or cause may include: 1) the presence of a written description or indefiniteness rejection under 35 U.S.C. § 112, 2) an exceptionally

long, difficult, or convoluted application, as shown by the requirement to pay the fee for excess claims or excess application pages, and/or 3) the fact that the appellant appears to have acted as his or her own lexicographer in coining a new term of art, which does not find a clear analogue in the specification and drawings.

Still, we do not suggest that 1-3) become per se rules. For example, for the vast majority of written description and indefiniteness rejections, an appellant will have already provided support and explanation for the rejected subject matter. That support may be found in the image file wrapper, like so much of the other information that the proposed rules would no longer require appellants to repeat in the brief. Even if the information cannot be found in the image file wrapper, the information will be found in the arguments of the brief, or else the § 112 rejection will almost surely be affirmed.

Further, to address the concern about applicants identifying claim features as disputed, or undisputed, we also propose, as a compromise, that the rule be amended to make explicit that:

1. the citation of support for a claim limitation is not taken to be exhaustive, and
2. the citation of a claim limitation as disputed is not taken to imply that other claim limitations are not also disputed, because an appellant need not reverse every aspect of an examiner's rejection, only those necessary to reverse the rejection(s) on appeal.

In any case, we believe that, even if the summary of claimed subject matter requirement, which would already be reduced to only applying to disputed claim limitations, provides some marginal assistance to Board judges, the advantage is grossly outweighed by the disadvantages to appellants and patentees. In sum, we believe that the most elegant solution to the summary of claimed subject matter section, as for so many of the other briefing requirements noted above, is to simply eliminate the requirement.

<u>The Board's Jurisdiction over Appeals</u>

The proposed rules provide that: 1) the Board will take jurisdiction over an application upon the filing of a reply brief or the expiration of time in which to file such a reply brief, whichever is earlier, and 2) eliminate the Board's independent authority to remand an application to an examiner.

In an already adopted change 3), the Board has recently become the only reviewing body for appeal brief compliance.[44] Although change 3) has already been adopted, we understand that it fits in spirit with changes 1) and 2) by shifting work from the examining corps to the Board. Accordingly, we include it in the discussion of changes 1)-3) below. In a subsequent section, we discuss the meaning of the term "twice rejected."

Automatic Taking of Jurisdiction and Independent Remand to the Examiner

The undersigned generally approve of changes 1)-3) for two reasons, but with one caveat discussed below. First, we understand that the changes will help to eliminate delays between the filing of an appeal and its decision. This will help to prevent situations in which applications are lost in the appellate process, including one or more remands, for several years.

Second, we believe that the Board is generally more reliable and reasonable in treating applicants. That is why the Board reviews examiners, and not vice versa. In other words, the culture of "reject, reject, reject," even if it is a legacy of previous Office administrations, seems to have penetrated the Board less than the examining corps.

The caveat is that shifting work from the examining corps to the Board only treats the symptom, and not the cause, of the problems inspiring the shift. The cause is the examining corps. If the examining corps handled applications on appeal with as much care and diligence as the Board, there would be little need to change the rules.

Moreover, the shift in work further burdens the already overburdened Board. Of course, the examining corps is overburdened as well. It is preferable to minimize the burden on *both* the examining corps and the Board to do ministerial work, such as the review of appeal briefs for compliance with the briefing rules. The PTO has separate offices to relieve examiners and Board judges of many other kinds of ministerial work. Still, if both the examining corps and the Board could be trusted to properly perform this work with care and diligence, it would be preferable for the corps to do so.

Ultimately, however, it would be best for the Office to address the cause of these problems by hiring, training, and incentivizing examiners, including Legal Instrument

[44] *Id*. at 69832 (*citing* 75 FR 15689).

Examiners to properly 1) examine applications and 2) handle them with diligence during the transition between examination and appeal. There is no need to burden the Board with work that the examining corps should be doing properly in the first place. Because we believe that this is unlikely to happen soon, however, we prefer to have the Board handle these issues, and therefore approve of the changes.

The Office Should Clarify The Meaning of Twice Rejected

The Office does not propose to revise Bd.R. § 41.31, which states that "[e]very applicant, any of whose claims has been twice rejected, may appeal from the decision of the examiner to the Board." Because the MPEP does not carefully follow controlling BPAI law on the meaning of the term "twice rejected," it remains unclear when an appeal may be taken to the Board. MPEP § 1204 states:

> Under 37 CFR 41.31(a)(1), an applicant for a patent dissatisfied with the primary examiner's decision in the second rejection of his or her **claims** may appeal to the Board for review of the examiner's rejection by filing a notice of appeal and the required fee set forth in 37 CFR 41.20(b)(1) within the time period provided under 37 CFR 1.134 and 1.136. A notice of appeal may be filed after any of the **claims** has been twice rejected, regardless of whether the **claim(s)** has/have been finally rejected. The limitation of "twice rejected" does not have to be related to a particular application. […] For example, if any **claim** was rejected in a parent application, and the **claim** is again rejected in a continuing application, then applicant can choose to file an appeal in the continuing application, even if the **claim** was rejected only once in the continuing application. Applicant cannot file an appeal in a continuing application, or after filing a request for continued examination (RCE) under 37 CFR 1.114, until the application is under a rejection. Accordingly, applicant cannot file a notice of appeal with an RCE regardless of whether the application has been twice rejected prior to the filing of the RCE. (emphasis added)

The MPEP cites *Ex Parte Lemoine*, the controlling Board decision, for the proposition that "the limitation of 'twice rejected' does not have to be related to a particular application."[45]

The problem is that the majority opinion in *Lemoine* does not use the word "claim" in the same sense that the MPEP does (bolded above). The MPEP is apparently referring to the claims that conclude the specification ("the second rejection of his or her

[45] *Ex Parte Lemoine*, 46 USPQ2d 1420, 1423 (Bd. Pat. App. & Inter. 1994).

claims").[46] In contrast, the controlling opinion in *Lemoine* refers to general claims for a patent—i.e. *applications* for a patent—and not the claims that conclude the specification. This fact is made plain by Judge McQuade's dissent in *Lemoine*:

> The majority's determination that they have jurisdiction to decide the appeal under 35 USC 134 is predicated on their construction of the word "claims" as it appears in this statutory provision as referring to a general request or demand for a patent, rather than to claims of the type required by 35 USC 112, second paragraph.[47]

Judge McQuade argued against the majority's construction of the term "twice rejected" and lost. More applicants are entitled to appeal on the majority's construction than on Judge McQuade's. It is improper for the MPEP to restore Judge McQuade's losing construction to the prejudice of applicants. The majority's construction is what should be clearly stated in the MPEP.

The losing construction currently stated in the MPEP is also problematic for other reasons. What distinguishes claims? Number? Text? What if an applicant cancels a claim and adds a claim with the identical text? What if the applicant completely strikes out the text of a claim and replaces it with different text? Is that the same or different claim? How different must the text be before the claim is considered different, since claims are routinely amended throughout prosecution? Judge McQuade proposed a standard according to which claims are the same if they have the same "substance or scope" (without any apparent regard to claim numbering). That standard only invites disputes over the degree of "substance or scope" required to change a claim. In any case, Judge McQuade lost. The more liberal standard of the majority must be stated in the MPEP and recognized by the Office.

<u>Widespread Problems with Obviousness Rejections</u>

The Office states that "the goal of this proposed rulemaking is to effect an overall lessening of the burden on appellants and examiners to present an appeal to the Board."[48] Further, the Office makes a considerable effort to illustrate the rates of results for Appeal Briefs and Pre-Appeal Brief Requests.[49] In that regard, we note that an ideal method for

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[46] 35 U.S.C. § 112, second paragraph.
[47] *Id*. (slip opinion at pp. 40-41).
[48] 75 FR 69828-69849 at 69829.
[49] *Id*. at 69831.

lowering the burden on appellants and examiners is to lower the rates of withdrawn or reversed rejections.

As the Office's own statistics show, the vast majority of appealed rejections (i.e. 75-85%) are wrong: they are either withdrawn by the examiner after a Pre-Appeal Conference, after an Appeal Brief conference, after reviewing an applicant's Reply Brief, or reversed by the Board. Most of these rejections are obviousness type. Most of the obviousness rejections are reversed because the examiner fails to show a proper reason to combine references.[50]

Most of the problems with bad obviousness rejections are caused by the failure to make proper findings of fact in the first Office Action. The failure to make fact findings may be the result of examiners wishing to do less work and/or wishing to "hedge their bets" by miring their rejections in obscurity. The examiner might think: "why map elements in the claims to those in the reference, if I can always change my mapping later based on the applicant's reaction?" It is precisely to thwart such obfuscation that Judge Plager wrote in *In re Oetiker*:

> The examiner cannot sit mum, leaving the applicant to shoot arrows into the dark hoping to somehow hit a secret objection harbored by the examiner. The "prima facie case" notion […] seemingly was intended to leave no doubt among examiners that they must state clearly and specifically any objections (the prima facie case) to patentability, and give the applicant fair opportunity to meet those objections with evidence and argument. To that extent the concept serves to level the playing field and reduces the likelihood of administrative arbitrariness.[51]

Yet, "sitting mum" is precisely what examiners routinely do. Below, we address three specific areas where examiners systematically "sit mum" by failing to make required findings of fact.

Citations to Prior Art Must Be Concise

Many of the problems with bad obviousness rejection are caused by the citations that examiners make to prior art. The citations are generally too large and their relevance

[50] "Winning a Non-Obviousness Case at the Board," by Michael Messinger and Charles Van Horn ("Our analysis of recent BPAI decisions indicated a remarkably high percentage of Examiner reversals (59%) on obviousness grounds was due to the absence or insufficiency of the articulated rationale. Indeed, this was the single largest basis for reversal in obviousness cases by the BPAI across all technologies.") Available at: http://usptols.org/uploads/Winning_on_Non-Obviousess_at_the_Board__Messinger_Van_Horn_.pdf

[51] *In re Oetiker*, 977 F.2d 1443, 1449, 24 USPQ2d 1443, 1461 (Fed. Cir. 1992) (Plager, J., concurring).

is too obscure. When an examiner makes unspecific citations to the prior art, and later refines the citations with more specificity, a new ground of rejection is virtually always created, as discussed above regarding *Wiechert*.

We understand that the Office, in an earlier era, required examiners to cite to specific columns and lines of references in rejecting claims. That requirement has largely been abandoned. The requirement has been abandoned even though 37 CFR § 1.104 requires the examiner to clearly explain the pertinence of each reference by designating "the particular part relied on […] as nearly as practicable." Similarly, the Metrics for the Enhancement of Patent Quality for Fiscal Year 2011 require the examiner to make "a clear matching of limitations to the disclosure of the art."[52] Examiners systematically fail to meet these standards.

Especially now that patent publications are labeled with paragraph numbers instead of column and line numbers, it is common for examiners to cite one or more groups of several consecutive paragraphs, totaling over three hundred words, as disclosing an entire clause or paragraph of a claim. There is no specific matching of claims elements or steps (i.e. nouns or verbs) to elements or steps in the reference.

The failure to match elements and steps in the claims to those in the reference can be contrasted with the analysis provided in litigating issued patents. Claim charts as obscure as the statements of rejections in Office Actions would systematically fail to prove patents invalid. There no legal justification, however, for giving applicants treatment that is inferior to patentees. Even considering the presumption of validity given to patents, the citations in Office Actions fall far short of applicant's right to first be presented a prima facie case of unpatentability.

Similarly, the MPEP only requires the examiner to state "the relevant teachings of the prior art relied upon, *preferably* with reference to the relevant column or page number(s) and line number(s) *where appropriate*."[53] The statement that examiners need only make these citations in obviousness rejections "where appropriate" implies that it might be appropriate to provide no citation at all. That cannot constitute an efficient use of the Office, and the applicant's, time and resources.

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[52] http://www.uspto.gov/news/pr/2010/10_48.jsp
[53] MPEP § 706.02(j) (emphasis added).

For example, if an Office Action fails to match nouns and verbs in the reference to those recited in the claim, this often requires the applicant to schedule an interview with the examiner and the examiner's supervisor. During the interview, the applicant and/or the applicant's attorneys must pressure the examiner in an attempt to extract the information missing from the Office Action. That information could have simply been included in the Office Action without later consuming so much time of all those involved, including Office employees.

It is important to remember that unspecific citations to prior art can worsen the backlog of applications at the Office. Overbroad citations provide only a temporary disguise for bad rejections before they are weeded out, perhaps after several rounds of prosecution. Resourceful and determined applicants and assignees, including large corporations that obtain the majority of U.S. patents, will spend the money and effort to uncover the disguise that these overbroad citations provide. Thus, even if examiners gain a short term advantage by disguising the nature of the rejection beneath grossly overbroad citations to the art, they do a disservice to the Office, and to the public whom it is their duty to serve.

It is also important to remember that Rule § 1.104 and the old ground of rejection requirement generally complement each other to make an examiner's work more difficult. Accordingly, the more rigorously one rule is enforced, the more incentive the examiner has to disregard the other. For example, examiners will feel free to make concise citations to the prior art if they are also free to later rewrite and rearrange those citations without losing counts. Similarly, examiners will feel free to avoid making new grounds of rejection if their original rejection statements are so obscure, in violation of Rule § 1.104, that they retain ample room to make more specific rejections later in prosecution. The Office must ensure that the examining corps does not shift the problem from new grounds of rejection to obscure statements of rejections, or vice versa. Rather, every applicant deserves, in the first instance, a specific statement of the prior art rejection in full compliance with Rule § 1.104.

In view of the above, we urge the Office to adopt a separate mechanism that rigorously enforces Rule § 1.104 and the prima facie case requirement. The Office can better enforce these policies by requiring the examiner to specify, to the extent possible,

what nouns and verbs in the reference are alleged to correspond to those recited in the claims (as identified, for example, by the reference numerals used in a patent reference). The Office can further enforce these policies by regularly reviewing and grading the specificity and conciseness of examiner citations to prior art, independently of reviewing the correctness of rejections. The current remedies available to the applicant, which are the filing of an appeal or a petition, are insufficient for the reasons explained above: 1) the Board should only review examination on the merits after a prima facie case is first presented and 2) petitions are currently unreliable safeguards of applicant rights.[54]

Examiners Systematically Ignore MPEP § 2143

After *KSR*, the Office spent the time and expense to craft a ten page addition to MPEP § 2143 to implement the teachings of that monumental Supreme Court decision on obviousness. The addition specifies seven exemplary rationales, or templates, for making rejections on obviousness:

1. combining prior art elements according to known methods to yield predictable results;
2. simple substitution of one known element for another to obtain predictable results;
3. use of known technique to improve similar devices (methods, or products) in the same way;
4. applying a known technique to a known device (method, or product) ready for improvement to yield predictable results;
5. "obvious to try" – choosing from a finite number of identified, predictable solutions, with a reasonable expectation of success;
6. known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations are predictable to one of ordinary skill in the art;
7. some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention.

The Office did not stop with specifying these exemplary rationales. The Office went further by specifying, for each rationale, a plurality of different findings of fact that the examiner must make to support a rejection under that rationale. For example, to

[54] One way to accomplish this is to create another appellate body, below the Board, which is tasked with determining whether the examiner makes a prima facie case. Only after this inferior body confirms that a prima facie case is made would applications then be forwarded to the Board for review of the rejections on the merits.

support an obviousness rejection using the first rationale, the examiner must "articulate" the following:

1. a finding that the prior art included each element claimed, although not necessarily in a single prior art reference, with the only difference between the claimed invention and the prior art being the lack of actual combination of the elements in a single prior art reference;
2. a finding that one of ordinary skill in the art could have combined the elements as claimed by known methods, and that in combination, each element merely performs the same function as it does separately;
3. a finding that one of ordinary skill in the art would have recognized that the results of the combination were predictable; and
4. whatever additional findings based on the Graham factual inquiries may be necessary, in view of the facts of the case under consideration, to explain a conclusion of obviousness.

As stated, the requirements of § 2143 provide an important check on informal obviousness rejections. The informal nature of these rejections is aggravated by the unspecific citations to prior art discussed above. The formalism imposed by § 2143 will generally require the examiner to show that the claimed invention was actually obvious, as opposed to showing that the examiner, having read applicant's specification and claims, reconstructed the invention from prior art elements using impermissible hindsight. In short, the formalism imposed by § 2143 would generally prevent examiners from asserting, in the first instance, so many of the bad obviousness rejections that overburden the Board and Office.

For example, the Office has repeatedly stated that if an examiner fails to make any one of the required factual findings, the rejection must be withdrawn or repeated with the inclusion of each required finding:

> It remains Office policy that appropriate factual findings are required in order to apply the enumerated rationales properly. If a rejection has been made that omits one of the required factual findings, and in response to the rejection a practitioner or inventor points out the omission, Office personnel must either withdraw the rejection, or repeat the rejection including all required factual findings.[55]

It is amusing to read this last instruction from the Office, however, because the author of that instruction seems to believe that examiners actually use the rationales set forth in § 2143. *As a rule, they never do*. Thus, the procedural safeguards that § 2143

[55] *2010 KSR Guidelines Update*, 75 FR 53643-53660, at 53645.

provides against hindsight bias are never triggered. It is pointless to require examiners to make specific findings of fact to support a rejection under a § 2143 rationale if the examiners never use a § 2143 rationale.

This is true even when it is clear that an examiner is implicitly relying on one the § 2143 rationales without designating it as such. For example, most obviousness rejections do rely on a "teaching, suggestion, or motivation" to combine references, in accordance with the TSM test. Examiners systematically fail to acknowledge their use of that test or to make all of the required fact findings to support the use of that test, in accordance with § 2143. For example, examiners implicitly use the TSM test without separately articulating a reasonable expectation of success and without showing that the teaching, suggestion, or motivation was known in the art at the time of invention. As another example, examiners systematically fail to make all of the required findings of fact to support an assertion of simple substitution to achieve predictable results.

Thus, as an attempt to provide some formalism to obviousness rejections, thereby preventing the assertion of bad rejections, § 2143 has decidedly failed. The entire examining corps has sidestepped the requirements of § 2143 by never using it in the first instance. If the procedural safeguards of § 2143 are going to mean anything, they have to actually be used.

Of course, we recognize that § 2143, like *KSR*, states that these rationales are merely exemplary. The "Supreme Court in KSR did not place any limit on the particular approach to be taken to formulate the line of reasoning."[56]

Nevertheless, we cannot believe that the Office, in going through the time and expense of drafting these requirements in § 2143, and repeating them in the *2010 KSR Guidelines Update*, intended for the requirements to *never* be used. Further, we believe that, although there are only seven rationales listed in § 2143, they are so expansive as to cover virtually every case of obviousness. Indeed, the Supreme Court in *KSR* listed them precisely to show how much more expansive they are than the Federal Circuit's rigid application of the TSM test. Thus, we believe that it will be rare indeed for a claimed invention to have been obvious despite an examiner being unable to formulate a rejection in terms of at least one of the seven rationales.

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[56] *Id*.

In view of the above, we propose the following compromise rule: examiners are generally required to use the rationales set forth in § 2143 and to make each of the findings of fact required to support those rationales, while examiners can only avoid the formalism of § 2143 by seeking an exception from two Supervisory Patent Examiners or a Technology Center Director. This policy will ensure that § 2143 has teeth. It will also dramatically lower the rate of withdrawal and reversal of examiner rejections. In many cases, § 2143 would force examiners to realize, before the Board does, that there was not a proper reason or rationale to combine references. Accordingly, obviousness rejections based on the rationales set forth in § 2143, and supported by the requisite findings of fact, must be the rule, and not the exception.

Examiners Systematically Ignore the Level of Skill in the Art Finding

Before the TSM test, perhaps the only legal protection against hindsight bias was found in the *Graham* analysis.[57] The functional approach of *Graham* requires the examiner to make findings of fact about:

1. the scope and content of the prior art;
2. the differences between the claimed invention and the prior art;
3. the level of ordinary skill in the pertinent art.[58]

The examining corps recognizes the first two Graham factors. It has effectively gutted the *Graham* analysis, however, by never analyzing the third.

Although a failure to explicitly analyze the third *Graham* factor is not per se fatal to a prima facie case of obviousness, "it is always preferable for the fact finder below to specify the level of skill it has found to apply to the invention at issue."[59] Indeed, even if an appellate court does "not reverse or vacate solely because of a failure to make the level of skill finding," the court may still "consider the [lower fact finder's] failure to make that and other *Graham* findings as evidence that *Graham* was not in fact applied."[60]

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[57] *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966).
[58] MPEP § 2141 (note the typographical error whereby the MPEP omits the first factor by repeating the second).
[59] *Okajima v. Bourdeau*, 261 F.3d 1350, 1355, 59 USPQ2d 1795, 1797 (Fed. Cir. 2001).
[60] *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 963, 1 USPQ2d 1196, 1201 (Fed. Cir. 1986).

As the MPEP notes, "the importance of resolving the level of ordinary skill in the art lies in the necessity of maintaining objectivity in the obviousness inquiry."[61] Indeed, "the reference point [of the level of skill in the art] prevents [examiners] from using their own insight or, worse yet, hindsight, to gauge obviousness."[62]

In certain circumstances, courts have excused a fact finder's failure to resolve the level of ordinary skill in the art. For example, a specific finding of a particular level of skill may be unnecessary where the claimed invention would have been obvious to even the least skilled layperson.[63] Second, a specific finding of a particular level of skill may be unnecessary where the prior art itself reflects an appropriate level.[64] Similarly, in an informative opinion, an expanded panel of the Board has excused a failure to explicitly analyze the third *Graham* factor when the error was harmless.[65]

The last mentioned case from the Board is instructive. The Board wrote "[c]uriously, the [applicant] does not urge alternative findings on skill level that the Board should have made." The applicant cannot make "alternative" findings, however, if the examiner never makes an *initial* finding. Further, applicants cannot be forced to specify the level of skill *before* the examiner without eviscerating the examiner's *initial* burden to make a prima facie case of obviousness. The level of skill inquiry is not an affirmative defense that is only to be specified by applicants after the examiner analyzes the first two *Graham* factors. For example, the third *Graham* factor is not, like the fourth, a "secondary" consideration, and even if it was, a secondary consideration "should not be evaluated for its ability to knockdown the prima facie case."[66] Rather, the burden to analyze, in the first instance, all of the *Graham* factors rests squarely on the examiner's shoulders.

The systematic failure of the examining corps to even mention the third Graham factor appears to derive from the *Litton* line of cases, according to which "[t]he absence

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[61] MPEP § 2141.03 (*citing Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 718, 21 USPQ2d 1053, 1057 (Fed. Cir. 1991)).
[62] *Al-Site Corp. v. VSI International, Inc.*, 174 F.3d 1308, 1324, 50 USPQ2d 1161, 1171 (Fed. Cir. 1999).
[63] *Union Carbide Corp. v. American Can Corp.*, 724 F.2d 1567, 1573, 220 USPQ 584, 589 (Fed. Cir. 1984).
[64] MPEP § 2141.03 (*citing Chore-Time Equipment, Inc. v. Cumberland Corp.*, 713 F.2d 774, 218 USPQ 673 (Fed. Cir. 1983)).
[65] *Ex Parte Jud*, 85 USPQ2d 1280 (BPAI 2007) (reh'g granted, expanded panel) (informative).
[66] MPEP § 716.01(d).

of specific findings on the level of skill in the art does not give rise to reversible error 'where the prior art itself reflects an appropriate level and a need for testimony is not shown.'"[67] But, as the abundant case law reviewed above shows, the rule in *Litton* was never intended to give the Office carte blanche to effectively gut the *Graham* analysis by ignoring one third of it.

The following reasons show that the Office is systemically abusing *Litton* to sidestep the requirements of *Graham*. First, *Litton* refers to "a need for testimony," but it is *impossible* to take testimony during ex parte prosecution before the Office. To take testimony, one must file a § 145 action in district court.[68] Thus, the remark in *Litton* is clearly not an instruction to examiners to "sit mum" about one third of the Graham factor analysis. Second, *Litton* refers to "reversible error," but the Board no longer applies a reversible error standard. Rather, the Board generally reviews rejections *de novo*.[69] It is illegal, therefore, to give the benefit of the doubt to examiners who "sit mum" about the level of skill in the art. Third, we know of no Supreme Court authority blessing the Federal Circuit's suggestion that a fact finder can sidestep the requirements that the Supreme Court laid down in *Graham* and the protections that it affords applicants from impermissible hindsight. Fourth, and last, even if the rule in *Litton* controls, its application is problematic. How does one determine when the prior art "reflects an appropriate level of skill?" What if the examiner applies three different references which each suggest a different level of skill? The rule in *Litton* was never intended to render the entire examining corps silent about one third of the *Graham* factor analysis.

In view of the above, the examining corps, by failing to analyze the third *Graham* factor, is systematically:

1. failing to take action that the Federal Circuit says it is "always preferable" to do;
2. engaging in conduct that allows the Federal Circuit to infer that "*Graham* was not in fact applied";
3. failing to take action that is important for "maintaining objectivity in the obviousness inquiry";
4. failing to take action that prevents the examiner from using hindsight to gauge obviousness;
5. committing error in the hope that the error will later be held harmless.

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[67] *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).
[68] *Hyatt v. Kappos*, App. No. 2007-1066, __ F.3d ___, 96 USPQ2d 1841 (Fed. Cir. 2010) (en banc).
[69] *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (*en banc*, precedential).

If examiners are not considering what would have been obvious to the skilled artisan at the time of invention, they must instead substitute their own judgment of what would be obvious to *themselves* at the time of *examination*. Thus, ignoring the level of skill inquiry invites the examining corps to "fall victim to the insidious effect of a hindsight syndrome wherein that which only the inventor taught is used against its teacher."[70]

In view of the above, by failing to analyze the third *Graham* factor, the examining corps must issue countless obviousness rejections that are later withdrawn or reversed. It would be better if these rejections were never issued in the first instance. Another method to dramatically lower the rate of withdrawal and reversal of obviousness rejections, thereby relieving the burden on both the Office and the public, is to simply instruct the examining corps to stop ignoring one third of the *Graham* analysis.

Request for Further Public Information on Patent Prosecution before the Office

Another method for dramatically reducing the burden on applicants and examiners is to release more public information about patent prosecution, and to release the information in a more usable form.

For example, although the publication of application file wrappers on the internet is a tremendous help to the patent bar, which was internally opposed at the Patent Office,[71] application file wrappers remain in image, and not text-searchable format. Thus, although application publications and issued patents may be searched, all other papers filed at the Office generally cannot be searched, including Office Actions, Office Action responses including Amendments and Declarations, Pre-Appeal Brief Requests, Appeal Briefs, Examiner Answers, and Reply Briefs—even when the information is public. The release of this further information in text-searchable form would reduce huge burdens on the patent bar, as well as the Office. Further, to alleviate the burden on the Office of performing OCR scanning of documents, the Office should permit the submission of these documents in electronic, text-searchable form (i.e. Microsoft Word

[70] *Gore v. Garlock*, 721 F.2d. 1540, 1553 (Fed. Cir. 1983).
[71] Interview with AIPLA Executive Director and former USPTO Director, Q. Todd Dickinson (http://ipwatchdog.com/2010/09/12/todd-dickinson-interview-patent-reform/id=12458/).

.doc files), so that the text is already searchable. Accordingly, just as the Office granted requests to release statistics on appeal outcomes,[72] we hereby request that full application file wrappers be released in text-searchable format for the benefit of all.

For example, the release of this further information in text-searchable form would allow the patent bar to readily prepare statistics on success and failure rates for different prosecution strategies, thereby helping to avoid futile prosecution (i.e. churning) and to decrease the application backlog. The release of the information in text-searchable form would also allow the patent bar to identify outlier patent agents, attorneys, examiners, art units, and Board judges who receive or issue either inordinate numbers of rejections or allowances. For example, scholars have found that more experienced examiners are more likely to allow applications, even though there is no legal rationale for why an applicant should face a more difficult examination based on the lottery of how experienced the assigned examiner is.[73]

Private entities have made efforts to provide information like that described above, such as anonymous statistics on examiners,[74] and text searchable examples of application file wrapper papers.[75] The efforts of these companies are necessarily and severely limited, however, by the failure of the Office to first provide this information in text-searchable format. The overwhelming value that such a service would provide to the patent bar and to the Office cannot be overstated.

Respectfully submitted,

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[72] 75 FR 69828-69849 at 69831.
[73] Lemley, et al., "Examiner Characteristics and the Patent Grant Rate" (http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1329091).
[74] USPTO Examiners (http://usptoexaminers.com/).
[75] The Patent Box (http://ifwinsight.com/).