

From: Kip Werking [mailto:kip.werking@gmail.com]
Sent: Saturday, February 04, 2012 10:55 PM
To: AC63.comments; Fries, Kery
Subject: Re: Public Comments on Revision of Patent Term Adjustment Provisions Relating to Appellate Review

Dear Mr. Fries (or to whom it may concern):

Please find attached an updated version of my public comments on the recent notice of proposed rulemaking, "Revision of Patent Term Adjustment Provisions Relating to Appellate Review."

See also my previous email of Feb. 1 (reproduced below).

My revised comments:

1. correct several typographical errors
2. revise the section "Concrete example of how applicants may game the system by filing frivolous appeals" to address the fact that PTA will be limited to about six months before the Bd.R. 41.35 date (earlier, I had mistakenly stated that the PTA in that example would amount to "years").
3. revised my proposed version of Rule 1.702 to state "paper" instead of "final decision" for consistency with my proposed version of Rule 1.703
4. added a new, short section: "By its literal terms, 154(b)(1)(C)(iii) is not limited to 'review' but also includes mere 'proceeding[s]' or 'order[s]'"

As well as a few other minor and miscellaneous changes (including stylistic changes).

I hope that the public comments will be helpful to you and the Office in preparing the final rules.

Sincerely,

Kip Werking
Reg. No. 60,187

On Wed, Feb 1, 2012 at 10:56 AM, Kip Werking <kip.werking@gmail.com> wrote:
Dear Mr. Fries (or to whom it may concern):

Please find attached written public comments, in both MS Word .doc and Adobe .pdf format, on the recent notice of proposed rulemaking, "Revision of Patent Term Adjustment Provisions Relating to Appellate Review."

Two days ago, I requested an extension of time to respond to the notice, but I have not received a response (comments were officially due on January 27, 2012).

I hope that the comments will be published, or will otherwise be useful to the Office in promulgating final rules, despite the lateness of my submission.

Respectfully submitted,

Kip Werking
Reg. No. 60,187

8166 Mountain Oaks Dr.
Cottonwood Heights, Utah 84121

July 30, 2012

By Email

Kery A. Fries, Esq.
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Associate Commissioner for Patent Examination Policy
Mail Stop Comments—Patents, Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313–1450

Re: Revision of Patent Term Adjustment Provisions Relating to Appellate Review, 76 Fed. Reg. 81432 (Dec. 28, 2011)

Dear Mr. Fries:

I am writing to comment on the notice “Revision of Patent Term Adjustment Provisions Relating to Appellate Review” published in the Federal Register at 76 Fed. Reg. 81432-81437 on December 28, 2011 (“current” proposal). In general, I suggest that the Office’s original proposal¹ to allocate type C, instead of type B, PTA to applicants for the notice-to-jurisdiction time period (*see* definitions below) is both preferable as a matter of policy and fully consistent with 35 U.S.C. 154 and the Patent Act as a whole. I recommend relatively minor revisions to the Office’s original proposal in the section “The Office’s final rule(s) should fairly allocate type C PTA whenever all prior rejections are withdrawn or reversed on appeal, even if the grounds of rejection are replaced with new grounds of rejection” beginning on page 16. The following Table of Contents indicates the broad topics that I will discuss below.

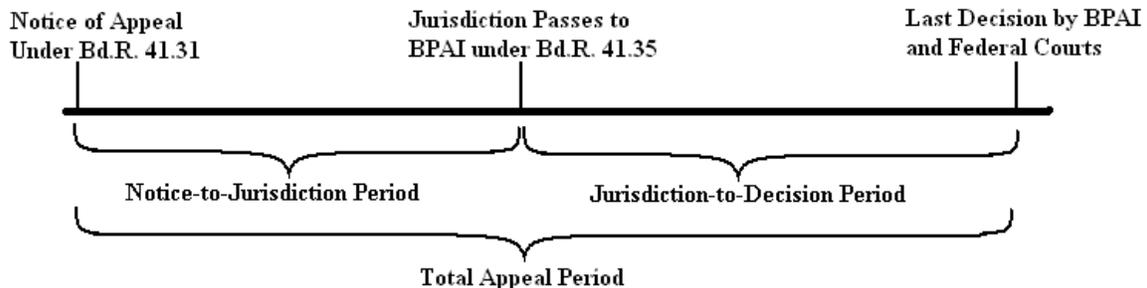
¹ *See* “Revision of Patent Term Extension and Adjustment Provisions Relating to Appellate Review and Information Disclosure Statements” published in the Federal Register at 76 FR 18990-18995 on April 6, 2011 (“original” or “previous” proposal).

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I. Introduction to terminology

Because patent term adjustment involves subtle and complex time periods, let me define the following terms for ease of discussion: notice-to-jurisdiction period, jurisdiction-to-decision period, and post-three-year period. As used herein, the “notice-to-jurisdiction period” is the time period between filing the notice of appeal and the date of jurisdiction passing to the Board of Patent Appeals and Interferences (“Board”). The “jurisdiction-to-decision period” is the time period between the date of jurisdiction passing to the Board and the last decision of the Board and federal courts.



Further, as used herein, the “post-three-year period” is the time period between the day marking three years after the filing of the application and the issuance of the patent.

II. Three major differences between 154(b)(1)(B) and 154(b)(1)(C) make the Office’s original proposal far preferable as a matter of policy

The Office proposes to interpret the period of “appellate review” in both 35 U.S.C. 154(b)(1)(B)(ii) and 154(b)(1)(C)(iii) as beginning on the date of jurisdiction passing to the Board under Bd.R. 41.35, instead of the day that a notice of appeal is filed under Bd.R. 41.31 and the \$500 fee is filed under 35 U.S.C. 41 and 134. For purposes of 154(b)(1)(C)(iii), the Office’s proposal effectively shrinks the period of “appellate review” from the total appeal period to the notice-to-jurisdiction period (see graphic above).

The Office’s proposal will have the following adverse consequences. To the extent that the post-three-year period approaches the length of the notice-to-jurisdiction period, applicants will be granted type B PTA in **even frivolous** appeals. To the extent that the notice-to-jurisdiction period is greater than the post-three-year period, applicants will be denied any PTA for the notice-to-jurisdiction period in **even meritorious** appeals. Applicants will be also denied any PTA for the notice-to-jurisdiction period in any successful appeal during continued examination. These adverse consequences suggest that the Office’s proposal violates Congressional intent (as discussed more in the section “The Office’s original proposal is fully consistent with the statutory plan” beginning on page 12).

These adverse consequences are the result of three fundamental differences between 154(b)(1)(B) and 154(b)(1)(C). Namely, 154(b)(1)(B) has two limitations, and 154(b)(1)(C)(iii) has one limitation, that are not found in the other subsection, respectively:

Statute	Unique limitation
154(b)(1)(B)	limits PTA to that compensating for delays beyond “ three years ” from the filing of the application—delays that do not push issuance beyond three years are simply forgiven
	denies PTA to applicants after the filing of a request for continued examination (RCE)
154(b)(1)(C)(iii)	requires that the “appellate review” result in “a decision [...] reversing an adverse determination of patentability[.]” (emphasis added)

Of course, the Office’s current proposal to grant type B PTA for the notice-to-jurisdiction period is preferable to the Office’s current policy of granting **neither** type B nor type C PTA.

Even though 154(b)(1)(B) and 154(b)(1)(C) are divided between prosecution and appeal to create a generally exhaustive set (*compare* 154(b)(1)(B)(ii) and 154(b)(1)(C)(iii)), the Office does not currently place the notice-to-jurisdiction period in either category. To that extent, the Office's current proposal is preferable to its current practice. Type B PTA is better than no PTA.

Nevertheless, the Office's current proposal is still not preferable to the Office's previous proposal of type C PTA. As shown in the table above, the only relevant type C limitation is that the appeal be successful. But reasonable applicants have no desire to remove that limitation, because it would be unfair to expect PTA for unsuccessful or frivolous appeals. In contrast, applicants do have a fair desire to receive type C PTA in successful appeal beyond the "3 year" and "no RCE" limitations of type B PTA. Type C PTA under the Office's original proposal is, therefore, more preferable than type B PTA as a matter of policy.

- A. Because 154(b)(1)(B) does not distinguish between successful and unsuccessful appeals, applicants will be granted type B PTA for the notice-to-jurisdiction period in even frivolous appeals

The Office's proposal overlooks the fact that 154(b)(1)(C)(iii) contains a relevant limitation that 154(b)(1)(B) does not: the "appellate review" must result in "a decision in the review reversing an adverse determination of patentability." If the Office governs the notice-to-jurisdiction period according to type B PTA, instead of type C, then patentees will potentially receive type B PTA whenever rejections are appealed—even if the appeal is entirely frivolous or ultimately unsuccessful. Applicants might use frivolous appeals as surrogate extensions of time, thereby creating type B PTA, without any reduction under the "reasonable efforts" catch-all provision of 154(b)(2)(C)(i).

- i. Concrete example of how applicants may game the system by filing frivolous appeals to receive approximately six months of undeserved PTA

For example, suppose that an applicant desires to increase, or merely delay, the term of a patent. According to the Office's proposal, the applicant need only file a frivolous notice of appeal and wait two months. The applicant may also file a frivolous appeal brief, receive a persuasive examiner's answer, and then reopen prosecution just prior to the jurisdiction date under Bd.R. 41.35. Every day after three years from the application filing date, and up to the entire notice-to-jurisdiction period, will potentially result in type B PTA.

Of course, if the applicant reopens prosecution by filing a request for continued examination (“RCE”), then that will end the type B period under 154(b)(1)(B)(i). Further, the applicant will still be required to prosecute the application to issuance, which will take months or years. Moreover, the Code of Professional Conduct prohibits the filing of a paper “to cause unnecessary delay or needless increase in the cost of any proceeding before the Office[.]” Rule 11.18(b)(2)(i).

Nevertheless, there are reasons to be concerned about applicants filing frivolous appeals to increase or delay patent term. For example, just prior to the Bd.R. 41.35 date, the applicant may file an amendment under Bd.R. 41.33(b) that cancels rejected claims but leaves allowed claims. In that case, no RCE is required, the applicant is readily allowed—yet approximately half of a year in undeserved PTA is acquired.² Applicants could file unallowable claims in otherwise allowable applications simply to preserve this option for enhancing PTA.

- ii. Further reasons to be concerned about granting type B PTA for frivolous appeals

Second, the RCE cut-off provision of 154(b)(1)(B)(i) merely limits the amount of time eligible for type B PTA. Post-RCE prosecution need not **reduce** previously accumulated PTA under the “reasonable efforts” catch-all provision of 154(b)(2)(C)(i).

Third, and similarly, even if the frivolous appeal delays the issuance of the patent, the delay does not necessarily reduce the time that the patentee can recover for infringement. Rather, the patentee may have provisional rights under section 154(d) from the time of the application’s publication. In those cases, concerns about delayed issuance will provide less of a competing disincentive to the applicant’s incentive to obtain PTA through frivolous appeals.

Fourth, although the Code of Professional Conduct prohibits “unnecessary delay” under Rule 11.18(b)(2)(i), the patentee can argue that the delay in the PTO is necessary to increase patent value by increasing or shifting patent term. Applicants can also argue that frivolous appeals were made in good faith. Even if it is a Code violation to file an appeal to increase or delay patent term, it is difficult to detect and prove the applicant’s culpable intent. Even without

² Notably, the Bd.R. 41.33 amendment would not invoke the PTA reduction effect of Rule 1.704(c)(9), because that provision only applies to “an amendment or other paper **after a decision** by the Board of Patent Appeals and Interferences,” (emphasis added).

any consideration of PTA, practitioners routinely file notices of appeal to function as effective extensions of time.

B. 154(b)(1)(B) contains a “three year” limitation that 154(b)(1)(C) does not

The Office’s proposal also potentially overlooks the fact that 154(b)(1)(B) limits PTA to that compensating for delays beyond three years from the filing of the application—delays that do not push issuance beyond three years are simply forgiven. 154(b)(1)(C)(iii) contains no similar limitation. Because 154(b)(1)(B) contains the three year limitation, but 154(b)(1)(C) does not, the Office’s proposal will distort PTA calculation based on the carefully calibrated “three year” limitation (in combination with the “six month” limitation of 35 U.S.C. 133 and the continued examination provision of section 132(b)). The Office’s proposal will also deny PTA to successful appellants in some cases.

- i. The Office’s current proposal would distort PTA calculations that are otherwise calibrated around the “three year” time period in 154(b)(1)(B), the six month limitation imposed by section 133, and the continued examination provision of section 132(b)

Congress safely relied on the “three year” limitation in 154(b)(1)(B) because 35 U.S.C. 133 requires the applicant to respond within six months to office actions, and 35 U.S.C. 132(b) (implemented in Rule 1.114) generally guarantees the applicant only two office actions. Thus, Congress anticipated that applications will generally issue, or go abandoned, within three years, unless the Office causes delays justifying PTA. Accordingly, the “three year” limitation in 154(b)(1)(B) is carefully calibrated around the “six month” limitation of section 133 and the continued examination clause of section 132(b).

In contrast, practice during the notice-to-jurisdiction period is not governed by the “six month” limitation of section 133 and the continued examination provisions of Office rules. Not only can the appeal process extend to seven months (instead of just six), but the entire appeal period (see graphic on page 3) is **appended** to the original time periods under 133 during conventional examination.

Because the entire appeal period is appended to the conventional examination time periods, frivolous appeals can be, and routinely are, used as surrogate extensions of time. Office regulations under Rule 1.704(b) reduce PTA for conventional extensions of time under Rule 1.136. But Rule 1.704 contains no similar provision to reduce PTA for frivolous appeals that are

used as surrogate extensions of time. This is precisely how the Office's current proposal will enable applicants to obtain approximately half a year of undeserved type B PTA by filing frivolous appeals, as explained in the section "Concrete example of how applicants may game the system by filing frivolous appeals to receive approximately six months of undeserved PTA" beginning on page 5.³

The "three year" limitation in 154(b)(1)(B) was not calibrated around the possibility that any part of the appeal process, including the notice-to-jurisdiction period, could be appended onto conventional examination. Rather, "appellate review" free from section 133, including the notice-to-jurisdiction period, was intended to be governed by 154(b)(1)(C)(iii).

- ii. Because 154(b)(1)(B) contains a sharp three year limitation, applicants will be denied any PTA for the notice-to-jurisdiction period in even meritorious appeals

Moreover, the Office's proposal will also deny PTA to successful appellants in some cases. For example, to the extent that the notice-to-jurisdiction period is greater than the post-three-year period (e.g. if there is no post-three-year period), patentees will not receive PTA for the notice-to-jurisdiction period—even if the appeal is ultimately successful.

Of course, if the patentee receives any PTA after an application issues less than three years from filing, then the patentee may receive a term greater than 17 years (i.e. a term greater than the traditional 17 year term). But Congress intentionally placed the three year limitation, which creates the 17 year term, in only 154(b)(1)(B)—not 154(b)(1)(A) or (C). The implication is that Congress intended for delays under 154(b)(1)(A) and (C) to provide PTA even if they result in terms greater than 17 years.

For the same reason, it is not clear that Congress intended for any appellate review, including that during the notice-to-jurisdiction period, to suffer from the three year limitation of 154(b)(1)(B)(i). Rather, as discussed more below, the Congressional plan is for appeals

³ Note, also, that if the Office were to revise Rule 1.704 to distinguish between frivolous and meritorious appeals for the purpose of reducing type B PTA, then the Office would effectively be using the catch-all provision of 154(b)(2)(C)(i), implemented in Rule 1.704, to accomplish the same purpose as the "successful" appeal requirement that is **already** placed in 154(b)(1)(C)(iii). The fact that 154(b)(1)(C)(iii) **already** contains the "successful" requirement indicates that 154(b)(1)(C)(iii) should govern the notice-to-jurisdiction time period, instead of creating new and redundant regulations to govern the time period under 154(b)(1)(B).

generally to be governed by 154(b)(1)(C)(iii) and not 154(b)(1)(B). *See* “The Office’s original proposal is fully consistent with the statutory plan” beginning on page 12.

- iii. Concrete example of how the Office’s current proposal will adversely affect accelerated applications for pioneer inventions

The reality of accelerated examination makes the above concern significant. Applicants are most likely to accelerate applications for the most important inventions. Policymakers will be most concerned with granting PTA as compensation for delays in issuing these exceptional patents. Suppose, for example, that an applicant accelerates the examination of an application to a meritorious invention, or even a pioneering invention, but must successfully appeal a baseless rejection. Suppose that the application issues in three years, instead of one, because of the appeal. In that case, it is not at all clear that Congress intended for the applicant to be granted type C PTA for just the jurisdiction-to-decision period after jurisdiction passes to the Board, instead of the total appeal period (see graphic on page 3).

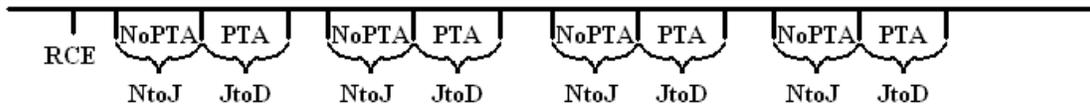
- C. Because 154(b)(1)(B) contains a sharp RCE limitation, applicants will be denied any PTA for the notice-to-jurisdiction period in any meritorious appeal during continued examination

The Office’s proposal also potentially overlooks the fact that 154(b)(1)(B)(i) denies PTA to applicants after the filing of an RCE. 154(b)(1)(C) contains no similar provision. Applicants will be denied any PTA for the notice-to-jurisdiction period, which is roughly six months, in each appeal filed after the RCE—even if the applicant must appeal two, three, or more times to overcome baseless rejections.

As with the “three years” limitation, Congress intentionally placed the “no RCE” limitation in 154(b)(1)(B), which excludes “appellate review,” rather than 154(b)(1)(C)(iii), which is directed to “appellate review.” Again, it is not at all clear that Congress intended for type C PTA to exclude the notice-to-jurisdiction period in each appeal filed during continued examination.

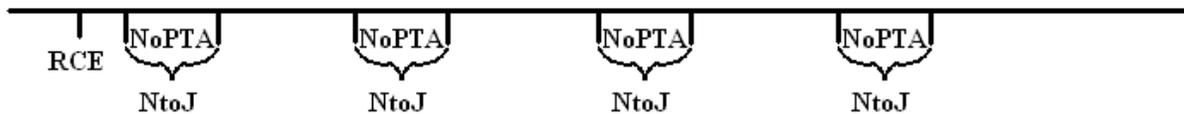
- i. Concrete example of how the Office’s current proposal will result in fractured and inconsistent grants of PTA for successful appellants during continued examination

For example, on the Office’s current proposal, an applicant would be granted type C PTA for multiple jurisdiction-to-decision (labeled “JtoD”) periods, but would be denied any PTA for corresponding notice-to-jurisdiction (labeled “NtoJ”) periods in a series of **successful** appeals:



As depicted above, for any string of successful appeals after an RCE, applicants would receive, and be denied, PTA in an inconsistent manner. PTA would repeatedly turn on, and turn off, even though each pair of NtoJ and JtoD periods are part of the same whole period, “appellate review.” Each pair of NtoJ and JtoD periods involves the exact same rejections, the exact same “delay” by the Patent Office, and yet applicants would be granted and denied PTA in a fractured and inconsistent manner. Congress cannot have intended such fractured and inconsistent strings of PTA.

The example above is not so farfetched. In many cases, appeals never reach the Bd.R. 41.35 jurisdiction date, because the examiner withdraws the rejection without forwarding the case to the Board. Some primary examiners will repeatedly refuse to send appeals to the Board.⁴ Yet, in those cases, the applicant would receive no PTA for the successful appeals, as depicted below:



The above example reveals a fundamental error in the Office’s proposal: Congress, in drafting 154(b)(1)(C), was far less concerned with the literal amount of time that the Board spends reviewing cases, than with the amount of time that appellants must waste to have improper second rejections (“twice rejected”) withdrawn or reversed—including time in which the appeal is merely docketed, a potential pre-appeal is evaluated, the brief is reviewed for compliance, the examiner’s answer is prepared, a reply brief is filed, and the decision is ultimately issued. In other words, the unifying thread that sews together “appellate review” is the time that appellants must waste having improper second rejections withdrawn or reversed through appeal—not the literal amount of time that judges spend reviewing the file.

⁴ Examples of application numbers will be provided upon request.

III. The concerns of IPO and Japan Tobacco that the Office's original proposal violate section 154 are unrealistic and flout the statutory plan

On page 81433 of the current notice, the Office states that, in response to the Office's previous proposal to grant type C PTA for the notice-to-jurisdiction period, "[t]he Office received several comments suggesting that a better approach would be to treat the appellate review period as beginning when jurisdiction passes to the BPAI." The "several comments" appear to be the comments from IPO and Japan Tobacco Inc.⁵ In general, the comments expressed concern that the Office's previous proposal violates the text of 154, because the "appellate review by the Board" under 154 allegedly cannot exist before the Board takes jurisdiction under Bd.R. 41.35. The concerns of IPO and Japan Tobacco are misguided and overstated, as explained below.

A. The 41.35 jurisdiction date should not mark the beginning of "appellate review" under 154

Contrary to the Office's current proposal, which follows the suggestion of IPO and Japan Tobacco, the 41.35 jurisdiction date should not mark the beginning of "appellate review" under 134 for at least the following reasons.

- i. The Board does conduct "appellate review" prior to the 41.35 jurisdiction date, because the Board has "sole responsibility" for reviewing briefs for compliance with Bd.R. 41.37

It is simply false that the Board cannot conduct "appellate review" prior to jurisdiction passing under Bd.R. 41.35. Since the March 29, 2010 memorandum from Associate Commissioner for Patent Examination Policy Bahr, the "Board [has] the sole responsibility for determining whether appeal briefs filed in patent applications comply with 37 CFR 41.37[.]"⁶ The new final Board rules reflect the Board's responsibility for reviewing briefs for compliance.⁷ Reviewing "appeal briefs" for compliance with Board rules fits comfortably within the term "appellate review." Yet the Board reviews briefs for compliance long before the passing of "jurisdiction" under Bd.R. 41.35.

⁵ The comments are available at:

http://www.uspto.gov/patents/law/comments/ptepta_appeal.jsp

⁶ http://www.patentlyo.com/bpai_revised_procedure_20100329.pdf

- ii. The pre-appeal conference and appeal brief conference programs were only created or published five years after the relevant sections of 154, and therefore cannot express Congressional intent about the definition of “appellate review”

Also in 2004, the appeal brief conference was first created, or at least recognized in MPEP 1207.01. No statute or regulation supports the appeal conference program. Similarly, the pre-appeal conference program was announced in the Official Gazette in 2005, but has yet to be supported in either the MPEP or CFR—seven years after its creation and 13 years after Congress wrote the relevant subsections of 154.

In view of the above, Congress was completely unaware of these programs when it wrote the relevant subsections of section 154. Accordingly, Congress could not have anticipated that the Office would create such procedures to filter out meritorious appeals before the Board can further review them (i.e. beyond reviewing them for compliance with Bd.R. 41.37). For the same reason, Congress cannot have intended for such procedures to deny applicants the full range of type C PTA that they would otherwise obtain in having improper second rejections (“twice rejected”) withdrawn or reversed.

B. The Office’s original proposal is fully consistent with the statutory plan

Instead of considering non-existent and mysterious internal conference programs to decide what Congress intended in 1999, it is more accurate to consider the structure of the Patent Act in 1999 as a whole. Congress revealed its plan for the Board almost exclusively in sections 6, 41, 132, and 134 of the Patent Act. Section 6 states that the Board “shall” under its “duty” “review adverse decisions of examiners.” Congress defined the timing in section 6 as being “on written appeal of an applicant,” and in section 134 as “[the applicant] having once paid the fee for such appeal.” Congress defined the fee for “filing an appeal from the examiner **to the Board**” in section 41 as \$500. Similarly, Congress wrote in section 134 that the fee designates an appeal “**to the Board.**”

In contrast to the appeal process under sections 6 and 134, Congress defined conventional examination in sections 131-133. In these sections, Congress wrote that “[t]he Director shall

⁷ “Rules of Practice Before the Board of Patent Appeals and Interferences in *Ex Parte* Appeals,” 76 Fed. Reg. 72270-72299 (November 22, 2011).

cause an examination to be made,” “the Director shall notify the applicant” of rejections, and “[t]he Director shall [...] provide for the continued examination of applications[.]”

- i. In general, “examination” in 35 U.S.C. 131-133, and “appeal” in sections 6 and 134 map to 154(b)(1)(B) and (C)(iii), respectively

Because Congress divided application review between “examination” in sections 131-133, and “appeal” in sections 6 and 134, the natural conclusion is that Congress drafted 154(b)(1)(B) (“pendency” minus “appellate review” = “examination”) and (C)(iii) (“appellate review”) to map to these subsections, respectively:

131 and 132: “examination”	154(b)(1)(B): “APPLICATION PENDENCY [...] not including —any time consumed by appellate review by the Board of Patent Appeals and Interferences ”
6, 41, 134: “An applicant[,] [...] any of whose claims has been twice rejected, may appeal from the decision of the primary examiner to the Board of Patent Appeals and Interferences , having once paid the fee for such appeal.”	154(b)(1)(C)(iii): “appellate review by the Board of Patent Appeals and Interferences ”

Moreover, because Congress wrote that applicants initiate appeals by filing a “written appeal” under section 6 and filing a \$500 fee under section 41, the natural conclusion is that “appeal” under 134 and parallel “appellate review” under 154 begin when the applicant files a notice of appeal and the \$500 fee.

Congress wrote in sections 6, 41, and 134 that applicants appeal from the examiner “to the Board.” Congress did not write that applicants appeal from the examiner to a panel of three examiners. Nothing in the MPEP, CFR, and Patent Act even hints that filing the \$500 notice of appeal fee under section 41, much less a notice of appeal under sections 6 and 134 (and Bd.R. 41.31), would fail to result in “appellate review” and corresponding type C PTA. The Office would be misguided to give more weight to non-existent and mysterious internal conference panels as defining the term “appellate review,” rather than the language of the Patent Act as a whole in 1999.

- ii. By its literal terms, 154(b)(1)(C)(iii) is not limited to “review” but also includes mere “proceeding[s]” or “order[s]”

Although the first clause of 154(b)(1)(C)(iii) states that type C PTA is granted for “appellate review,” the final text of the subsection clarifies that PTA is not just granted for “review” but also for “proceeding[s]” or “order[s].” Specifically, 154(b)(1)(C)(iii) states that “the term of the patent shall be extended 1 day for each day of the pendency of **the proceeding, order, or review, as the case may be.**”

The language “proceeding, order, **or** review, as the case may be” indicates that Congress both anticipated the concerns of IPO and Japan Tobacco, and refused to adopt their recommended policies. Congress contemplated and explicitly provided that, “as the case may be,” “proceeding[s]” might occur without any “review” by the Board. In those “case[s],” Congress insisted that applicants still be granted type C PTA—not type B. The pre-appeal conference program and appeal brief conference program are precisely the sort of “proceeding[s]” without Board “review” addressed by Congress in 154(b)(1)(C)(iii). Accordingly, Congress contemplated and explicitly addressed the concerns of IPO and Japan Tobacco in the literal text of 154(b)(1)(C)(iii), while refusing to adopt their recommended policies.

- iii. Because applicants must, when filing a pre-appeal brief request, also file the notice of appeal “to the Board” under Bd.R. 41.31 and the fee for appeal “to the Board” under 35 U.S.C 41 and 134, the Office’s original proposal is more than consistent with 154

Even in the cases of pre-appeal brief and appeal brief conferences, prior to jurisdiction passing under Bd.R. 41.35, the following must still be true. First, the application must be “twice rejected” under 35 U.S.C. 134. Second, the applicant must pay the fee for appeal “to the Board” under 35 U.S.C. 41 (and Bd.R. 41.20). Third, the applicant must file a written notice of appeal “to the Board” under 35 U.S.C. 6 and 134 (and Bd.R. 41.31). Fourth, in the case of an appeal brief, the Board must review the brief for compliance with Bd.R. 41.37 long before jurisdiction passes under Bd.R. 41.35, as discussed above. In view of the totality of the above, the Office’s original proposal to regard the notice of appeal “to the Board” under Bd.R. 41.31 and appeal fee “to the Board” under 35 U.S.C. 41 and 134 as marking the beginning of “appellate review” by the Board is more than consistent with section 154 and the Patent Act as a whole.

- iv. The deletion of the express definition of “appellate review” in the URAA is not an invitation for the Office to supply its own narrower definition

On page 81434 of the current notice, the Office relies on a Supreme Court decision, *Intel Corp. v. Advanced Micro Devices, Inc.*,⁸ to argue that the Office should not read back into section 154 the express definition of the “appellate review” time period in the URAA. But the facts of that decision are relevantly different than those here, because in that case the Supreme Court held that deleting the previous limitation **broadened** the statute. Specifically, the Court held that a proceeding could be either pending, or not pending, because Congress had deleted the requirement for the proceeding to be “pending.” In contrast, the Office here proposes to **narrow** the statute by defining “appellate review” more narrowly than in the URAA. *Intel Corp.* does not stand for the proposition that agencies are free to replace statutory definitions with their own, narrower definitions, simply because Congress deletes an express definition.

I am not aware of any motivation of Congress in deleting the express definition in the URAA. But I strongly doubt that Congress intended for the Office to shrink applicants’ rights to type C PTA by narrowing the definition further. Moreover, I doubt that Congress intended for the Office to narrow the definition based on concerns about internal conference panels that did not exist in 1999, when the express definition was deleted.

- v. Because the Office’s original proposal is made pursuant to “a congressional delegation of administrative authority” under 154(b)(3)(A), the Office’s original proposal would receive *Chevron* deference

Section 154(b)(3)(A) clearly grants the Office the power to regulate the calculation of PTA according to the statute. Consequently, the Office’s interpretation of 154 is made pursuant to “a congressional delegation of administrative authority.”⁹ Because the Office’s interpretation is made pursuant to that authority, the Office will be granted *Chevron* deference in its interpretation of 154.¹⁰

⁸ *Intel Corp. v. Advanced Micro Devices, Inc.*, 542 U.S. 241, 258–59 (2004).

⁹ *Tafas v. Doll*, 559 F. 3d 1345, 1353 (Fed. Cir. 2009) (citing *Adams Fruit Co. v. Barrett*, 494 U.S. 638, 649, 110 S.Ct. 1384, 108 L.Ed.2d 585 (1990)).

¹⁰ *Id.* at 1354 (Fed. Cir. 2009) (“Our precedent is clear that the *Chevron* framework is applicable to review of [procedural rules.]”)

Under *Chevron*, an agency's interpretation of a statute is upheld under the deferential standard of whether the interpretation is merely "permissible." The Office's previous proposal to interpret "appellate review" to begin after the filing of a "notice of appeal" under 41.31 "to the Board" with the required \$500 fee "on filing an appeal from the examiner to the Board" under 35 U.S.C. 41 satisfies that deferential standard.

Of course, the Office's current proposal, which is to govern the notice-to-jurisdiction period according to 154(b)(1)(B) and not 154(b)(1)(C), would likely also satisfy the *Chevron* standard. But I have already presented numerous arguments why 154(b)(1)(B) was not designed to accommodate the notice-to-jurisdiction period and would result in severely undesirable consequences as a matter of policy. See the section "Three major differences between 154(b)(1)(B) and 154(b)(1)(C) make the Office's original proposal far preferable as a matter of policy" beginning on page 4.

- IV. The Office's final rule(s) should fairly allocate type C PTA whenever all prior rejections are withdrawn or reversed on appeal, even if the grounds of rejection are replaced with new grounds of rejection

In response to the Office's original proposal, I submitted public comments that largely agreed with the proposal but recommended revisions to address new grounds of rejection during appeal. My concerns can be summarized as follows: it would be inconsistent to grant type C PTA when an examiner withdraws grounds of rejections during appeal and makes substitute rejections in an office action, but not grant type C PTA when the examiner makes the substitute rejections in an examiner's answer. It would be inconsistent, and unjust, because the examiner and TC Director have huge discretion in determining whether to place the substitute rejection(s) in a new office action or, instead, in an examiner's answer. In either case, the applicant has appealed improper second rejections ("twice rejected"), and the Office has essentially admitted error and unfairly delayed applicant's response to the rejections. The same applies for new grounds of rejection in Board decisions under Bd.R. 41.50(b). I refer the reader to my original comments for a fuller understanding of my concerns.¹¹

¹¹ The comments are available here:
http://www.uspto.gov/patents/law/comments/pta_werking_06may2011.pdf

My original public comments criticized the Office for not proposing to grant type C PTA when the Office substitutes new grounds of rejection on appeal, but I did not offer a counter proposal. Accordingly, I hereby propose the following edits to the Office's original proposal for Rule 1.702 (which itself is a revision to current Rule 1.702):

(e) Delays caused by successful appellate review. Subject to the provisions of 35 U.S.C. 154(b) and this subpart, the term of an original patent shall be adjusted if the issuance of the patent was delayed due to review by the Board of Patent Appeals and Interferences under 35 U.S.C. 134 or by a Federal court under 35 U.S.C. 141 or 145, if the patent was issued under a decision in the review reversing an adverse determination of patentability. If an application is remanded by a panel of the Board of Patent Appeals and Interferences and the remand is the last action by a panel of the Board of Patent Appeals and Interferences prior to the mailing of a notice of allowance under 35 U.S.C. 151 in the application or if the Office withdraws, or the Board reverses, reopens prosecution all of the grounds of rejection from which the applicant appeals to the Board, regardless of whether the grounds of rejection were first issued in an office action, examiner's answer under 37 CFR 41.39, supplemental examiner's answer under 37 CFR 41.43 pursuant to a remand under 37 CFR 41.50(a), or Board decision under 37 CFR 41.50, after a notice of appeal has been filed but before any decision by the Board of Patent Appeals and Interferences and issues an Office action under 35 U.S.C. 132 or notice of allowance under 35 U.S.C. 151, the remand or issuance of an Office action under 35 U.S.C. 132 or notice of allowance under 35 U.S.C. 151 withdrawal or reversal of all grounds of rejection shall be considered a decision in the review reversing an adverse determination of patentability as that phrase is used in 35 U.S.C. 154(b)(1)(C)(iii), and a final decision paper in favor of the applicant under § 1.703(e). A remand by a panel of the Board of Patent Appeals and Interferences shall not be considered a decision in the review reversing an adverse determination of patentability as provided in this paragraph if there is filed a request for continued examination under 35 U.S.C. 132(b) that was not first preceded by the mailing, after such remand, of at least one of an action under 35 U.S.C. 132 or a notice of allowance under 35 U.S.C. 151. A reopening of prosecution after a notice of appeal has been filed shall not be considered a decision in the review reversing

an adverse determination as provided in this paragraph if appellant files a request to withdraw the appeal, an amendment pursuant to § 41.33 of this title canceling all of the claims on appeal, or a request for continued examination under 35 U.S.C. 132(b).

Rule 1.701 would be amended in a parallel manner.

Moreover, Rule 1.703, which specifies the days defining the grant of PTA, should be amended as follows for consistency with the above proposed revisions to Rule 1.702:

(e)The period of adjustment under § 1.702(e) is the sum of the number of days, if any, in the period beginning on the date on which a notice of appeal to the Board of Patent Appeals and Interferences was filed under 35 U.S.C. 134 and § 41.31 of this title and ending on the date ~~of a final decision in favor of the applicant~~ that a paper is issued indicating that all of the appealed grounds of rejection are withdrawn by the Office or reversed by the Board of Patent Appeals and Interferences or by a Federal court in an appeal under 35 U.S.C. 141 or a civil action under 35 U.S.C. 145.

Although I prefer my revisions to the Office's original proposal, as indicated and explained above, I would also still prefer the Office's unrevised original proposal to its current proposal. My revisions are intended to address new grounds of rejection on appeal. But new grounds of rejection on appeal are relatively infrequent. Accordingly, I would still prefer the Office's original proposal, even without my revisions, to the Office's current proposal, as explained above.

Sincerely,

/s/ Kipman T. Werking
Registration No. 60,187