

**UNITED STATES
PATENT AND TRADEMARK OFFICE**



Patent Trial and Appeal Board: Intro to Ex Parte Appeals

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March 29, 2022

UNITED STATES
PATENT AND TRADEMARK OFFICE



Ex parte appeal basics

Overview: The appeals process

1. Appeal to the Board
2. Argue to the Board
 - A. Briefs
 - B. Optional oral hearing
3. Board consideration
4. Board decision
5. Optional post-decision action

Step 1: Appeals to Board panels

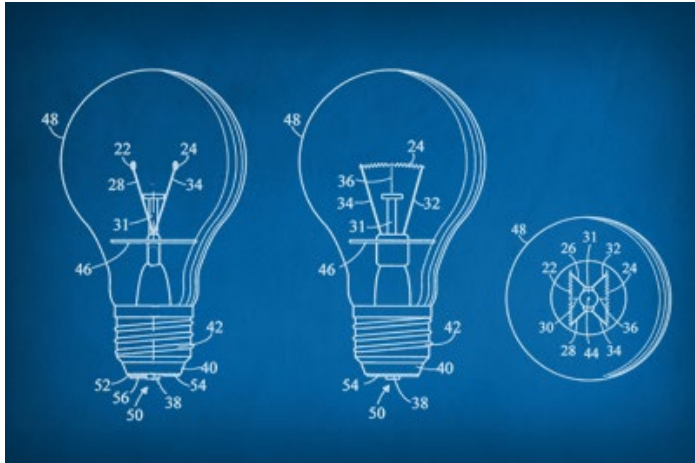
- 35 U.S.C. § 6(c) requires a final decision by a minimum of a three-member panel:
 - Also applies to derivation, post-grant review, and inter partes review proceedings
 - Members designated by the director



Step 1: The Board's appellate jurisdiction

- 35 U.S.C. §134 defines who may appeal to the Board
 - Patent applicants with claims “twice rejected” may appeal from the decision of the primary examiner
 - In an ex-parte reexamination, patent owner may appeal any final decision unfavorable to the patentability of any claim
 - In an inter partes reexamination, patent owner and third-party requestor may appeal an adverse ruling in any final decision

Step 1: Getting to the Board



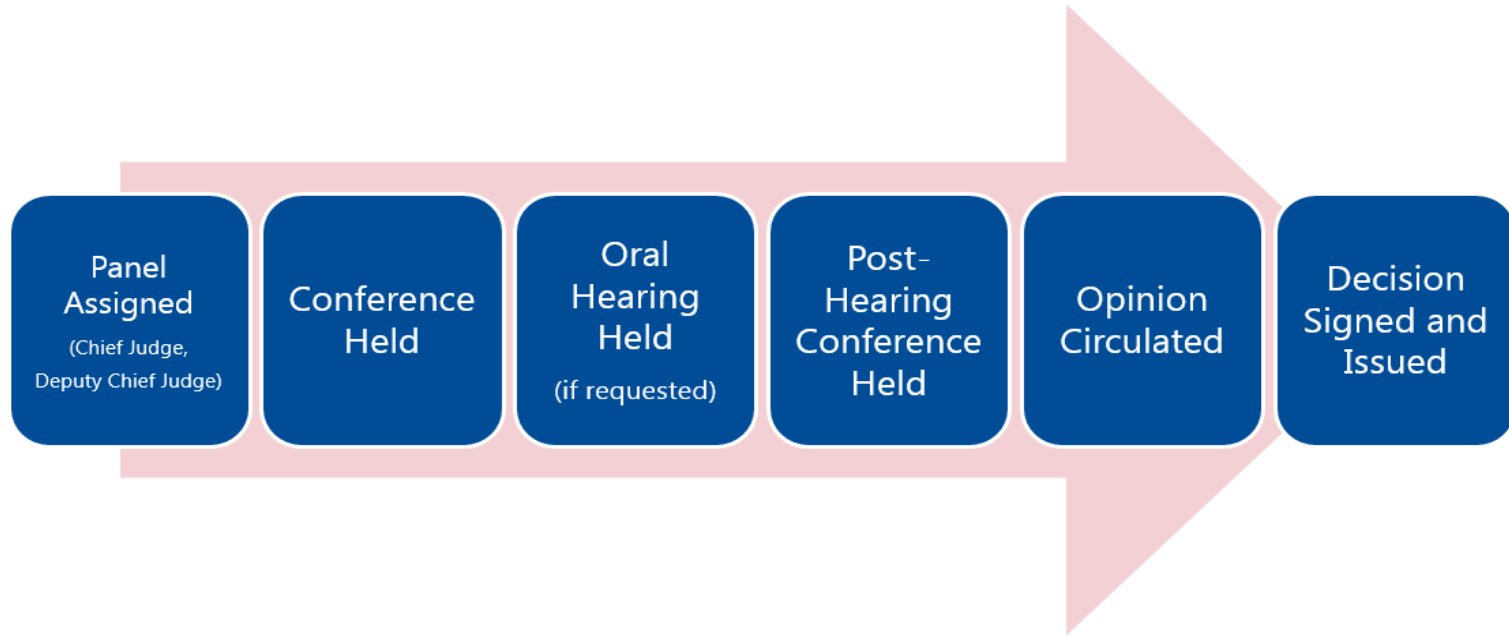
- Twice or finally rejected claim(s)
- Notice of appeal
 - Pre-appeal review
(Implemented as of July 12, 2005
OG Notice)

Step 2: Arguing to the Board

1. Appellant files an appeal brief
2. Examiner files an Examiner's answer
3. Appellant files a reply brief
4. (Optional) Appellant files an oral argument request



Step 3: Board consideration



Step 3: Board consideration

- Board reviews arguments and evidence for an error identified by the appellant to determine if the examiner's findings and conclusions are supported by a preponderance of the evidence
 - *Ex Parte Frye*, Appeal 2009-006013 (BPAI 2010) (Precedential)
- Optional oral argument
 - Generally limited to 20 minutes



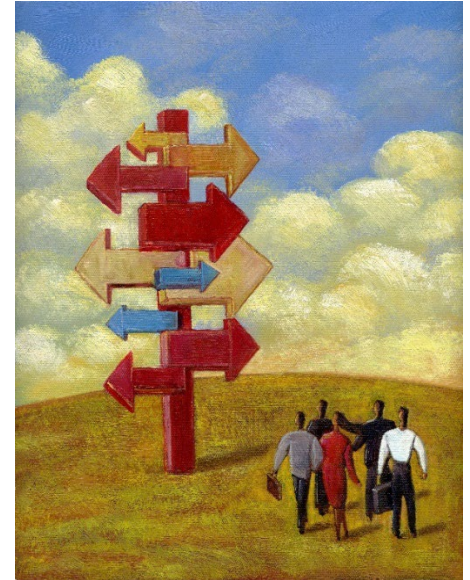
Step 4: Board decision or disposition

- Affirm
- Affirm-in-part
- Reverse
- Vacate (rare)
- Remand (rare)
- Dismiss (rare)
- New ground of rejection (37 C.F.R. § 41.50(b))

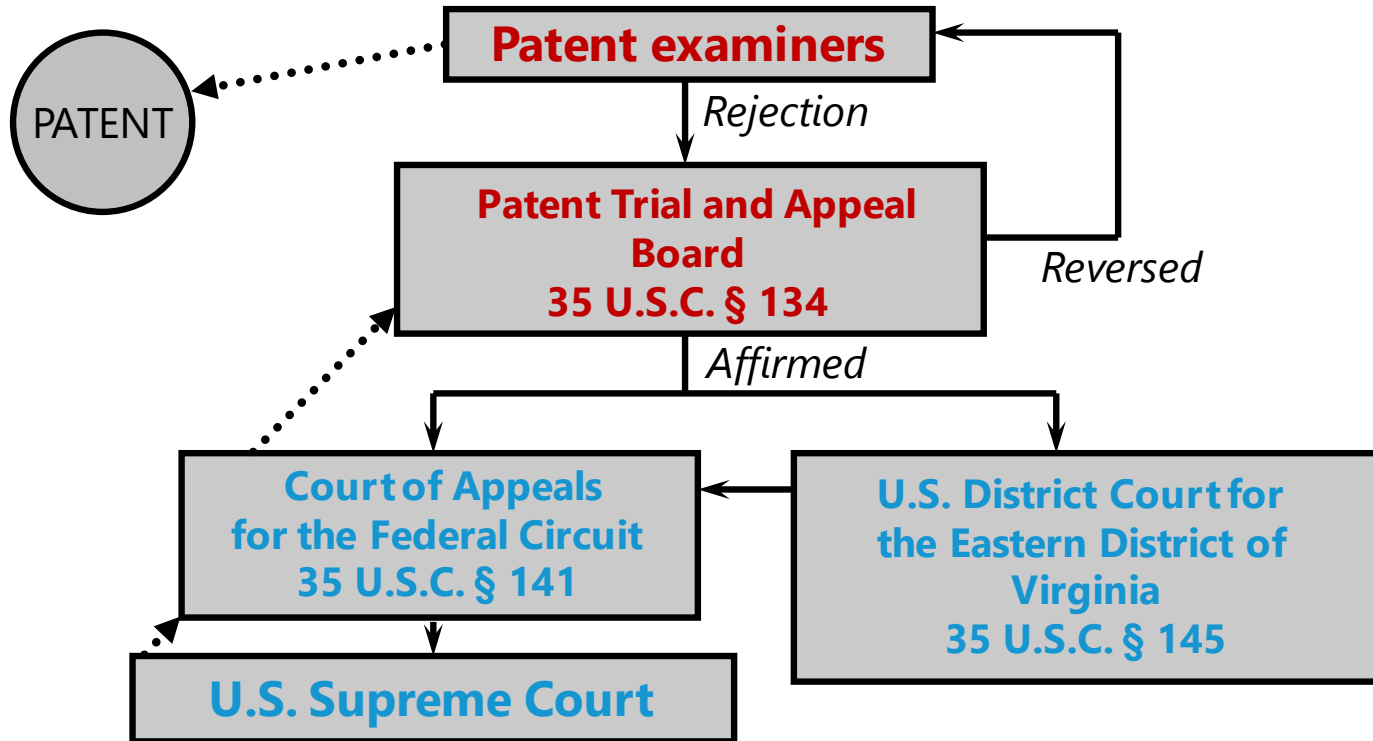


Step 5: Action after Board decision

- **RCE: Request for Continued Examination**
 - Application returns to Examining Corps
- **Request for rehearing**
 - By same Board panel
- **Appeal**
 - U.S. Court of Appeals for the Federal Circuit
 - then U.S. Supreme Court
- **Civil action**
 - U.S. District Court for the Eastern District of Virginia



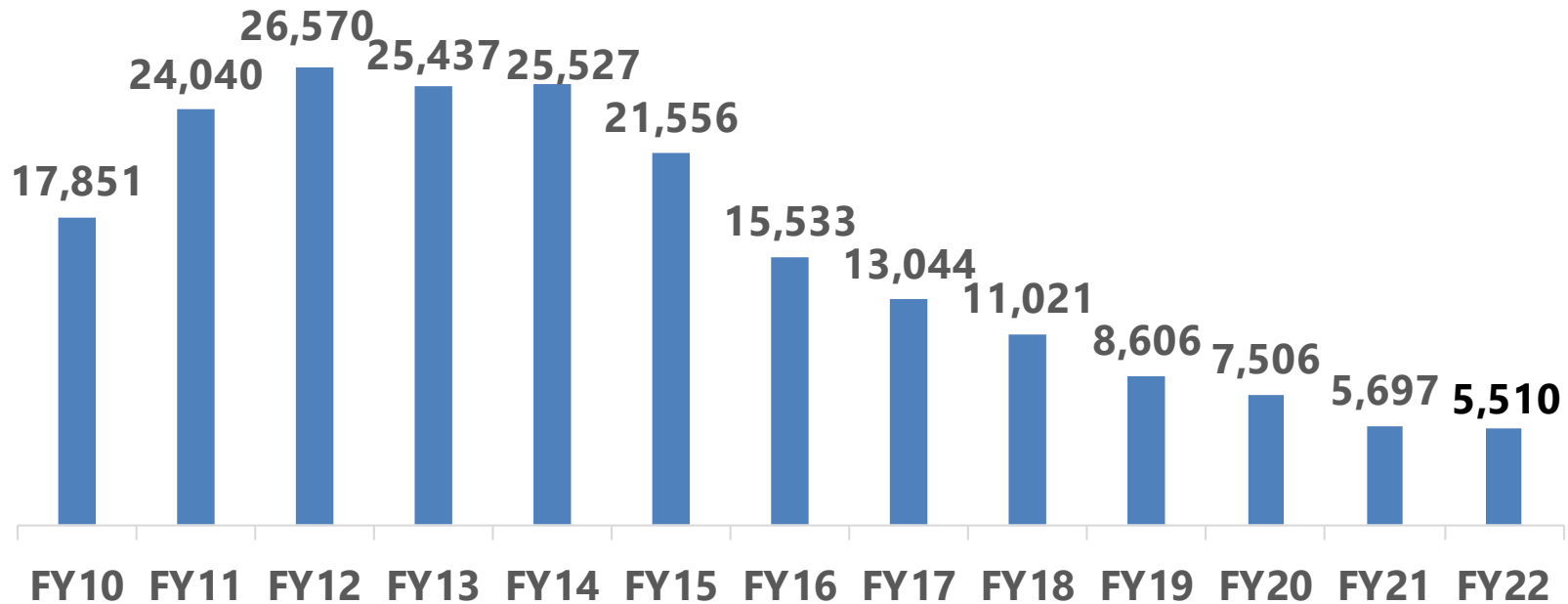
Summary of the appeals process



Appeals statistics

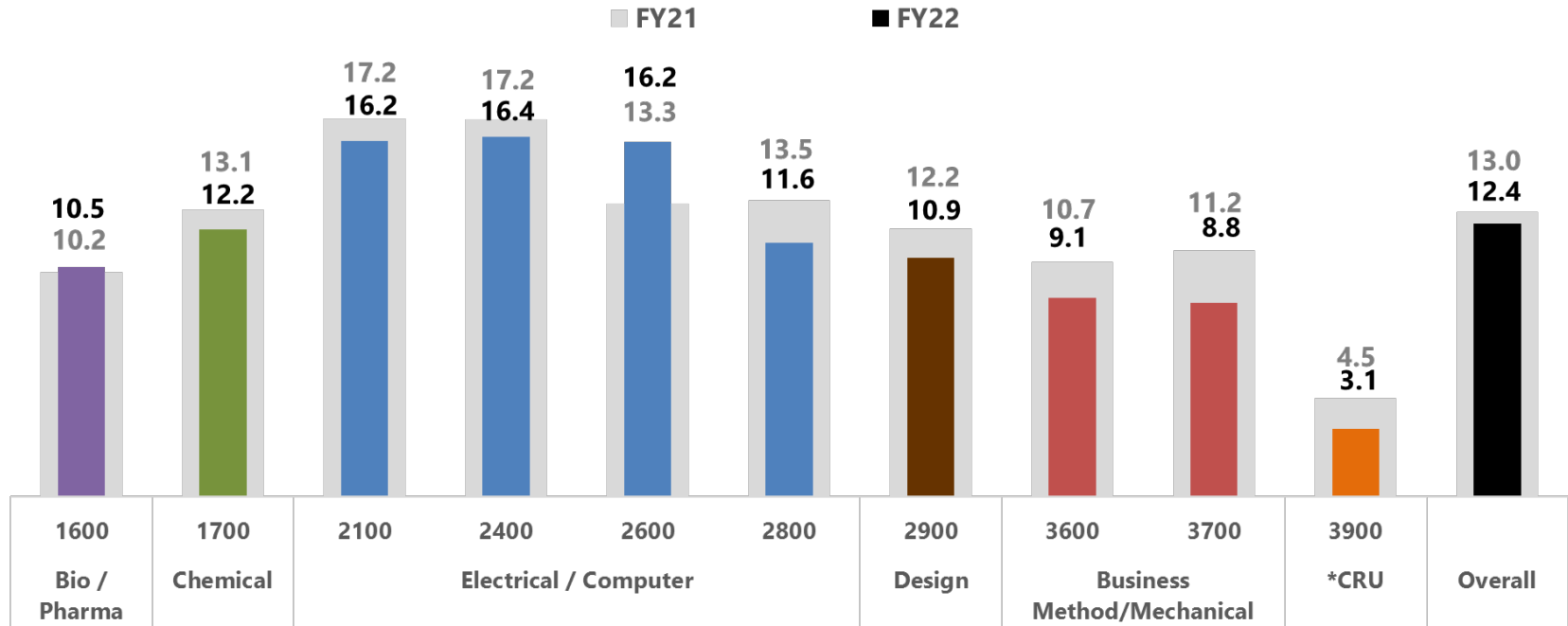
Pending appeals FY10 to FY22

(Sept. 30, 2010 – Dec. 31, 2021)



Pendency of decided appeals

(Oct. 2020 – Dec. 2020 compared to Oct. 2021 – Dec. 2021)



Pendency is calculated as average months from Board receipt date to final decision.

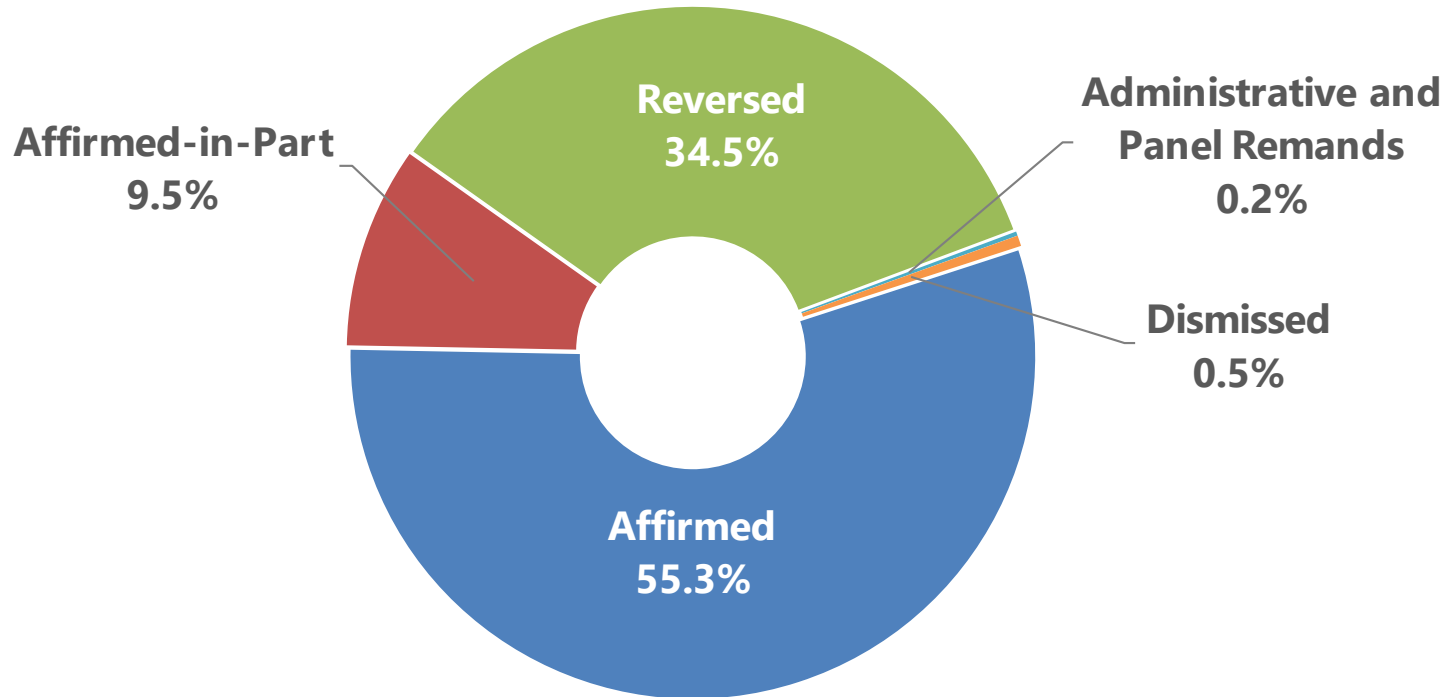
Pendency is calculated for a three month period compared to the same period the previous year.



*CRU (Central Reexamination Unit) decisions include 14 *ex parte* reexams, 0 *inter partes* reexam, 2 supplemental examination review, and 5 reissues from all technologies for Oct. 2021. – Dec. 2021.

Appeal outcomes in FY22

(Oct. 1, 2021 - Dec 31, 2021)



Appeals vs. RCE – Options after final rejection

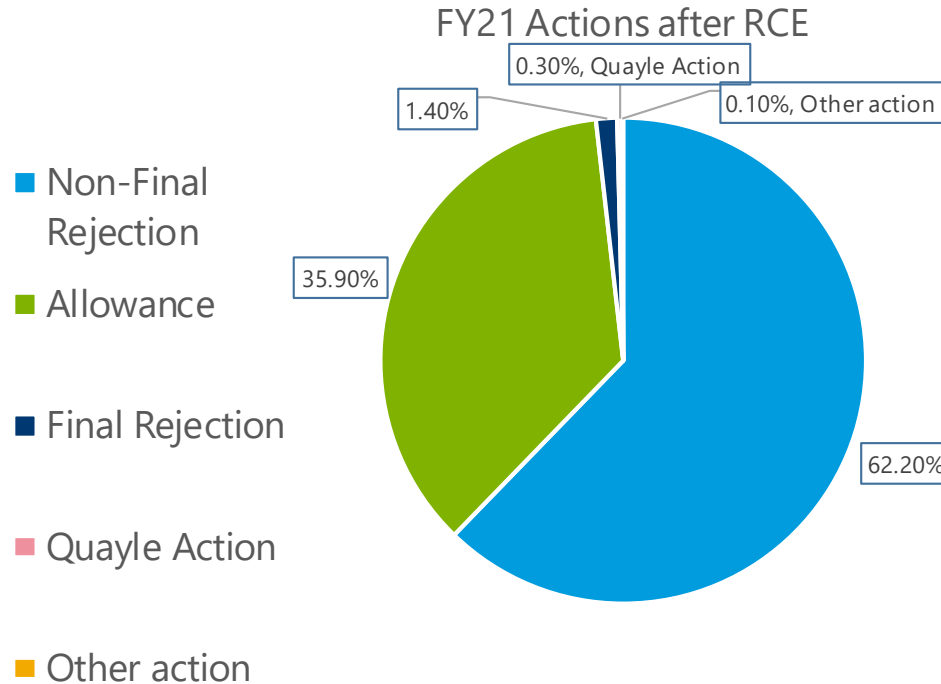
Appeals and RCEs, compared

- Comparing RCEs with PTAB appeals:
 - (a) Decision makers;
 - (b) Scope of evidence and arguments;
 - (c) Timing; and
 - (d) Costs.

Decision makers

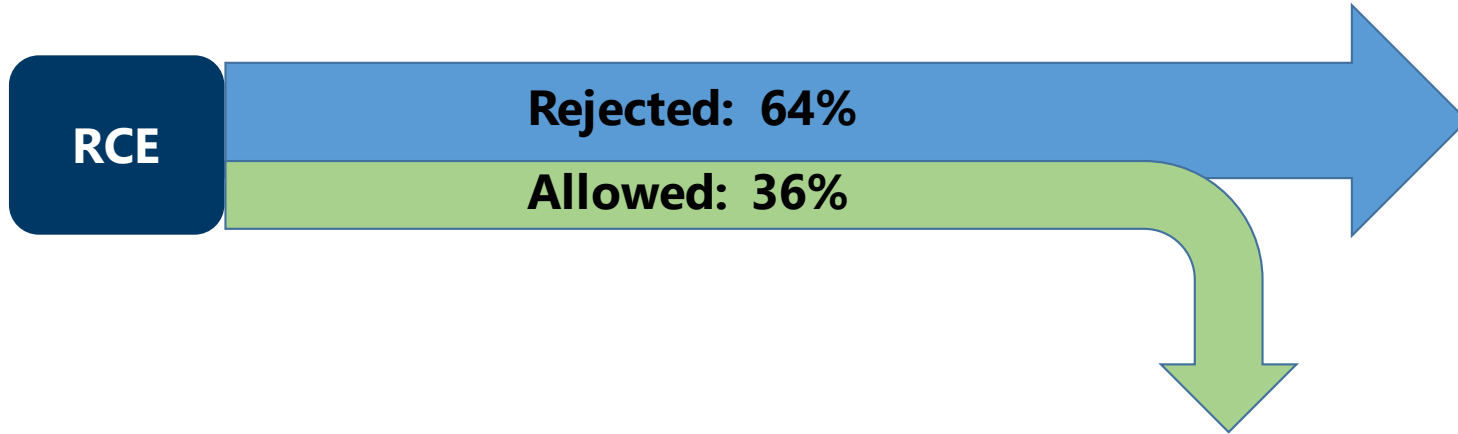
- **RCEs:**
 - Typically the examiner of record continues the examination of the application after entry of the responsive submission accompanying the RCE.
- **Appeals to PTAB:**
 - Pre-Appeal Brief Conference Pilot Program: An optional review by a three-examiner conference (including supervisor and examiner of record) that may be requested with filing of Notice of Appeal.
 - Appeal Conference: A review by a three-examiner conference (including supervisor and examiner of record) after Appeal Brief.
 - Decision: After docketing at PTAB, typically decided by three PTAB administrative patent judges (APJs).

Outcomes of the action immediately responsive to a filed RCE



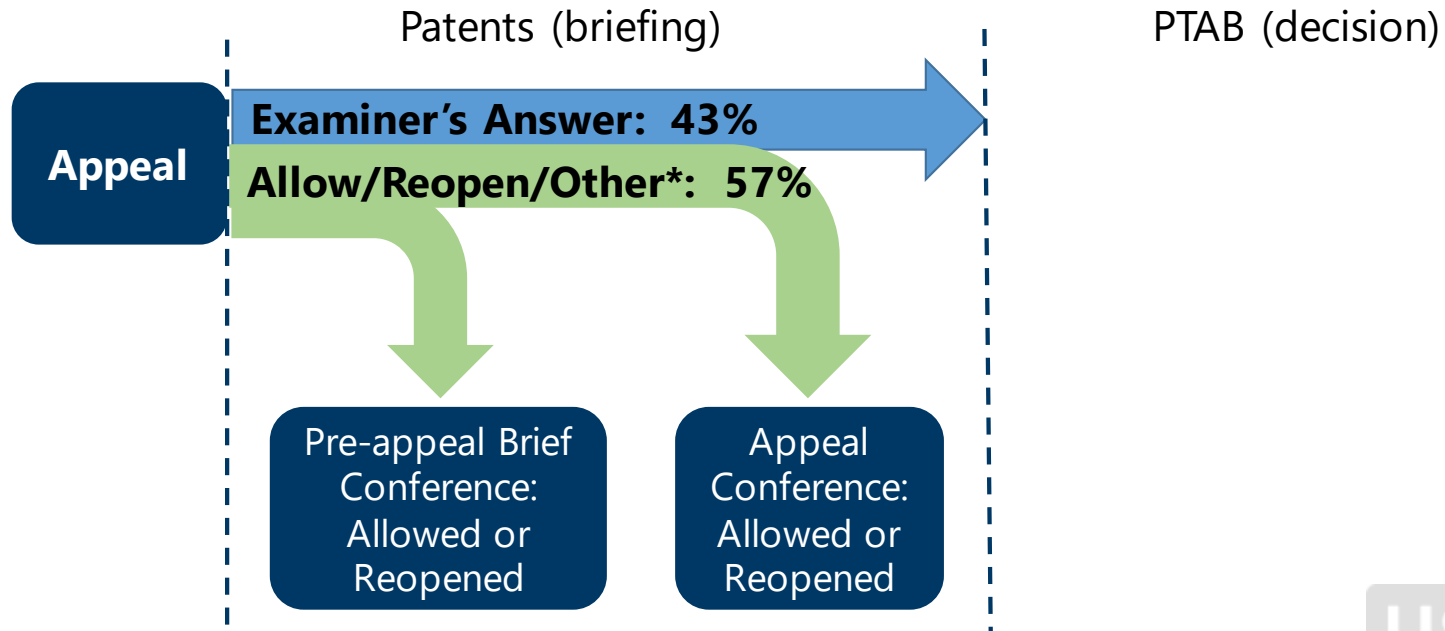
Next action after RCE

(FY21)



Appeal: Pre-Board reviews

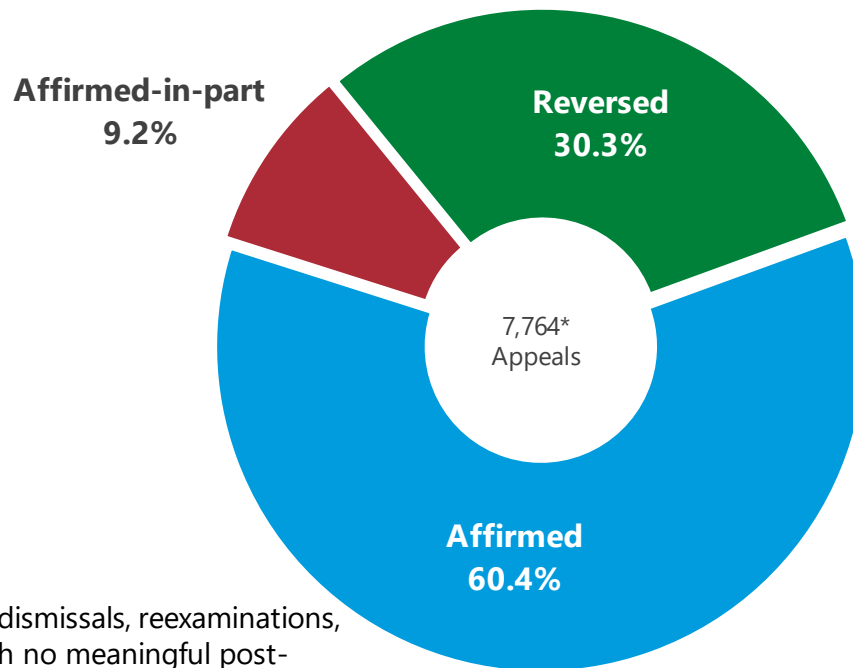
Only 43% of Appeals result in an Examiner's Answer (FY 2010-2020, +/-3%)



* e.g., Applicant files an RCE.

Appeal: Board outcomes

(Oct. 1, 2019 – Sept. 30, 2020)

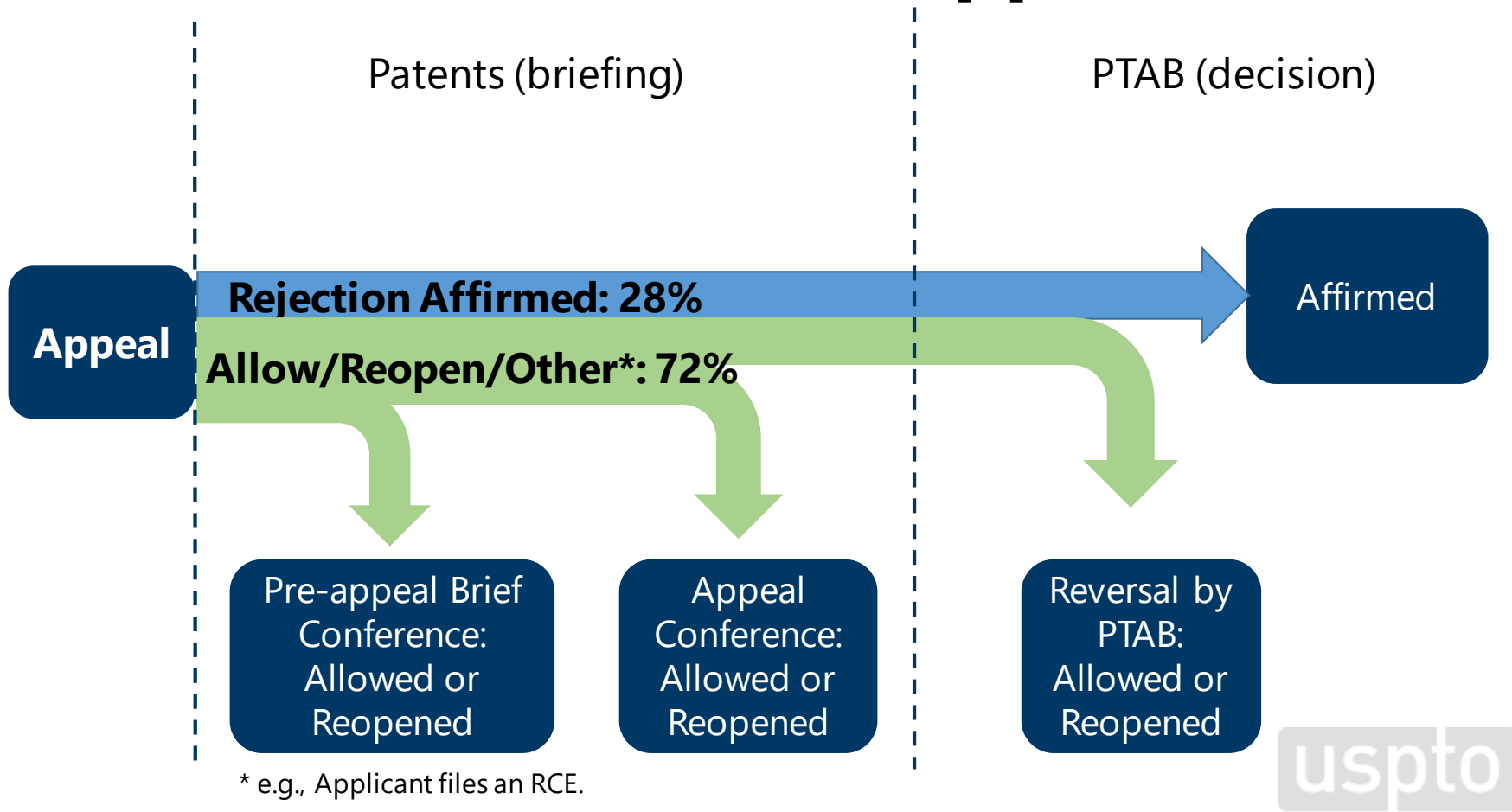


*Excludes remands, dismissals, reexaminations, and applications with no meaningful post-appeal event.

Slide 9 of [https://www.uspto.gov/sites/default/files/documents/PTABBoard sideChat--optionsafterafinalrejection--July152021 final.pdf](https://www.uspto.gov/sites/default/files/documents/PTABBoard%20sideChat--optionsafterafinalrejection--July152021final.pdf).

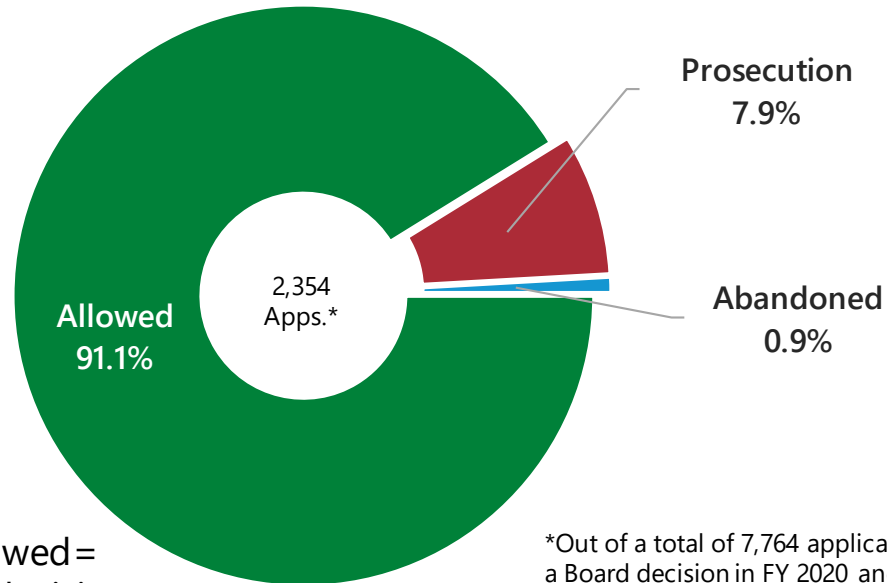


Overall outcome after appeal



What happens in the application after the rejection of the claims is reversed?

(Oct. 1, 2019 – Sept. 30, 2020)



30.3% reversal * 91.1% allowed =
~27% allowance after PTAB decision

*Out of a total of 7,764 applications that received a Board decision in FY 2020 and had a meaningful subsequent action

Slide 9 of [https://www.uspto.gov/sites/default/files/documents/PTABBoard sideChat--optionsafterfinalrejection--July152021 final.pdf](https://www.uspto.gov/sites/default/files/documents/PTABBoard%20sideChat--optionsafterfinalrejection--July152021final.pdf).



Scope of evidence and arguments

- RCEs:
 - In accompanying paper, can present new evidence, new arguments, and certain new claim amendments.
 - Can request an examiner interview.
- Appeals to PTAB:
 - New evidence and claim amendments are limited after filing an appeal.
 - Appellant generally may only rely on a new argument in the appeal brief but not in a reply brief (unless a new ground of rejection in the answer).
 - Can request an oral hearing, some of which are held in regional offices*.

* Currently either video or phone, check <https://www.uspto.gov/patents/ptab/hearings>



Timing: overview

- RCEs:
 - Examiner responds to RCE in about 2.5 months.
- Appeals to PTAB:
 - PTAB issues a decision on appeal about 12-13 months after the appeal forwarding fee is paid.

Timing: the one-year appeal

| Document | Typical (months) | Prompt Appellant (months) | Prompt + PTAB Fast-Track |
|--------------------|------------------|---------------------------|--------------------------|
| Final Rejection | 4 | 1 | 1 |
| Notice of Appeal | 3 | 1.5 | 1.5 |
| Appeal Brief | ~2.5 | ~2.5 | ~2.5 |
| Examiner's Answer* | 2 | 1 | 1 |
| Reply Brief | ~12 | ~12 | <6 |
| Decision | | | |

Final-to-Decision (months):

~23

~18

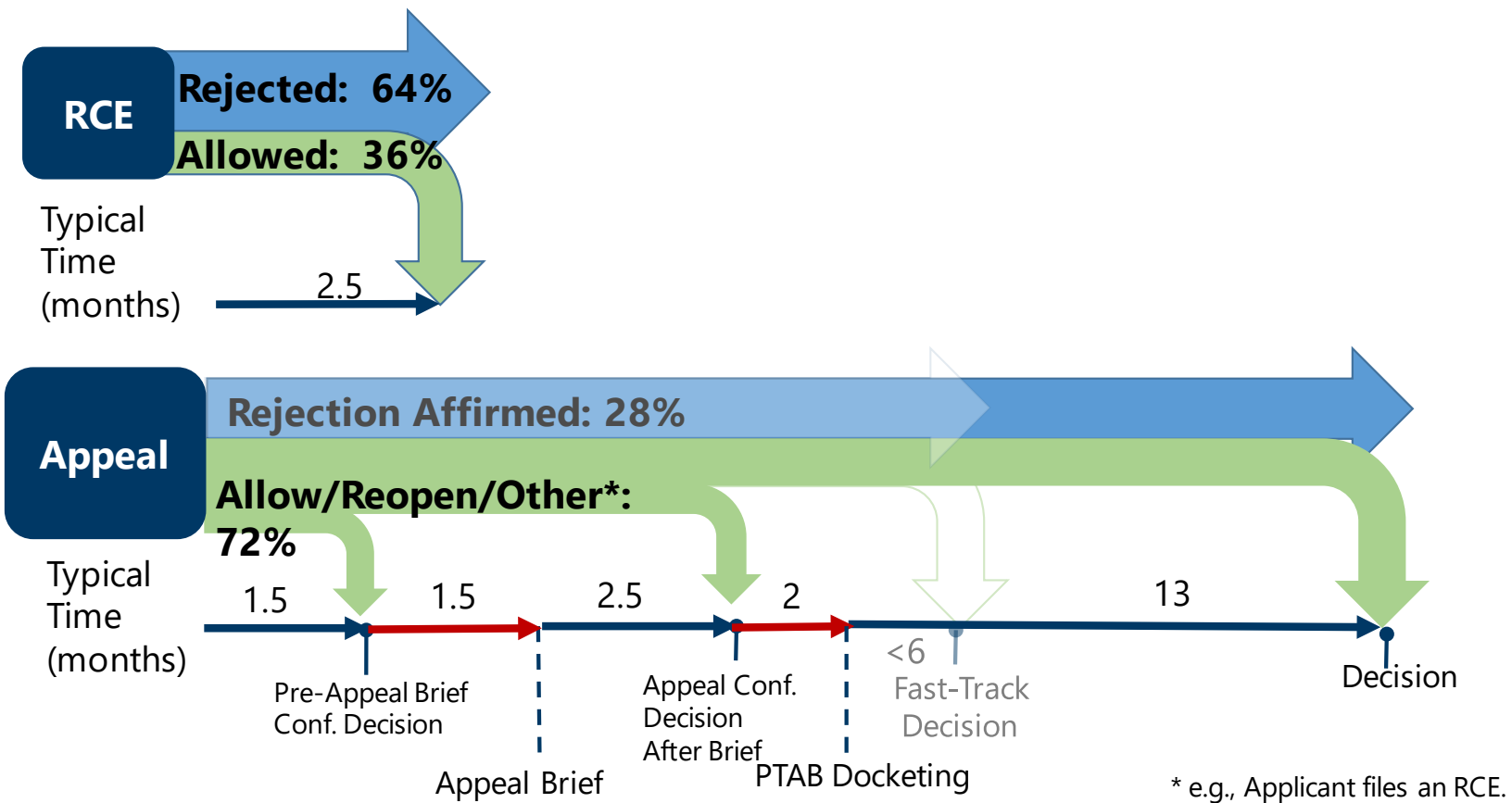
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- Where an Appellant would like to conclude an appeal quickly, the time frames for the briefing stage show how such appeals may proceed. It is not appropriate for all appeals.

https://www.uspto.gov/sites/default/files/documents/boardside_chat_20210218_one_year_fasttrack_postappeal.pdf



Outcomes + timing



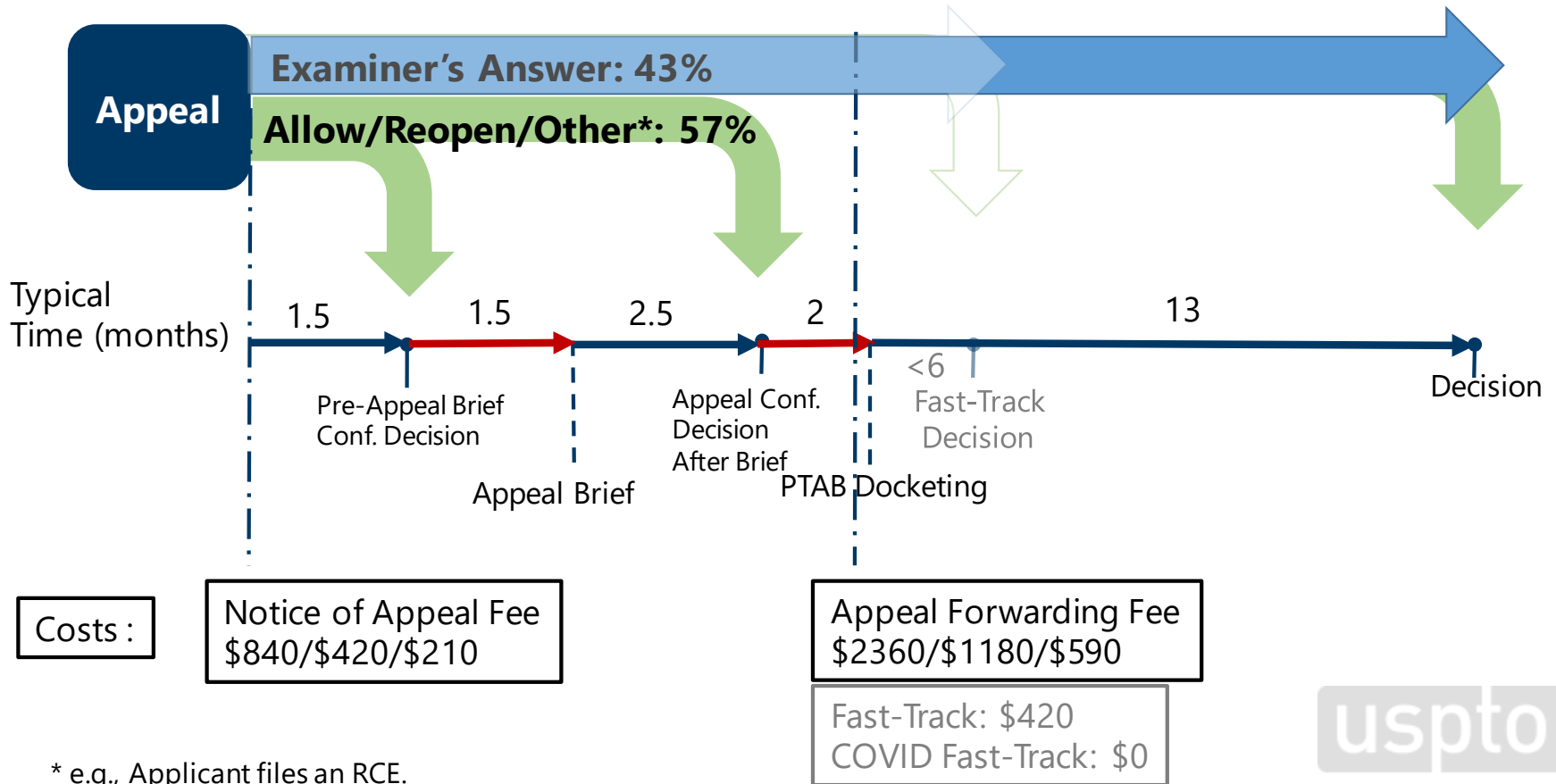
Costs*

- **RCEs:**
 - 1st request: \$1,360/\$680/\$340;
 - 2nd and subsequent requests: \$2,000/\$1,000/\$500;
 - Costs to prepare response to final rejection.
- **Appeals:**
 - Notice of appeal fee: \$840/\$420/\$210;
 - Appeal forwarding fee: \$2,360/\$1,180/\$590;
 - Fast-Track Appeals petition fee: \$420 (\$0 if COVID-19 Related);
 - Costs to prepare appeal brief and reply brief;
 - Request for oral hearing fee: \$1,360/\$680/\$340.

*shown as undiscounted/small entity/micro entity, as applicable



Outcomes + timing + cost



Saving time and costs with the appeal brief tool

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Preparing an ex parte appeal brief

Are you an independent inventor looking to appeal a patent examiner's rejection of your claims without the assistance of an attorney, which is called acting "pro se" in your appeal? If so, you're in the right place.

If any of the claims in a patent application has been twice rejected or finally rejected by a patent examiner, you may seek review as an appellant before the Patent and Trial Appeal Board (PTAB).

An appellant and the examiner may submit written papers known as "briefs" to explain their respective positions. The process begins when an appellant files a "notice of appeal" followed by an appellant's "appeal brief." The examiner usually responds with an "answer" to address the appellant's argument made in the "appeal brief." The appellant may, but doesn't have to, then file a "reply brief" to address the "answer."

Once fully briefed, your appeal will be considered by a panel of three administrative patent judges at the Board. The panel will review the briefs and render a decision, either maintaining ("affirming") or not maintaining ("reversing") all or part of the examiner's rejection.

For help creating your appeal brief, see the documents below:

- A [Word document](#) template that serves as the starting point for your brief; and
- A [PDF](#) that provides general guidance on the various sections in the template

With these two documents and, if needed, the [relevant cited rules](#) and the [Manual of Patent Examining Procedure](#), you should be well on your way to drafting your appeal brief.

Other resources:

- [To file your appeal brief, go to EFS-Web](#)
- [New to PTAB](#)
- [Contact information for the Board](#)

<https://www.uspto.gov/patents/patent-trial-and-appeal-board/resources/preparing-ex-parte-appeal-brief>

https://www.uspto.gov/sites/default/files/documents/ptab_boardside_chat_preparing_an_appeal_brief.pdf



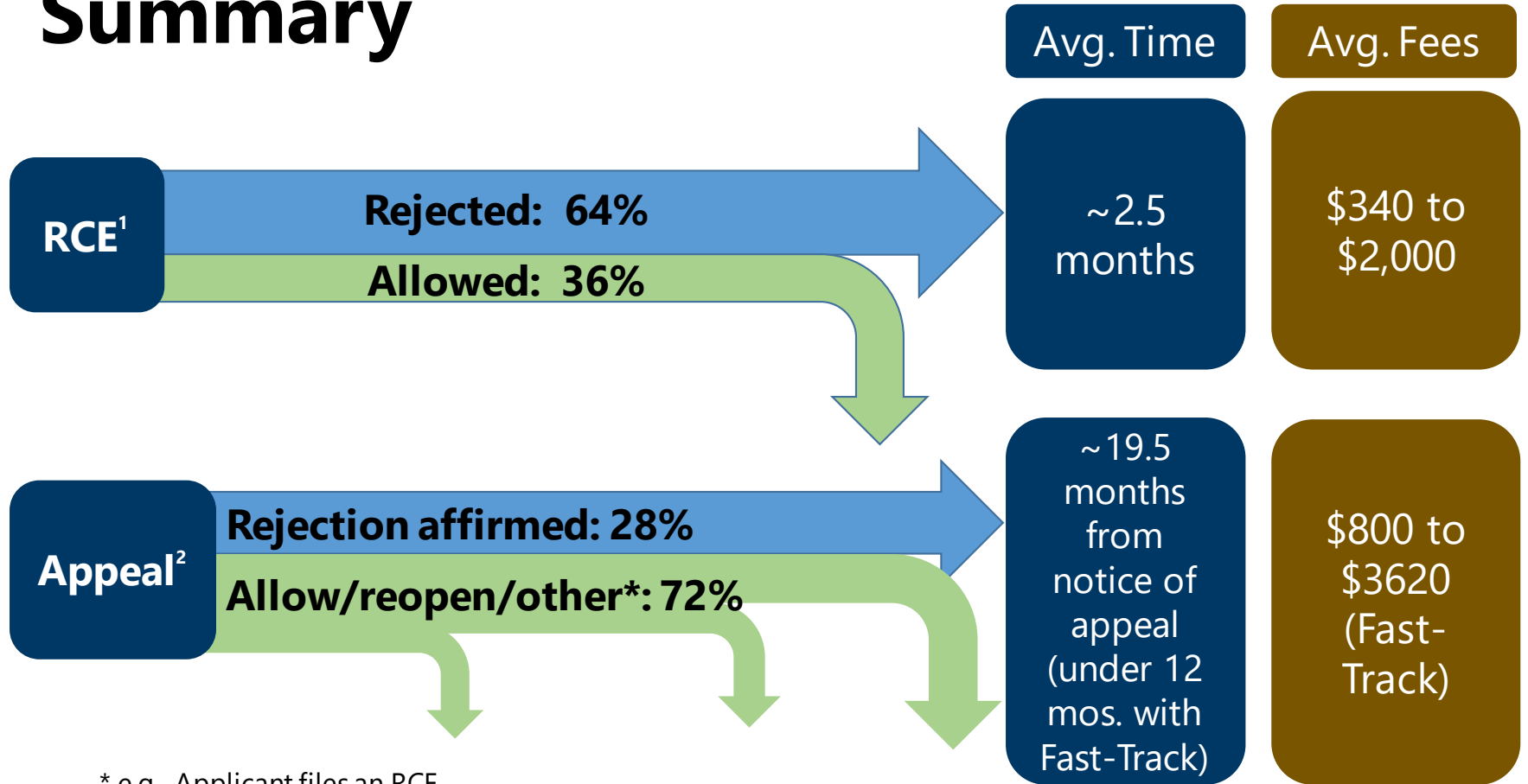
Other benefits of an appeal to PTAB:

- Unlike for RCE, for a reversal, receive patent term adjustment for entire appeal period.
- May take additional issues off the table in a post grant challenge.

Summary

- The facts of the case are the best guide to selecting how to proceed after final rejection.
- There are faster options for appeals.
 - Typically ~12 months after forwarding fee paid.
 - Can be 2 months or less with Fast-Track.
- Appeals have multiple “off-ramps.”
 - After each of the Pre-Appeal Brief Conference and Appeal Conference, many applications allowed or reopened.

Summary



* e.g., Applicant files an RCE.

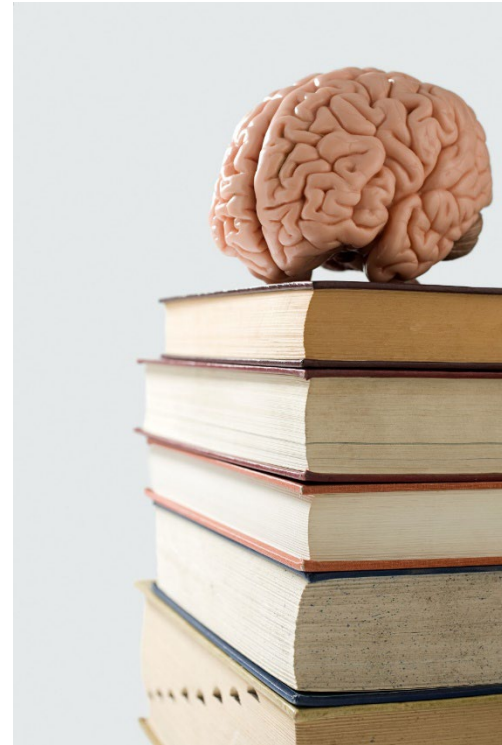
¹ FY21 data

² Statistics based on FY10-FY20 Patents data and FY20 PTAB data

Tips for written advocacy in appeal briefs

Argument: preliminary steps

- Review the prosecution history of your application
- Decide which rejections and which claims to address
- Identify your strongest arguments



Argument: strategic considerations



- There is no limit on the number of pages
 - BUT the clearer and more concise your arguments, the better your chances of prevailing
- Present your strongest arguments first
 - Avoid diluting your strong arguments with weaker ones
- **BUT** keep in mind: Any rejection you do not address, and any argument you do not present, cannot be argued later

Argument: suggested format

- Address each ground of rejection under a separate heading
- Identify the ground of the rejection by claim number, statutory basis, and references (if any)

Example:

- I. Whether claims 1-3 are unpatentable under 35 U.S.C. § 103 over Reference A in view of Reference B
- II. Whether claims 1-3 are unpatentable under 35 U.S.C. § 103 over Reference C in view of Reference D

Argument: claim grouping

- If the same argument applies to two or more claims, consider arguing the claims as a group under a single heading or sub-heading



Example:

I. Whether claims 1-3 are unpatentable under 35 U.S.C. § 103 over Reference A in view of Reference B

Claim 1 is patentable over the combination because ...

Claims 2 and 3 are patentable for the same reasons presented for claim 1.

Argument: arguing claims separately

- Use a separate heading or sub-heading for any claim that you want the PTAB to consider separately



Example:

I. Whether claims 1-3 are unpatentable under 35 U.S.C. § 103 over Reference A in view of Reference B

A. Claims 1 and 2

Claim 1 is patentable over the combination because ...

Claim 2 is patentable for the same reasons.

B. Claim 3

Claim 3 is patentable over the combination for a separate reason ...

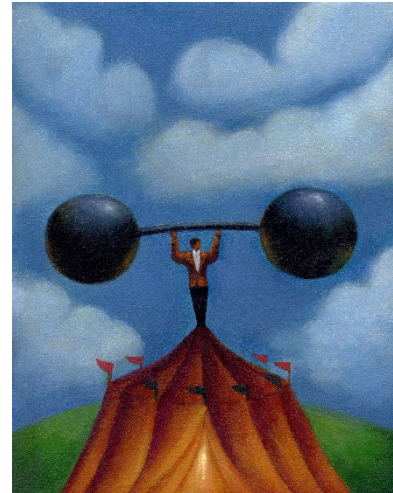
Argument: burden

- The initial burden of proof rests with the examiner to clearly state the reasons for the rejection
- After the examiner satisfies his burden, then the burden shifts to you to explain why you believe the examiner has made an error



Argument: explain why

- For ANY argument of examiner error, ALWAYS give reasons to support your position
- It is not persuasive to simply state that the examiner erred without explaining why
 - Because, because, because



Common arguments to show that the examiner erred

Common arguments

- Present well-supported arguments to show that the examiner:
 - misunderstood or mischaracterized the claimed invention or the pending claims,
 - misunderstood the cited prior art, and/or
 - misunderstood the law or legal basis for the rejection

Argument: misunderstood the invention

- The examiner's characterization of the claimed invention, or the examiner's interpretation of the claim language, is inconsistent with your specification

Example:

A person of ordinary skill in the art would have understood from the specification, for example, at paragraph [identify specific portions of the specification] that claim limitation X means

The examiner's interpretation of claim limitation X is improper because

Argument: misunderstood the prior art

- The examiner's understanding of a prior art reference is incorrect, e.g., why the examiner erred in finding that the prior art reference discloses or suggests a particular claim element

Example:

Reference A does not disclose or suggest ... , as recited in claim limitation X, because

Argument: misunderstood the law

- The examiner failed to apply the law correctly

Example 1:

The examiner has not set forth sufficient reasoning to combine Reference A and Reference B because ...

Example 2:

A person of ordinary skill in the art would not have combined Reference A and Reference B, as the examiner proposes, absent knowledge of the claimed invention, because ...

Argument: use of evidence

- Direct the Board's attention to evidence in the record, e.g., prior art of record, or affidavits or declarations from experts, that supports your argument

Example 1:

The examiner's interpretation of ... is overly broad and unreasonable. As X explains in his declaration, a person of ordinary skill in the art at the time of appellant's invention would have understood ... to mean ... because ...

Example 2:

The rejection under 35 U.S.C. § 103 is improper because, as X explains in her declaration, a person of ordinary skill in the art, at the time of appellant's invention, would not have combined References A and B because ...

Argument: use of case law

- If you are aware of case law, i.e., a previous decision of the PTAB or a federal court, that supports your position, explain how the case applies to the facts of your case and shows that the examiner erred

Tips for oral advocacy in appeals

Purpose of a PTAB hearing

- For PTAB hearings, all evidence and argument is already in the record
 - New evidence is *not* permitted
 - New argument is *not* permitted
- The panel will have reviewed the case and may have preliminary conclusions
 - Questions will focus on issues critical to their decision
- As a result, oral argument usually is like a Q & A
- The hearing is an opportunity to persuade the panel that the existing record supports your position



PTAB judges

- PTAB judges sit in 3-judge panels
- PTAB judges
 - have legal *and* scientific training
 - come into the hearing with:
 - knowledge of the technology, background, and prior art
 - knowledge of the evidence and arguments of record
 - unresolved questions regarding dispositive issues
 - some preliminary conclusions on the merits
- They are concerned with the record, not how well you work a courtroom

Remote PTAB hearings

- Due to the covid-19 pandemic, all hearings will be conducted remotely by video until further notice
- The public may request live video access to hearings by contacting PTABHearings@USPTO.gov
- Judges have a copy of the record
 - Refer to specific page numbers in briefs



In-person PTAB hearings

- Hearings generally are public
- At least one judge normally will appear live
- Judges often appear remotely via video from:
 - A hearing room in a different regional office, or
 - A personal office
- There may be remote observers via video (e.g., counsel, members of the public).



PTAB hearing flow

- Introductory remarks by presiding judge
- Counsel appearances
- Argument



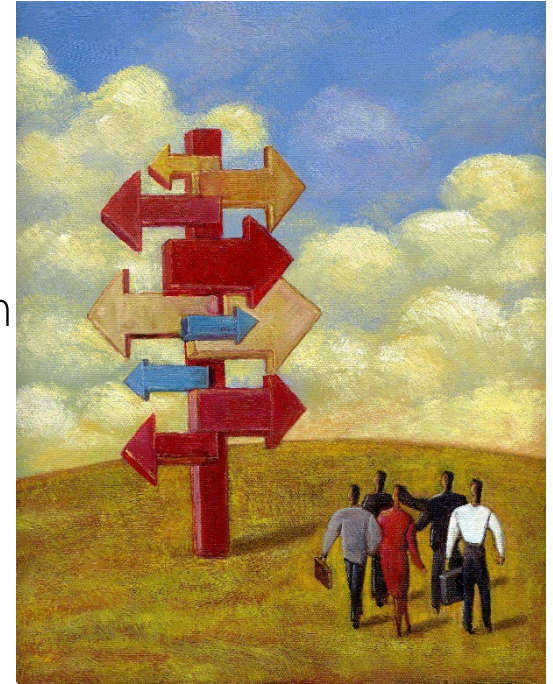
Use your time at PTAB effectively

- Appeals arguments are typically 20 minutes
- You may *not* exceed time unless authorized
- Be organized and concise:
 - Background typically is unnecessary
 - Think modular
 - Roadmap critical issues and dive in
- Address weaknesses



But, remember ...

- Judges may jump in and ask you to address specific issues or questions in a different order
 - Follow that lead!
 - Judges ask about areas critical to their decision
 - This is an opportunity to persuade the panel to see an important issue your way
 - Be flexible and welcome questions
 - Even if you never return to your roadmap, robustly answering the panel's questions is time well spent



Answering questions at PTAB

- Three steps:
 1. Be sure you understand the question
 2. Consider its importance to your case
 3. Answer and address the opposing view
- Do not evade
 - Answer, or
 - Ask to return to the question after you have considered it more, or
 - If not relevant, explain why (but be prepared to answer anyway)



Answering hard questions at PTAB

- All cases have weaknesses
 - They cannot be avoided at the hearing, so prepare ahead
- Concede where appropriate
 - Concessions enhance your credibility and save time for other issues on which you might prevail
- If the hard question is not dispositive, explain why you prevail either way

Additional resources

- The Patent Trial and Appeal Board: Guide to the administration of oral hearings before the Patent Trial and Appeal Board (Oct. 15, 2020)
- https://www.uspto.gov/sites/default/files/documents/PTAB_hearings_guide_101520.pdf



Legal Experience and Advancement Program (LEAP)

Legal Experience and Advancement Program (LEAP)

- Goal: to foster the advancement of the next generation of patent practitioners through skills development and oral advocacy opportunities at the PTAB
- Targeting patent agents and attorneys newer to the practice of law or to the PTAB
- <https://www.uspto.gov/leap>



LEAP eligibility



- To qualify for LEAP, a patent agent or attorney must have:
 - Three (3) or fewer substantive oral arguments in any federal tribunal, including PTAB

LEAP benefits

- Board grants additional argument time to the party, typically up to fifteen minutes, including for appeals
 - Remember, an *ex parte* appeals hearing is typically 20 minutes, so LEAP adds a notable amount of time!
- Additional time is for the *party*
 - Time may be allocated between counsel
 - LEAP practitioner must have a substantive role



LEAP statistics

